

ONTARIO ENERGY BOARD

IN THE MATTER OF the Ontario Energy Board
Act, 1998, S.O. 1998, c.15 (Sched. B);

AND IN THE MATTER OF an Application by
Natural Resource Gas Limited for an order or orders
approving or fixing just and reasonable rates and
other charges for the sale, distribution, transmission
and storage of gas as of July 1, 2008;

AND IN THE MATTER OF the Quarterly Rate
Adjustment Mechanism.

APPLICATION

1. As part of the EB-2008-0031 Decision and Order dated March 25, 2008 the Board approved a PGCVA reference price of \$0.351880 per m³ and a gas supply charge of \$0.362417 per m³, both effective April 1, 2008.
2. Based on actual and forecast natural gas prices for the July, 2007 through June, 2008 period the PGCVA balance is projected to be a debit of approximately \$20 per residential customer. If unadjusted, the projected PGCVA balance at the end of June, 2009 would be a debit of approximately \$177 per residential customer.
3. The PGTVA balance is projected to have a credit balance of approximately \$6 per residential customer over this period. NRG is not requesting any change to the PGTVA reference price in this proceeding. The actual PGTVA balance at the end of Fiscal 2007 will be disposed of through a separate application.
4. Based on the requested change in the PGCVA reference price effective July 1, 2008, the GPRA, if unadjusted, would have a projected debit balance of approximately \$238,000.00, including accumulated interest, at the end of June, 2009.

5. NRG hereby applies to the Board for further orders effective July 1, 2008 as follows:

- a) an order changing the reference price authorized by the Board's EB-2008-0031 rate order for use in determining the amounts to be recorded in the Purchased Gas Commodity Variance Account (Account No. 179-27) by \$0.086632 per m³ from the Board approved level of \$0.351880 per m³ to \$0.438512 per m³;
- b) an order changing the rates and other charges from those authorized by the Board's EB-2008-0031 rate order to reflect a projected \$0.097508 per m³ change in the gas supply charge from the Board approved level of \$0.362417 m³ to a projected cost of \$0.459925 per m³. This change is the sum of the change in the PGCVA reference price and the change required to prospectively clear the balance of the GPRA.

6. This application will be supported by written evidence that will be pre-filed with the Board and intervenors of record in EB-2005-0544.

7. The address of service for Natural Resource Gas Limited is:

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And

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Dated at Aylmer, Ontario, this 3rd day of June, 2008.

NATURAL RESOURCE GAS LIMITED

Mark Bristol
Chairman

NATURAL RESOURCE GAS LIMITED

INTRODUCTION

As part of the EB-2008-0031 Decision and Order dated March 25, 2008, the Board approved a PGCVA reference price of \$0.351880 per m³ and a gas supply charge of \$0.362417 per m³, both effective April 1, 2008.

In EB-2005-0544 (Decision with Reasons dated September 20, 2006), the Board approved a Purchased Gas Transportation Variance Account ("PGTVA") reference price of \$0.019029 per m³, effective October 1, 2006.

In RP-2002-0147/EB-2003-0286 (Accounting Order dated January 30, 2004), the Board approved a Gas Purchase Rebalancing Account ("GPRA") to record the increase (decrease) in the value of the gas inventory available for sale to sales service customers due to changes in NRG's PGCVA reference price. In EB-2008-0031, the Board approved a GPRA rate of \$0.008709 per m³.

NRG is proposing to adjust the gas supply charge, the GPRA rate and the PGCVA reference price effective July 1, 2008 to reflect an updated forecast of gas costs, the projected balance in the PGCVA and the projected balance in the GPRA.

NRG is not proposing any change to the PGTVA reference price as part of this proceeding.

PGCVA

Updated Forecasts

The purpose of this evidence is to provide the projected PGCVA account balance for the twelve-month period ending June, 2008 and for the twelve-month period ending June, 2009. Based on actual and forecast costs, the PGCVA account balance totals a charge of \$19.68 per residential customer for the twelve month period ending June, 2008 (Schedule

June, 2008

2). This debit, in the absence of a change in the PGCVA reference price, would become a debit of \$177.37 per residential customer by the end of June, 2009 (Schedule 5).

The current forecast reflects the forecast for natural gas prices over the relevant period. These gas prices reflect current market conditions, including alternative energy prices, demand for natural gas, the weather outlook and the impact of current storage levels.

The PGCVA balance has been calculated using the most recent information available, including actual volumes and costs through March, 2008. The remaining months in the twelve-month period ending June, 2008 are calculated using estimated prices based on the best information available at the current time. Forecast prices have been used for the period July, 2008 through June, 2009 period, except where actual contracted prices are available.

The gas supply portfolio reflects the current and forecasted mix of delivery points utilized by NRG for system gas purchases.

Gas Supply Portfolio

NRG's gas supply portfolio includes local production, deliveries of Western Canadian gas at the Alberta border and purchases at Parkway on the Union Gas ("Union") system. When required, NRG also purchases additional Ontario Delivered gas in February and/or September. The requirement for these purchases is discussed below.

NRG is required to balance its total supply with its total demand on the Union Gas system on an annual basis, at the time that the direct purchase contract with Union Gas is renewed. This may entail NRG purchasing Ontario Delivered gas or shedding excess gas.

NRG is a direct purchase customer on the Union Gas system. Under its bundled transportation contract, NRG is obligated to deliver a fixed amount of gas each day to

Union. This amount is determined by Union and is based on the expected annual volume divided by 365.

Additional Ontario delivered gas that may be purchased in February of each year is required for NRG to meet its forecast banked gas account winter balancing checkpoint on the Union Gas system at the end of February if consumption is greater than forecast. The Board approved this requirement for Bundled-'I' customers on Union's system in RP-2003-0063 (Decisions with Reasons, dated March 18, 2004).

NRG is currently required to deliver 1,500 GJ/day to Union Gas. Of this amount, NRG has assigned a total of 180 GJ/day to its direct purchase customers, leaving 1,320 GJ/day for system gas customers. The composition of this 1,320 GJ/day is 581 GJ/day at AECO and 739 GJ/day at Parkway. NRG is not projecting any change to these figures in the relevant time period covered by this application.

The composition of the gas deliveries for direct purchase and system gas customers is shown in the following table.

GJ/s per Day

Delivery Point	Oct., 2007	Oct., 2008
Direct Purchase	180	180
AECO	581	581
Parkway	739	739
Dawn	0	0
Total	1,500	1,500

In addition to the obligated deliveries described above, NRG purchases gas from local producers in its franchise area.

