

**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 April 1, 2015;

**AND IN THE MATTER OF** the Quarterly Rate Adjustment Mechanism.

**APPLICATION**

1. As part of the EB-2014-0358 Decision and Interim Rate Order dated December 19, 2014 the Board approved a PGCVA reference price of \$0.222112 per m<sup>3</sup> and a gas supply charge of \$0.237336 per m<sup>3</sup>, both effective January 1, 2015.
2. Based on actual and forecast natural gas prices for the April, 2014 through March, 2015 period the PGCVA balance is projected to be a charge of approximately \$51.56 per residential customer.
3. NRG hereby applies to the Board for further orders effective April 1, 2015 as follows:
  - a) an order changing the reference price authorized by the Board's EB-2014-0358 Decision and Interim Rate Order for use in determining the amounts to be recorded in the Purchased Gas Commodity Variance Account (Account No. 179-27) by \$0.013394 per m<sup>3</sup> from the Board approved level of \$0.222112 per m<sup>3</sup> to \$0.208718 per m<sup>3</sup>;
  - b) an order changing the rates and other charges from those authorized by the Board's EB-2014-358 Decision and Interim Rate Order to reflect a

projected \$0.021326 per m<sup>3</sup> change in the gas supply charge from the Board approved level of \$0.237336 per m<sup>3</sup> to a projected cost of \$0.216010 per m<sup>3</sup>. This change is the sum of the change in the PGCVA reference price, the change required to prospectively clear the balance of the Gas Purchase Rebalancing Act and the continuation of the system gas supply cost approved in EB-2010-0018.

4. This application will be supported by written evidence that will be pre-filed with the Board and intervenors of record in EB-2014-0274.

5. Pursuant to the criteria established in the Board's EB-2008-0106 Decision, below is the Board's direction with respect to the timeline for processing the application:

- \* Parties to this proceeding wishing to make comments on the application may do so by filing such submissions with the Board Secretary (two hard copies plus an electronic copy by e-mail) and NRG no later than 4:45 p.m. five calendar days following the filing of the QRAM application.
- \* NRG shall reply to any comments received by filing such replies with the Board Secretary (two hard copies plus an electronic copy by e-mail) and serving a copy on all parties who make submissions no later than 4:45 p.m. three calendar days following receipt of comments.
- \* The Board issues its Decision and Order by the 25th of the month for implementation effective April 1, 2015.

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

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Dated at London, Ontario, this 12<sup>th</sup> day of March, 2015.

**NATURAL RESOURCE GAS LIMITED**

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Brian Lippold  
General Manager

# NATURAL RESOURCE GAS LIMITED

## INTRODUCTION

As part of the EB-2014-0358 Decision and Interim Rate Order dated December 19, 2014 the Board approved a Purchased Gas Commodity Variance Account (“PGCVA”) reference price of \$0.222112 per m<sup>3</sup> and a gas supply charge of \$0.237336 per m<sup>3</sup>, both effective January 1, 2015.

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. This account was maintained in the EB-2010-0018 Rate Order dated February 17, 2011. In EB-2014-0358, the Board approved a GPRA rate of \$0.014861 per m<sup>3</sup>.

NRG is proposing to adjust the gas supply charge, the GPRA rate and the PGCVA reference price effective April 1, 2015 to reflect an updated forecast of gas costs, the projected balance in the PGCVA and the projected balance in the GPRA.

## PGCVA

### Updated Forecasts

Based on actual and forecast costs, the PGCVA account balance totals a charge of \$51.56 per residential customer for the twelve month period ending March, 2015 (Schedule 2).

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 February, 2015. The remaining months in

**March, 2015**

1 the twelve-month period ending March, 2015 are calculated using estimated prices based  
2 on the best information available at the time of filing.

3  
4 NRG also confirms that the Surplus Sale over Consumer Premium charge applied to the  
5 25,496 GJ of natural gas that NRG was short at the time of the Winter Checkpoint in  
6 February, 2014 is \$27.276 per GJ, as directed by the Board in the EB-2014-0053  
7 Decision and Interim Order dated April 1, 2014.

8  
9 Forecast prices have been used for the period April, 2015 through March, 2016 period,  
10 except where actual contracted prices are available.

11  
12 The gas supply portfolio reflects the current and forecasted mix of delivery points utilized  
13 by NRG for system gas purchases.

14  
15 Gas Supply Portfolio

16 NRG's gas supply portfolio includes local production, deliveries of Western Canadian  
17 gas at the Alberta border (along with transportation on the TCPL mainline) and purchases  
18 at Dawn and Parkway on the Union Gas ("Union") system. NRG also purchases  
19 additional gas or sheds excess gas when required. The requirement for these purchases is  
20 discussed below. This gas may be Ontario Delivered gas, gas purchased/sold at Dawn or  
21 additional deliveries/curtailments at Parkway or at the Alberta border.