As indicated previously, NRG is required to balance its supply with its demand on the Union system to within +/- 4% at the end of the contract year under its bundled transportation contract with Union. The bundled transportation contract year-end corresponds with the end of NRG's fiscal year (September 30). NRG purchases

1 additional balancing gas (or Ontario Delivered gas) or sells gas and/or reduces deliveries
2 such that total demand on the Union system is offset by the supply provided to Union Gas
3 to remain within the contract parameters.
4

5 The composition of the gas supply portfolio volumes for the July, 2007 through June,
6 2008 period is shown on the top of Schedule 3. This schedule shows the monthly volume
7 of gas purchased or forecast to be purchased from local producers, obligated deliveries at
8 Dawn, Parkway and the Alberta border (Western), and balancing gas (Ontario Delivered).
9 Similarly, the composition of the gas supply portfolio volumes for the July, 2008 through
10 June, 2009 period is shown on the top of Schedule 6.
11

12 Gas Costs

13 NRG's actual and forecast gas costs for the July, 2007 through June, 2008 period, by
14 source of supply, are shown in Schedule 4 in \$/GJ. These prices are also shown in the
15 middle section of Schedule 3 in \$/m³. The conversion factor used is based on the heat
16 values used by Union Gas in their calculation of NRG's Banked Gas Account balances.
17 The conversion factors used are shown in Schedule 4. All prices shown are actual prices
18 paid in July, 2007 through March, 2007. Prices for the remaining months in this period
19 are based on estimated and contracted prices to be paid in these months.
20

21 Prices for July, 2008 through June, 2009 are based on prices averaged over 10 days in the
22 period May 13, 2008 through May 28, 2008. NRG attempted to use 10 consecutive
23 trading days for the average prices. However, NRG was not able to obtain the necessary
24 pricing information from its suppliers for May 16th. Pricing information was unavailable
25 on this day to computer problems at the provider of this information. This period also
26 included a holiday long weekend. These prices are shown in Schedule 7 in \$/GJ and in
27 the middle section of Schedule 6 in \$/m³. Gas prices for each of the sources of supply are
28 described below. In addition to the above, contracted prices have been used where
29 purchase decisions have been made.
30

1 The first source of supply noted in Schedules 4 and 7 is "Local Production (A)". This
2 refers to gas that is produced in NRG's franchise area and purchased from a related
3 company. This gas has been contracted for through September 30, 2008 at a fixed price
4 of \$0.3012/m³ (Schedule 6). The forecast price of \$11.212/GJ shown in Schedule 7 for
5 the October, 2008 through June, 2009 period is the forecast price for Dawn gas in these
6 months.

7
8 The second source of local production is noted as "Local Production (B)" in Schedules 4
9 and 7. The price paid for this gas is for Dawn delivery. NRG is not forecasting the
10 purchase of any gas from this source in the July, 2008 through June, 2009 period.

11
12 NRG also purchases gas for delivery at Parkway and Empress. The pricing of this gas at
13 these delivery points is discussed below.

14
15 The Empress price over the July, 2008 through June, 2009 period shown in Schedule 7
16 (Western Deliveries) is based on a combination of forecast prices and actual contracted
17 prices. The average Empress delivery rate forecast is \$10.6934/GJ in July, \$10.725/GJ in
18 August, \$10.763/GJ in September and October, \$11.392/GJ in November through March
19 and \$9.704/GJ in April through June. Fuel costs of 6% are included in these rates.

20
21 The average Empress delivery rate includes two fixed price contracts. The first fixed
22 price contract is for 250 GJ per day at a price of \$9.960/GJ over the July through October
23 period. The second fixed price contract covers the same period, but is for 150 GJ per day
24 at a price of \$10.570/GJ. The remaining 181 GJ per day to be purchased at Empress has
25 been priced based on the 2008 summer strip, and November 2008 through March 2009
26 winter strip and the November 2008 through October 2009 one year strip average price
27 forecasts from the May 13, 2008 through May 28, 2008 period.

28
29 The Parkway price over the July, 2008 through June, 2009 period is also based on a
30 combination of actual contracted prices and forecast prices over this period. In particular,

1 NRG has two contracts over the July 2008 through October 2008 period each for 250 GJ
2 per day. These contracts are at prices of \$11.370/GJ and \$12.140/GJ. NRG also has
3 contracted for the delivery of 100 GJ/day at a price of \$13.00/GJ over the November
4 2008 through March 2009 period. The remaining Parkway deliveries (239 GJ/day in July
5 2008 through October 2008, 639 GJ/day in November 2008 through March 2009 and 739
6 GJ/day in April 2009 through June 2009) have not been contracted for at this time. The
7 forecasted prices used \$11.664/GJ in July 2008 through October 2008, \$12.652/GJ in
8 November 2008 through March, 2009 and \$10.678/GJ in April 2009 through June 2009.
9 Again, these forecasted prices are based on the 2008 summer strip, November 2008
10 through March 2009 winter strip and the November 2008 through October 2009 one year
11 strip average price forecasts from the May 13, 2008 through May 28, 2008 period.

12
13 NRG is not forecasting the purchase or sale of any delivered gas in September, 2008 for
14 balancing purposes.

15
16 Other Forecast Assumptions

17 A number of other assumptions have been used to calculate the projected balance in the
18 PGCVA. As shown on Schedules 4 and 7, the fuel ratio for Western deliveries has been
19 forecast at 6.0%. This ratio has been reflected in the forecast prices shown in the
20 schedules for western deliveries.

21
22 TCPL tolls have been forecast at a rate of \$1.40/GJ effective June 1, 2008. This updated
23 toll (an increase from \$1.09/GJ) is reflective of the new tolls approved by the National
24 Energy Board on May 27, 2008.

25
26 PGCVA Balance

27 The projected June, 2008 balance in the PGCVA is a debit of \$193,493.83, including a
28 debit of \$45,177.79 in accumulated interest, based on the Board approved short term
29 interest rate. This estimate is based on actual and forecasted purchases and the balance
30 brought forward from June, 2007. The PGCVA debit amounts to a charge of

1 approximately \$19.68 for a typical residential customer consuming approximately 1,985
2 m³ per year. These figures are shown on Schedule 2. The interest rate used is that
3 prescribed by the Board.

4
5 Proposed PGCVA Rate Changes

6 Schedule 5 shows the impact at the end of the twelve-month period beginning July, 2008
7 if no change is made to the reference price. At the end of June, 2009, the balance in the
8 PGCVA is a debit balance of \$1,813,141.00, including a debit balance of \$79,365.77 in
9 accumulated interest. This represents a charge of \$177.37 for a residential customer
10 consuming approximately 2,000 m³ per year.

11
12 NRG proposes to adjust the reference price effective July 1, 2008 based on the projected
13 accumulated balance in the PGCVA as of the end of June, 2008 and the forecasted cost of
14 gas over the 12 month period beginning July, 2008 and ending June, 2009. The reference
15 price will be set such that the projected PGCVA balance at the end of June, 2009 would
16 be close to zero.

17
18 NRG's proposal will clear the PGCVA balance on a prospective basis, eliminating the
19 need for retroactive adjustments. This is consistent with NRG's past proposals in QRAM
20 applications, which were accepted by the Board. In those proceedings, NRG indicated
21 that its customers had made clear their opinion on retroactive adjustments. A large
22 percentage of NRG's gas sales volumes are agriculturally based and these customers
23 cannot recover any retroactive charges. The proposal contained in this application is
24 designed to minimize, and eliminate where possible, the existence of further retroactive
25 billing adjustments.

26
27 NRG proposes to change the reference price by \$0.086632 per m³ effective July 1, 2008,
28 from \$0.351880 per m³ to \$0.438512 per m³. The derivation of this rate is shown in
29 Schedule 8. This is the reference price required to bring the PGCVA balance close to

1 zero on a twelve month forecast basis. This change will also be reflected in the gas
2 commodity charge.

4 **GAS PURCHASE REBALANCING ACCOUNT**

5 The impact on the GPRA of the proposed July 1, 2008 change in the PGCVA reference
6 price from \$0.351880 per m³ to \$0.438512 per m³ is a debit of \$242,850.23, as shown on
7 Schedule 9. This figure is shown in column (J) of Schedule 9 and on the June, 2008 line.
8 It is calculated as the change in the PGCVA reference price between July and June,
9 multiplied by the cumulative inventory balance at the end of June. This cumulative
10 inventory balance is the sum of the actual monthly inventory balances for March, 2008
11 and forecasts for the subsequent months. These forecasts will be replaced with actual
12 balances for these months in subsequent QRAM applications as this information becomes
13 available. As well, the monthly inventory balances are based on a deemed level of
14 unaccounted for gas ("UFG") of the total throughput volume, as shown in column (E) of
15 Schedule 9. The 0.0% is the Board approved level of UFG from EB-2005-0544.

16
17 NRG proposes to adjust the gas commodity charge effective July 1, 2008 based on the
18 projected accumulated balance in the GPRA. The adjustment to the gas commodity
19 charge will be set such that the projected GPRA balance at the end of June, 2009 would
20 be close to zero. The rate required to achieve this is shown in column (K) on Schedule 9.
21 Column (P) shows the reduction of the inventory revaluation debit based on this rate of
22 \$0.019585 per m³ over the July, 2008 through June, 2009 period.

23
24 NRG's proposal will clear the GPRA balance on a prospective basis, eliminating the need
25 for retroactive adjustments. This is consistent with NRG's proposal for the continued
26 prospective clearance of the PGCVA and is made with the same reasons in mind as
27 outlined above for the PGCVA. This change will also be reflected in the gas commodity
28 charge.

GAS COMMODITY CHARGE

The system gas supply cost of \$0.001828 per m³ will be maintained. This figure represents the functionalization of additional costs over and above the commodity and transportation costs that form the PGCVA reference price to the gas supply function. These additional costs are portions of the wages and benefits, management fee, return on rate base (working cash) and income taxes. This functionalization is unchanged from that approved in EB-2005-0544.

The change in the gas commodity charge proposed for July 1, 2008 is summarized below. The change in the gas commodity charge reflects both the change in the PGCVA reference price and the change in the recovery of the inventory revaluation amount in the GPRA. The change in the gas commodity charge is as follows:

	EB-2008-0031 <u>Apr. 1, 2008</u>	Proposed <u>July 1, 2008</u>	<u>Difference</u>
PGCVA Reference Price	\$0.351880	\$0.438512	\$0.086632
GPRA Recovery	\$0.008709	\$0.019585	\$0.010876
System Gas Supply Cost	<u>\$0.001828</u>	<u>\$0.001828</u>	<u>\$0.000000</u>
Gas Commodity Charge	\$0.362417	\$0.459925	\$0.097508

PGTVA

PGTVA Balance

Based on the current reference price of \$0.019029 per m³, the projected June, 2008 balance in the PGTVA is a credit of \$68,728.92 including a credit of \$1,740.71 in accumulated interest, based on the Board approved short term interest rate. This estimate is based on actual and forecasted costs over this period. The PGTVA credit amounts to a rebate of approximately \$6.29 for a typical residential customer consuming approximately 1,985 m³ per year. These figures are shown on Schedule 10.

Schedule 11 shows the impact at the end of the twelve-month period beginning July, 2008 based on the reference price of \$0.019029 per m³. At the end of June, 2009, the balance in the PGTVA is a credit balance of \$68,666.70, including a credit balance of \$2,379.22 in accumulated interest. This represents a rebate of \$6.39 for a residential customer consuming approximately 2,000 m³ per year.

The balance in the PGTVA forms part of the distribution delivery rate charged by NRG and, as such, is not impacted by changes in gas costs. NRG is not proposing to change the PGTVA reference price as part of this gas cost proceeding. NRG plans to dispose of the actual balance in the PGTVA at the end of September, 2007 based on final fiscal 2007 delivery volumes by way of a one-time rebate to customers based on their actual consumption in fiscal 2007. This is the same approach as approved by the Board in EB-2007-0092 for the actual balance in the PGTVA at the end of September, 2006. NRG expects to file a separate application shortly to clear this balance when the fiscal 2007 figures have been confirmed.

SUMMARY

In summary, NRG proposes to change the reference price for amounts to be recorded in the Purchased Gas Commodity Variance Account from \$0.351880 by \$0.086632 to \$0.438512 per m³ effective July 1, 2008. This change is shown in Appendix B.

NRG also proposes to change the gas supply charge from \$0.362417 to \$0.459925 per m³ effective July 1, 2008. This change reflects the change of \$0.086632 per m³ related to the change in the PGCVA reference price, as described above and the change of \$0.010876 per m³ related to the recovery of the GPRA balance, also as described above. These changes apply to all system gas customers served under Rates 1, 2, 3, 4 and 5. There are no other changes to these rate schedules. The proposed rate schedules are attached as Appendix A. The proposed customer notices are attached as Appendix C.