22  
23 NRG is a direct purchase customer on the Union Gas system. Under its bundled  
24 transportation contract, NRG is obligated to deliver a fixed amount of gas each day to  
25 Union. This amount is determined by Union and is based on the expected annual volume  
26 divided by 365 (366 in a leap year).

27  
28 NRG is required to balance its total supply with its total demand on the Union Gas  
29 system on an annual basis, at the time that the direct purchase contract with Union Gas is  
30 renewed. In particular, NRG is required to balance its supply with its demand on the

1 Union system to within +/-4% at the end of the contract year. This may entail NRG  
2 purchasing gas or shedding excess gas.

3

4 The bundled transportation contract year-end corresponds with the end of NRG's fiscal  
5 year (September 30). NRG purchases additional balancing gas or sells gas and/or reduces  
6 deliveries such that total demand on the Union system is offset by the supply provided to  
7 Union Gas to remain within the contract parameters.

8

9 As shown in Schedule 3 on the Ontario Delivered Gas line, NRG purchased additional  
10 gas in June, 2014, in the amount of 1,040,722 m<sup>3</sup> (39,999 GJ) at a cost of \$192,395. This  
11 additional gas was needed to ensure the NRG was within its contractual parameters with  
12 Union Gas as of the year-end of the transportation contract, as noted above. The price for  
13 this gas was \$4.81/GJ, as shown in Schedule 4.

14

15 NRG is currently forecasting the need to purchase 1,419,736 m<sup>3</sup> in September, 2015 to  
16 ensure that it is within its contractual parameters with Union Gas as of the year-end of the  
17 transportation contract in 2015. This gas is shown on the Ontario Delivered Gas line in  
18 Schedule 6 at a cost of \$190,263. The forecast price for this gas is \$3.55/GJ, as shown in  
19 Schedule 7. This is the forecast price for gas purchases at Dawn.

20

#### 21 February Balancing Gas

22 Additional gas may be purchased in the period leading up to the end of February of each  
23 year if required for NRG to meet its forecast banked gas account winter balancing  
24 checkpoint on the Union Gas system if consumption is greater than forecast. The Board  
25 approved this requirement for Bundled-T customers on Union's system in RP-2003-0063  
26 (Decisions with Reasons, dated March 18, 2004).

27

28 In order to meet its forecast banked gas account winter balancing checkpoint on the  
29 Union Gas system, NRG purchased additional gas in each of December 2014, January

1 2015 and February 2015. The amounts purchased were based on the Direct Purchase  
2 Status Report received from Union Gas for each of the months noted above.

3

4 This shortfall was due to the colder than normal weather experienced in December,  
5 January and February of the 2014/2015 winter. In addition, volumes associated with  
6 grain drying in the fall of 2014 were higher than forecast, primarily due to the late  
7 growing season.

8

9 As shown in Schedule 3 on the Ontario Delivered Gas line, NRG purchased 25,320 GJ  
10 (650,813 m<sup>3</sup>) in December 2014, 34,784 GJ (900,214 m<sup>3</sup>) in January 2015 and 8,846 GJ  
11 (228,644 m<sup>3</sup>) in February 2015. The cost of this gas, also shown in Schedule 3 was  
12 \$115,712 in December 2014, \$135,310 in January 2015 and \$31,580 in February 2015.  
13 The price paid for this gas is shown in Schedule 4 on the Ontario Delivered Gas line and  
14 was \$4.57/GJ, \$3.89/GJ and \$3.57/GJ, respectively over the three months.

15

#### 16 Obligated Deliveries

17 Obligated deliveries to Union by NRG on behalf of both system gas customers and direct  
18 purchase customers has been forecast at 2,380 GJ/day effective October 1, 2014, an  
19 increase from the previous level of 2,294 GJ/day. The increase reflects growing volumes  
20 at NRG.

21

22 The direct purchase customer assignment was increased to 197 GJ/day in November,  
23 2014, where it is forecast to remain through March, 2016. These levels allow direct  
24 purchase customers to bring their supplies in line with their actual and projected  
25 consumption. This results in deliveries for system gas customers of 2,183 GJ/day in  
26 April, 2015 through March, 2016.

27

28 The composition of these obligated system gas deliveries over this period is as follows.  
29 Parkway deliveries are 989 GJ/day in April, 2015 through March, 2016. Obligated  
30 deliveries for system gas customers at AECO are 366 GJ/day over the same period.

1 NRG has shifted a total of 828 GJ/day from Parkway obligated deliveries to Dawn  
 2 obligated deliveries and is a result of the settlement agreement reached between Union  
 3 Gas and intervenor groups in EB-2013-0365. NRG has taken advantage of this  
 4 opportunity to the maximum extent possible.

5

6 The composition of the gas purchases for direct purchase and system gas customers for  
 7 the April, 2015 through March, 2016 period is shown in the following table. Please note  
 8 that these figures do not include the direct purchase deliveries associated with a large  
 9 ethanol plant served by NRG.