1 Schedule 12 provides a residential bill comparison showing the impact of the proposed
2 changes on a year over year basis for the appropriate quarter as well as the annual bill
3 impact of the most recent quarterly change. The annual impact on a customer consuming
4 approximately 2,000 m³ is an increase of \$195.93.
5

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE

TWELVE MONTH PERIOD - JULY, 2007 TO JUNE, 2008

Act/Fcst	Month	Purchase Cost (\$s)	M ³	Actual/Forecast Price (\$/M ³)	Reference Price (\$/M ³)	Unit Rate Difference (\$/M ³)	Monthly PGCVA (\$s)	Y-T-D PGCVA (\$s)	Monthly Interest (\$s)	Y-T-D Interest (\$s)	Total PGCVA (\$s)	Total Y-T-D PGCVA (\$s)	Average Residential Consumption (M ³)	Monthly Interest Rate
							(1)	(2)						
Actual	July	354,177	1,149,625	0.308080	0.344251	0.036171	41,583.09	(140,389.78)	(696.05)	(45,149.77)	40,887.04	(185,539.55)	37.8	4.59%
Actual	August	432,224	1,426,431	0.303011	0.344251	0.041240	58,825.99	(81,563.79)	(536.99)	(45,686.76)	58,289.00	(127,250.55)	35.1	4.59%
Actual	September	487,974	1,667,269	0.292679	0.344251	0.051572	85,984.37	4,420.58	(311.98)	(45,998.74)	85,672.39	(41,578.16)	40.6	4.59%
Actual	October	568,250	1,872,398	0.303488	0.326729	0.023241	43,516.39	47,936.97	18.93	(45,979.81)	43,535.32	1,957.16	88.5	5.14%
Actual	November	549,850	1,753,624	0.313551	0.326729	0.013178	23,109.26	71,046.23	205.33	(45,774.48)	23,314.59	25,271.75	208.9	5.14%
Actual	December	556,719	1,739,689	0.320011	0.326729	0.006718	11,687.23	82,733.46	304.31	(45,470.17)	11,991.54	37,263.29	297.3	5.14%
Actual	January	552,626	1,723,744	0.320596	0.305418	(0.015178)	(26,162.99)	56,570.47	354.37	(45,115.80)	(25,808.62)	11,454.67	324.3	5.14%
Actual	February	522,310	1,602,320	0.325971	0.305418	(0.020553)	(32,932.49)	23,637.98	242.31	(44,873.49)	(32,690.18)	(21,235.51)	328.3	5.14%
Actual	March	559,568	1,666,926	0.335688	0.305418	(0.030270)	(50,457.86)	(26,819.88)	101.25	(44,772.24)	(50,356.61)	(71,592.12)	295.1	5.14%
Forecast	April	568,014	1,626,489	0.349227	0.351880	0.002653	4,315.08	(22,504.80)	(91.19)	(44,863.43)	4,223.89	(67,368.23)	186.6	4.08%
Forecast	May	649,380	1,710,618	0.379617	0.351880	(0.027737)	(47,447.42)	(69,952.22)	(76.52)	(44,939.95)	(47,523.94)	(114,892.17)	89.7	4.08%
Forecast	June	632,728	1,575,437	0.401821	0.351880	(0.049741)	(78,363.82)	(148,316.04)	(237.84)	(45,177.79)	(78,501.66)	(193,493.83)	53.1	4.08%
	Total	6,433,819	19,514,571	0.329593			33,656.83	(148,316.04)	(724.07)	(45,177.79)	32,932.76	(193,493.83)	1,985.3	

PGCVA Balance per M³ Purchased (\$/M³) (\$0.009915)
Forecast Average Residential Consumption per Customer 1,985.3 M³
Estimated Impact on Average Residential Customer \$19.68 Customer Charge

(1) Includes balance of (181,972.87) as of June, 2007
(2) Includes balance of (44,453.72) as of June, 2007

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

TWELVE MONTH PERIOD - JULY, 2007 TO JUNE, 2008

<u>Volumes (m3)</u>	<u>Jul-07</u>	<u>Aug-07</u>	<u>Sep-07</u>	<u>Oct-07</u>	<u>Nov-07</u>	<u>Dec-07</u>	<u>Jan-08</u>	<u>Feb-08</u>	<u>Mar-08</u>	<u>Apr-08</u>	<u>May-08</u>	<u>Jun-08</u>	<u>Total</u>
Local Production (A)	491,372	768,177	817,910	779,449	699,592	650,522	638,333	586,936	581,515	576,927	620,000	520,000	7,730,732
Local Production (B)	0	0	0	0	0	0	0	0	0	0	0	0	0
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	392,468	392,468	592,147	611,886	590,098	609,768	607,666	568,462	607,666	587,596	610,581	590,885	6,761,691
Western Delivery	265,785	265,785	257,212	481,063	463,934	479,398	477,745	446,923	477,745	461,967	480,037	464,552	5,022,147
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	1,149,625	1,426,431	1,667,269	1,872,398	1,753,624	1,739,689	1,723,744	1,602,320	1,666,926	1,626,489	1,710,618	1,575,437	19,514,571

Price (\$/m3)

Local Production (A)	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200
Local Production (B)	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Dawn Delivery	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Parkway Delivery	0.324046	0.324046	0.289071	0.293098	0.329290	0.336783	0.337740	0.347882	0.361167	0.373904	0.417673	0.444012	0.444012
Western Delivery	0.258651	0.238608	0.235312	0.225165	0.273448	0.285493	0.283613	0.289539	0.304168	0.336691	0.391596	0.407580	0.407580
Ontario Delivered Gas	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000

Total Gas Cost (\$)

Local Production (A)	148,001	231,375	246,354	234,770	210,717	195,937	192,266	176,785	175,152	173,770	186,744	156,624	2,328,497
Local Production (B)	0	0	0	0	0	0	0	0	0	0	0	0	0
Dawn Delivery	0	0	0	27,261	0	0	0	0	0	0	0	0	27,261
Parkway Delivery	127,178	127,178	171,173	179,343	194,313	205,360	205,233	197,758	219,469	219,705	255,023	262,360	2,364,090
Western Delivery	68,746	63,419	60,525	108,319	126,862	136,865	135,495	129,402	145,315	155,540	187,981	189,342	1,507,809
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
TCPL Transportation	10,253	10,253	9,922	18,557	17,958	18,557	19,632	18,365	19,632	18,999	19,632	24,402	206,162
Total	354,177	432,224	487,974	568,250	549,850	556,719	552,626	522,310	559,568	568,014	649,380	632,728	6,433,819

NATURAL RESOURCE GAS LIMITED

ACTUAL AND FORECAST GAS PRICES

TWELVE MONTH PERIOD - JULY, 2007 TO JUNE, 2008

	<u>Jul-07</u>	<u>Aug-07</u>	<u>Sep-07</u>	<u>Oct-07</u>	<u>Nov-07</u>	<u>Dec-07</u>	<u>Jan-08</u>	<u>Feb-08</u>	<u>Mar-08</u>	<u>Apr-08</u>	<u>May-08</u>	<u>Jun-08</u>
<u>Local Production</u>												
Local Production (A) (\$/GJ)	8.045	8.045	8.045	8.045	8.017	8.017	7.989	7.989	7.989	7.983	8.028	8.028
Local Production (B) (\$/GJ)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<u>Dawn</u>	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<u>Parkway</u>	8.655	8.655	7.721	7.828	8.765	8.964	8.959	9.228	9.580	9.910	11.132	11.834
<u>Western Deliveries</u>	6.908	6.373	6.285	6.014	7.276	7.599	7.523	7.680	8.068	8.924	10.437	10.863
<u>Fuel Ratio</u>	4.67%	4.67%	4.05%	4.65%	5.16%	4.65%	5.16%	3.44%	4.65%	6.00%	6.00%	6.00%
<u>ICPL Transportation</u>												
TCPL Toll (\$/GJ)	1.030320	1.030320	1.030320	1.030320	1.030320	1.030320	1.090000	1.090000	1.090000	1.090000	1.090000	1.400000
GJ/day (TCPL)	321	321	321	581	581	581	581	581	581	581	581	581
Delivery Commitment Credit (\$/GJ)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GJ/day (Obligated)	795	795	1,060	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320
<u>Ontario Delivered Gas</u> (\$/GJ)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Heat Value (GJ/103m3)	37.44	37.44	37.44	37.44	37.57	37.57	37.70	37.70	37.70	37.73	37.52	37.52

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE

PROJECTED TWELVE MONTH FORWARD PERIOD - JULY, 2008 TO JUNE, 2009

(NO CHANGE IN REFERENCE PRICE)

Month	Purchase Cost (\$s)	M ³	Forecast Price (\$/M ³)	Reference Price (\$/M ³)	Unit Rate (\$/M ³)	Monthly PGCVA (\$s)	Y-T-D PGCVA (\$s) (1)	Monthly Interest (\$s) (2)	Y-T-D Interest (\$s) (2)	Total PGCVA (\$s)	Total Y-T-D PGCVA (\$s)	Average Residential Consumption (M ³)	Monthly Interest Rate
July	634,003	1,580,618	0.401111	0.351880	(0.049231)	(77,815.42)	(226,131.46)	(504.27)	(45,682.06)	(78,319.69)	(271,813.52)	40.9	4.08%
August	697,831	1,790,618	0.389715	0.351880	(0.037835)	(67,748.04)	(293,879.50)	(768.85)	(46,450.91)	(68,516.89)	(340,330.41)	42.8	4.08%
September	682,784	1,755,437	0.388954	0.351880	(0.037074)	(65,081.08)	(358,960.58)	(999.19)	(47,450.10)	(66,080.27)	(406,410.68)	58.5	4.08%
October	818,495	1,870,068	0.437682	0.351880	(0.085802)	(160,455.60)	(519,416.18)	(1,220.47)	(48,670.57)	(161,676.07)	(568,086.75)	118.7	4.08%
November	801,426	1,755,029	0.456646	0.351880	(0.104766)	(183,867.38)	(703,283.56)	(1,766.02)	(50,436.59)	(185,633.40)	(753,720.15)	202.7	4.08%
December	797,416	1,741,140	0.457985	0.351880	(0.106105)	(184,743.70)	(888,027.26)	(2,391.16)	(52,827.75)	(187,134.85)	(940,855.01)	321.8	4.08%
January	797,195	1,740,618	0.457995	0.351880	(0.106115)	(184,705.71)	(1,072,732.97)	(3,019.29)	(55,847.04)	(187,725.00)	(1,128,580.01)	355.2	4.08%
February	739,070	1,615,075	0.457607	0.351880	(0.105727)	(170,757.00)	(1,243,489.97)	(3,647.29)	(59,494.33)	(174,404.29)	(1,302,984.30)	293.2	4.08%
March	797,195	1,740,618	0.457995	0.351880	(0.106115)	(184,705.71)	(1,428,195.68)	(4,227.87)	(63,722.20)	(188,933.58)	(1,491,917.88)	246.2	4.08%
April	706,151	1,705,437	0.414059	0.351880	(0.062179)	(106,042.37)	(1,534,238.05)	(4,855.87)	(68,578.07)	(110,898.24)	(1,602,816.12)	186.6	4.08%
May	699,272	1,690,618	0.413619	0.351880	(0.061739)	(104,377.09)	(1,638,615.14)	(5,216.41)	(73,794.48)	(109,593.50)	(1,712,409.62)	89.7	4.08%
June	<u>642,487</u>	<u>1,555,437</u>	<u>0.413059</u>	0.351880	(0.061179)	<u>(95,160.09)</u>	<u>(1,733,775.23)</u>	<u>(5,571.29)</u>	<u>(79,365.77)</u>	<u>(100,731.38)</u>	<u>(1,813,141.00)</u>	<u>53.1</u>	4.08%
Total	8,813,326	20,540,715	0.429066			(1,585,459.19)	(1,733,775.23)	(34,187.98)	(79,365.77)	(1,619,647.17)	(1,813,141.00)	2,009.4	

PGCVA Balance per M³ Purchased (\$/M³) (\$0.088271)
Forecast Average Residential Consumption per Customer 2,009.4 M³
Estimated Impact on Average Residential Customer \$177.37 Customer Charge

(1) Includes June, 2008 year-to-date balance of (\$148,316.04) (See Schedule 2)
(2) Includes June, 2008 year-to-date balance of (\$45,177.79) (See Schedule 2)

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

PROJECTED TWELVE MONTH FORWARD PERIOD - JULY, 2008 TO JUNE, 2009

Volumes (m3)	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Total
Local Production (A)	490,000	700,000	700,000	779,450	699,592	650,522	650,000	630,000	650,000	650,000	600,000	500,000	7,699,564
Local Production (B)	0	0	0	0	0	0	0	0	0	0	0	0	0
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	610,581	610,581	590,885	610,581	590,885	610,581	610,581	551,493	610,581	590,885	610,581	590,885	7,189,099
Western Delivery	480,037	480,037	464,552	480,037	464,552	480,037	480,037	433,582	480,037	464,552	460,037	464,552	5,652,052
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	1,580,618	1,790,618	1,755,437	1,870,068	1,755,029	1,741,140	1,740,618	1,615,075	1,740,618	1,705,437	1,690,618	1,555,437	20,540,715

Price (\$/m3)

Local Production (A)	0.301200	0.301200	0.301200	0.424426	0.424426	0.424426	0.424426	0.424426	0.424426	0.424426	0.424426	0.424426	0.424426
Local Production (B)	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Dawn Delivery	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Parkway Delivery	0.439922	0.439922	0.439922	0.439922	0.476466	0.476466	0.476466	0.476466	0.476466	0.400639	0.400639	0.400639	0.400639
Western Delivery	0.401201	0.402402	0.403828	0.403828	0.427428	0.427428	0.427428	0.427428	0.427428	0.364094	0.364094	0.364094	0.364094
Ontario Delivered Gas	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000

Total Gas Cost (\$)

Local Production (A)	147,588	210,840	210,840	330,819	296,925	276,098	275,877	267,388	275,877	275,877	254,656	212,213	3,034,998
Local Production (B)	0	0	0	0	0	0	0	0	0	0	0	0	0
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	268,608	268,608	259,943	268,608	281,537	290,921	290,921	262,767	290,921	236,732	244,623	236,732	3,200,920
Western Delivery	192,591	193,168	187,599	193,853	198,563	205,181	205,181	185,325	205,181	169,141	174,779	169,141	2,279,703
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
TCPL Transportation	25,215	25,215	24,402	25,215	24,402	25,215	25,215	23,589	25,215	24,402	25,215	24,402	297,704
Total	634,003	697,831	682,784	818,495	801,426	797,416	797,195	739,070	797,195	706,151	699,272	642,487	8,813,326

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT

PROJECTED TWELVE MONTH FORWARD PERIOD - JULY, 2008 TO JUNE, 2009

(WITH CHANGE IN REFERENCE PRICE)

Month	Purchase Cost (\$s)	M*3	Forecast Price (\$/M*3)	Reference Price (\$/M*3)	Unit Rate Difference (\$/M*3)	Monthly PGCVA (\$s)	Y-T-D PGCVA (\$s)	Monthly Interest (\$s)	Y-T-D Interest (\$s)	Total PGCVA (\$s)	Total Y-T-D PGCVA (\$s)	Average Residential Consumption (M*3)	Monthly Interest Rate
July	634,003	1,580,618	0.401111	0.438512	0.037401	59,116.86	(89,199.16)	(504.27)	(45,682.06)	58,612.59	(134,881.24)	40.9	4.08%
August	697,831	1,790,618	0.389715	0.438512	0.048797	87,376.98	(1,822.20)	(303.28)	(45,985.34)	87,073.70	(47,807.54)	42.8	4.08%
September	682,784	1,755,437	0.388954	0.438512	0.049558	86,996.13	85,173.93	(6.20)	(45,991.54)	86,989.93	39,182.39	58.5	4.08%
October	818,495	1,870,068	0.437682	0.438512	0.000830	1,552.34	86,726.27	289.59	(45,701.95)	1,841.93	41,024.32	118.7	4.08%
November	801,426	1,755,029	0.456646	0.438512	(0.018134)	(31,825.52)	54,900.75	294.87	(45,407.08)	(31,530.65)	9,493.67	202.7	4.08%
December	797,416	1,741,140	0.457985	0.438512	(0.019473)	(33,905.05)	20,995.70	186.66	(45,220.42)	(33,718.39)	(24,224.72)	321.8	4.08%
January	797,195	1,740,618	0.457995	0.438512	(0.019483)	(33,912.29)	(12,916.59)	71.39	(45,149.03)	(33,840.90)	(58,055.62)	355.2	4.08%
February	739,070	1,615,075	0.457607	0.438512	(0.019095)	(30,839.69)	(43,756.28)	(43.92)	(45,192.95)	(30,883.61)	(88,949.23)	293.2	4.08%
March	797,195	1,740,618	0.457995	0.438512	(0.019483)	(33,912.29)	(77,668.57)	(148.77)	(45,341.72)	(34,061.06)	(123,010.29)	246.2	4.08%
April	706,151	1,705,437	0.414059	0.438512	0.024453	41,703.22	(35,965.35)	(284.07)	(45,605.79)	41,439.15	(81,571.14)	186.6	4.08%
May	699,272	1,690,618	0.413619	0.438512	0.024893	42,084.73	6,119.38	(122.28)	(45,728.07)	41,962.45	(39,608.69)	89.7	4.08%
June	642,487	1,555,437	0.413059	0.438512	0.025453	39,590.70	45,710.08	20.81	(45,707.26)	39,611.51	2.82	53.1	4.08%
Total	8,813,326	20,540,715	0.429066			194,026.12	45,710.08	(529.47)	(45,707.26)	193,496.65	2.82	2,009.4	

PGCVA Balance per M*3 Purchased (\$/M*3) \$0.000000
Forecast Average Residential Consumption per Customer 2,009.4 M*3
Estimated Impact on Average Residential Customer \$0.00 Customer Rebate

(1) Includes June, 2008 year-to-date balance of (\$148,316.04) (See Schedule 2)
(2) Includes June, 2008 year-to-date balance of (\$45,177.79) (See Schedule 2)

NATURAL RESOURCE GAS LIMITED
GAS PURCHASE REBALANCING ACCOUNT

JULY, 2007 THROUGH JUNE, 2009

Month	Purchase Volume (M ³)	Throughput Volume (M ³)	Direct Purchase Volume (M ³)	System Sales Volume (M ³)	Deemed U.F.G. (M ³)	System Sales + U.F.G. (M ³)	Monthly Inventory Balance (M ³)	Cumulative Inventory (M ³)	Reference Price (\$/M ³)	Inventory Revaluation (\$)	Inventory Rate (\$/M ³)	Inventory Recovery (\$)	Y.T.D. GPRA Balance (M ³)	Monthly Interest (\$)	Y.T.D. Interest (\$)	Total Y.T.D. GPRA Balance (M ³)	Monthly Interest Rate
	A	B	C	D=B-C	E	F=D+E	G=A-F	H	I	J	K	L=K-D	M	N	O	P=M+O	
								(1)					(2)		(3)		
July	1,149,625	500,005	63,249	436,756	0	436,756	712,869	(538,605)	0.344251	0.00	(0.002184)	(953.88)	39,040.48	152.98	11,755.22	50,805.70	4.59%
August	1,426,431	888,904	16,705	872,099	0	872,099	554,332	15,727	0.344251	0.00	(0.002184)	(1,904.66)	37,135.82	149.33	11,914.55	49,050.37	4.59%
September	1,667,269	1,341,025	56,330	1,284,195	0	1,284,195	383,074	358,800	0.344251	(6,987.76)	(0.002184)	(2,804.68)	27,343.36	142.04	12,056.59	39,399.95	4.59%
October	1,872,398	1,609,186	161,933	1,447,253	0	1,447,253	425,145	823,945	0.326729	0.00	(0.001749)	(2,531.25)	24,812.11	117.12	12,173.71	36,985.82	5.14%
November	1,753,624	2,548,367	186,092	2,362,275	0	2,362,275	(608,951)	215,294	0.326729	0.00	(0.001749)	(4,131.62)	20,680.49	166.28	12,279.99	32,960.48	5.14%
December	1,739,689	2,868,621	173,751	2,694,869	0	2,694,869	(555,171)	(738,877)	0.326729	15,757.52	(0.001749)	(4,713.31)	31,794.70	88.58	12,366.57	44,103.27	5.14%
January	1,723,744	3,231,557	202,313	3,028,744	0	3,028,744	(1,305,000)	(2,044,877)	0.305418	0.00	(0.002033)	(6,574.44)	25,577.26	155.93	12,504.50	38,081.76	5.14%
February	1,602,320	3,306,584	185,367	3,120,717	0	3,120,717	(1,513,397)	(3,563,273)	0.305418	0.00	(0.002033)	(6,344.42)	19,232.84	109.56	12,614.06	31,848.90	5.14%
March	1,666,926	2,928,630	123,366	2,805,264	0	2,805,264	(1,138,338)	(4,701,611)	0.305418	(218,446.25)	(0.002033)	(5,703.10)	(204,916.51)	82.38	12,696.44	(192,220.07)	5.14%
April	1,626,489	1,810,234	116,125	1,694,109	0	1,694,109	(67,620)	(4,769,231)	0.351880	0.00	0.008709	14,754.00	(190,162.51)	(696.72)	11,999.72	(178,162.79)	4.08%
May	1,710,618	882,043	56,171	825,872	0	825,872	884,746	(3,864,464)	0.351880	0.00	0.008709	7,192.52	(182,969.96)	(646.55)	11,353.17	(171,616.82)	4.08%
June	1,575,437	519,898	25,549	494,189	0	494,189	1,681,248	(2,863,236)	0.351880	(242,850.23)	0.008709	4,303.89	(421,516.33)	(622.10)	10,731.07	(410,785.26)	4.08%
July	1,580,618	500,005	17,278	482,727	0	482,727	1,697,891	(1,705,345)	0.438512	0.00	0.019585	9,454.21	(4,206,212)	(1,433.16)	9,297.91	(402,764.21)	4.08%
August	1,790,618	888,804	17,509	871,195	0	871,195	519,423	(765,921)	0.438512	0.00	0.019585	17,062.35	(394,989.77)	(1,401.01)	7,896.90	(387,102.87)	4.08%
September	1,735,437	1,341,025	57,952	1,283,073	0	1,283,073	472,364	(313,557)	0.438512	0.00	0.019585	25,128.98	(369,870.75)	(1,343.00)	6,553.90	(363,316.89)	4.08%
October	1,870,068	2,022,583	101,243	1,921,340	0	1,921,340	(51,272)	(364,829)	0.438512	0.00	0.019585	37,629.44	(332,241.35)	(1,257.56)	5,296.34	(326,945.01)	4.08%
November	1,735,029	2,906,513	152,703	2,753,810	0	2,753,810	(998,781)	(1,363,610)	0.438512	0.00	0.019585	53,933.37	(278,307.98)	(1,129.62)	4,166.72	(274,141.26)	4.08%
December	1,741,140	2,484,215	185,970	2,308,245	0	2,308,245	(567,105)	(1,930,715)	0.438512	0.00	0.019585	45,206.98	(233,101.00)	(946.25)	3,220.47	(229,880.53)	4.08%
January	1,740,618	3,208,819	193,262	3,015,557	0	3,015,557	(1,274,939)	(3,205,653)	0.438512	0.00	0.019585	59,059.68	(174,041.32)	(792.54)	2,427.93	(171,613.39)	4.08%
February	1,615,075	3,464,588	243,443	3,251,145	0	3,251,145	(1,636,070)	(4,841,724)	0.438512	0.00	0.019585	63,673.67	(110,367.65)	(591.74)	1,836.19	(108,531.46)	4.08%
March	1,740,618	2,752,036	168,070	2,583,966	0	2,583,966	(823,348)	(5,665,071)	0.438512	0.00	0.019585	50,215.27	(60,152.38)	(375.25)	1,460.94	(58,691.44)	4.08%
April	1,705,437	1,810,234	116,125	1,694,109	0	1,694,109	11,328	(5,653,743)	0.438512	0.00	0.019585	33,179.12	(26,973.26)	(204.52)	1,256.42	(25,716.84)	4.08%
May	1,690,618	882,043	56,171	825,872	0	825,872	864,746	(4,798,997)	0.438512	0.00	0.019585	16,174.70	(10,798.56)	(91.71)	1,164.71	(9,633.85)	4.08%
June	1,555,437	519,898	25,549	494,189	0	494,189	1,061,248	(3,727,749)	0.438512	0.00	0.019585	9,678.69	(1,119.87)	(36.72)	1,127.99	8.12	4.08%

(1) Includes balance of (1,251,474) as of June, 2007
(2) Includes balance of 39,994.36 as of June, 2007
(3) Includes balance of 11,612.24 as of June, 2007

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS TRANSPORTATION VARIANCE ACCOUNT - PROJECTED BALANCE

TWELVE MONTH PERIOD - JULY, 2007 TO JUNE, 2008

<u>Act/Fcst</u>	<u>Month</u>	<u>Purchase Cost (\$s)</u>	<u>Actual/Forecast Price (\$/M*3)</u>	<u>Reference Price (\$/M*3)</u>	<u>Unit Rate Difference (\$/M*3)</u>	<u>Monthly PGTV A (\$s)</u>	<u>Y-T-D PGTV A (\$s)</u> (1)	<u>Monthly Interest (\$s)</u>	<u>Y-T-D Interest (\$s)</u> (2)	<u>Total PGTV A (\$s)</u>	<u>Total Y-T-D PGTV A (\$s)</u>	<u>Average Residential Consumption (M*3)</u>
Actual	July	28,738	0.058253	0.019029	(0.039224)	(19,350.46)	62,151.98	311.75	2,553.42	(19,038.71)	64,705.40	37.8
Actual	August	29,226	0.033442	0.019029	(0.014413)	(12,595.92)	49,556.06	237.73	2,791.15	(12,358.19)	52,347.21	35.1
Actual	September	31,473	0.022460	0.019029	(0.003431)	(4,807.77)	44,748.29	189.55	2,980.70	(4,618.22)	47,728.99	40.6
Actual	October	31,704	0.022485	0.019029	(0.003456)	(4,872.99)	(4,872.99)	0.00	0.00	(4,872.99)	(4,872.99)	88.5
Actual	November	36,660	0.015401	0.019029	0.003628	8,635.69	3,762.70	(20.87)	(20.87)	8,614.82	3,741.83	208.9
Actual	December	39,603	0.013403	0.019029	0.005626	16,623.81	20,386.51	16.12	(4.75)	16,639.93	20,381.76	297.3
Actual	January	13,605	0.004210	0.019029	0.014819	47,888.41	68,274.92	87.32	82.57	47,975.73	68,357.49	324.3
Actual	February	41,835	0.012653	0.019029	0.006376	21,061.72	89,356.64	292.44	375.01	21,374.16	89,731.65	328.3
Actual	March	40,054	0.013677	0.019029	0.005352	15,674.04	105,030.68	382.74	757.75	16,056.78	105,788.43	295.1
Forecast	April	32,065	0.023659	0.019029	(0.004630)	(6,274.94)	98,755.74	357.10	1,114.85	(5,917.84)	99,870.59	186.6
Forecast	May	29,274	0.035171	0.019029	(0.016142)	(13,435.57)	85,320.17	335.77	1,450.62	(13,099.80)	86,770.79	89.7
Forecast	June	<u>28,227</u>	<u>0.054281</u>	0.019029	(0.035252)	<u>(18,331.96)</u>	<u>66,988.21</u>	<u>290.09</u>	<u>1,740.71</u>	<u>(18,041.87)</u>	<u>68,728.92</u>	53.1
Total		382,463	21,687,895	0.017635		30,234.06	66,988.21	2,479.74	1,740.71	32,713.80	68,728.92	1,985.3

PGTV A Balance per M*3 Purchased (\$/M*3) \$0.003169
Forecast Average Residential Consumption per Customer 1,985.3 M*3
, Estimated Impact on Average Residential Customer \$6.29 Customer Rebate

(1) Includes balance of 81,502.44 as of June, 2007 and assumes clearance of Fiscal 2007 year-end balances.
(2) Includes balance of 2,241.67 as of June, 2007 and assumes clearance of Fiscal 2007 year-end balances.

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS TRANSPORTATION VARIANCE ACCOUNT - PROJECTED BALANCE

PROJECTED TWELVE MONTH FORWARD PERIOD - JULY, 2008 TO JUNE, 2009

(NO CHANGE IN REFERENCE PRICE)

<u>Month</u>	<u>Purchase Cost (\$s)</u>	<u>M*3 (\$M*3)</u>	<u>Forecast Price (\$M*3)</u>	<u>Reference Price (\$M*3)</u>	<u>Unit Rate Difference (\$/M*3)</u>	<u>Monthly PGTVA (\$s)</u>	<u>Y-T-D PGTVA (\$s)</u>	<u>Monthly Interest (\$s)</u>	<u>Y-T-D Interest (\$s)</u>	<u>Total PGTVA (\$s)</u>	<u>Total Y-T-D PGTVA (\$s)</u>	<u>Average Residential Consumption (M*3)</u>
							(1)		(2)			
July	28,232	490,855	0.057515	0.019029	(0.038487)	(18,891.54)	48,096.57	227.76	1,968.47	(18,663.78)	50,065.14	40.9
August	28,466	744,335	0.038243	0.019029	(0.019214)	(14,301.65)	33,795.02	163.53	2,132.00	(14,138.12)	35,927.02	42.8
September	30,648	1,150,141	0.025647	0.019029	(0.007618)	(8,761.77)	25,033.25	114.90	2,246.90	(8,646.87)	27,280.15	58.5
October	31,652	1,416,316	0.022348	0.019029	(0.003319)	(4,700.75)	20,332.50	85.11	2,332.01	(4,615.64)	22,664.51	118.7
November	37,355	2,397,097	0.015583	0.019029	0.003446	8,260.40	28,592.90	69.13	2,401.14	8,329.53	30,994.04	202.7
December	40,741	2,977,863	0.013681	0.019029	0.005348	15,925.61	44,518.51	97.22	2,498.36	16,022.83	47,016.87	321.8
January	43,375	3,467,030	0.012511	0.019029	0.006518	22,598.10	67,116.61	151.36	2,649.72	22,749.46	69,766.33	355.2
February	42,357	3,257,805	0.013002	0.019029	0.006027	19,634.79	86,751.40	228.20	2,877.92	19,852.99	89,629.32	293.2
March	38,961	2,646,285	0.014723	0.019029	0.004306	11,394.90	98,146.30	294.95	3,172.87	11,689.85	101,319.17	246.2
April	34,078	1,738,041	0.019607	0.019029	(0.000578)	(1,004.59)	97,141.71	333.70	3,506.57	(670.89)	100,648.28	186.6
May	29,380	814,459	0.036074	0.019029	(0.017045)	(13,882.46)	83,259.25	330.28	3,836.85	(13,552.18)	87,096.10	89.7
June	<u>28,227</u>	<u>500,026</u>	<u>0.056452</u>	0.019029	(0.037423)	<u>(18,712.48)</u>	<u>64,546.77</u>	<u>283.08</u>	<u>4,119.93</u>	<u>(18,429.40)</u>	<u>68,666.70</u>	<u>53.1</u>
Total	413,472	21,600,253	0.019142			(2,441.44)	64,546.77	2,379.22	4,119.93	(62.22)	68,666.70	2,009.4

PGTVA Balance per M*3 Purchased (\$/M*3) \$0.003179
Forecast Average Residential Consumption per Customer 2,009.4 M*3
Estimated Impact on Average Residential Customer \$6.39 Customer Rebate

(1) Includes June, 2008 year-to-date balance of \$66,988.21 (See Schedule 10)
(2) Includes June, 2008 year-to-date balance of \$1,740.71 (See Schedule 10)

NATURAL RESOURCE GAS LIMITED

RESIDENTIAL BILL COMPARISONS

QUARTERLY BILL IMPACT

	Quarter Starting 01-Jul-07 EB-2007-0627	Quarter Starting 01-Jul-08 EB-2008-0090	\$ Change	Percent Change
Average Residential Consumption for Quarter	142.2	142.2		
Monthly Charges	\$34.50	\$34.50	\$0.00	0.0%
Delivery Charges	\$21.76	\$21.76	\$0.00	0.0%
Total Commodity Charges	<u>\$50.07</u>	<u>\$65.40</u>	<u>\$15.33</u>	<u>30.6%</u>
Total Customer Charges	\$106.33	\$121.66	\$15.33	14.4%

ANNUAL BILL IMPACT

	01-Apr-08 EB-2008-0031	01-Jul-08 EB-2008-0090	\$ Change	Percent Change
Average Residential Consumption	2,009.4	2,009.4		
Monthly Charges	\$138.00	\$138.00	\$0.00	0.0%
Delivery Charges	\$307.44	\$307.44	\$0.00	0.0%
Total Commodity Charges	<u>\$728.24</u>	<u>\$924.17</u>	<u>\$195.93</u>	<u>26.9%</u>
Total Customer Charges	\$1,173.68	\$1,369.61	\$195.93	16.7%

RATES USED

Monthly charge	01-Jul-07 EB-2007-0627	01-Apr-08 EB-2008-0031	01-Jul-08 EB-2008-0090
Delivery Charge	11.50	11.50	11.50
Total Commodity Charge	0.152999	0.152999	0.152999
	0.352125	0.362417	0.459925