10

**GJ/s per Day**

Delivery Point	April, 2015 - March, 2016
Direct Purchase	197
AECO	366
Parkway	989
Dawn	<u>828</u>
Total	2,380

11

12 In addition to the obligated deliveries described above, NRG purchases gas from a local  
 13 producer in its franchise area.

14

15 The composition of the gas supply portfolio volumes for the April, 2014 through March,  
 16 2015 period is shown on the top of Schedule 3. This schedule shows the monthly volume  
 17 of gas purchased or forecast to be purchased from local producers, obligated deliveries at  
 18 Parkway, at Dawn and the Alberta border (Western), and balancing gas (Ontario  
 19 Delivered Gas). Similarly, the composition of the gas supply portfolio volumes for the  
 20 April, 2015 through March, 2016 period is shown on the top of Schedule 6.

21

22 **Gas Costs**

23 NRG's actual and forecast gas costs for the April, 2014 through March, 2015 period, by  
 24 source of supply, are shown in Schedule 4 in \$/GJ. These prices are also shown in the  
 25 middle section of Schedule 3 in \$/m<sup>3</sup>. The conversion factor used is based on the heat  
 26 values used by Union Gas in their calculation of NRG's Banked Gas Account balances.



1 The conversion factors used are also shown in Schedule 4. All prices shown are actual  
2 prices paid in April, 2014 through February, 2015. Prices for the remaining months in  
3 this period are based on estimated and contracted prices to be paid in those months.

4  
5 Prices for April, 2015 through March, 2016 are based on prices averaged over 10 days in  
6 the period February 12, 2015 through February 27, 2015 (reports were not available for  
7 February 16 or 27). These prices, which have been sourced from the Shell Energy North  
8 America report entitled 'Daily Energy Market Update', have been utilized in calculating  
9 the prices shown in Schedule 7 in \$/GJ and in the middle section of Schedule 6 in  $\$/\text{m}^3$ .

10 The source of the foreign exchange rates used in the calculations is the daily noon  
11 exchange rates for the 10-year lookup from the Bank of Canada that are available on their  
12 website at [www.bankofcanada.ca/rates/exchange](http://www.bankofcanada.ca/rates/exchange).

13  
14 Gas prices for each of the sources of supply are described below. In addition to the  
15 above, contracted prices have been used where purchase decisions have been made.

#### 16 17 NRG Corp. Pricing

18 The first source of supply noted in Schedules 4 and 7 is "Local Production (A)" and  
19 "Local Production (B)". This refers to gas that is produced in NRG's franchise area and  
20 purchased from a related company.

21  
22 The Board issued a Decision and Order - Phase 2 for EB-2010-0018 dated May 17, 2012  
23 in which the Board indicated that NRG would be permitted to recover from ratepayers a  
24 maximum annual quantity of 1.0 million cubic metres of natural gas at a rate of \$8.486  
25 per mcf (or  $\$0.3012/\text{m}^3$ ). This price, as set by the Board, can be seen in the line labeled  
26 "Local Production (A)" of the price section of Schedule 3.

27  
28 The remaining gas purchased from NRG Corp. is shown in the line labeled "Local  
29 Production (B)". This gas is priced at the approved Union Gas Ontario landed reference  
30 price for each quarter. The April, 2014 through September, 2014 price is \$0.236288,

1 reflecting the Board's Decision and Order in EB-2014-0050 dated March 21, 2014. The  
2 October, 2014 through December, 2014 price is \$0.208106, reflecting the Board's  
3 Decision and Order in EB-2014-0208 dated September 25, 2014. The January, 2015  
4 through March, 2015 price is \$0.218866, reflecting the Board's Decision and Order in  
5 EB-2014-0356 dated December 19, 2014. These prices are shown in Schedule 3.

6  
7 The NRG Corp. prices over the April, 2015 through March, 2016 period shown in  
8 Schedule 6 reflect the Board approved price of \$0.301200 per m<sup>3</sup> for 1,000,000 m<sup>3</sup> as  
9 shown on the Local Production (A) line. The remaining gas forecast to be purchased  
10 from NRG Corp. is shown on the Local Production (B) line. The price forecast for this  
11 gas has been taken from the Union's QRAM application in EB-2015-0035 dated March  
12 11, 2015, where the Ontario landed reference price has been forecast as \$0.194138 per  
13 m<sup>3</sup>.

14  
15 At the time this application was prepared the Union Gas QRAM price for April 1, 2015  
16 rates was not yet approved by the Board. Any differences between the applied for and  
17 Board approved Ontario landed reference price for Union will be reflected in NRG's next  
18 QRAM application and evidence.

19  
20 NRG also purchases gas for delivery at Parkway and Empress. The pricing of this gas at  
21 these delivery points is discussed below.

### 22 Empress Pricing

23 The Empress price over the April, 2015 through March, 2016 period shown in Schedule 7  
24 (Western Deliveries) is based on a combination of actual contracted prices.

25  
26  
27 The average Empress delivery rate is \$3.796/GJ in April, 2015 through October, 2015,  
28 and \$4.087/GJ in November, 2015 through March, 2016. Fuel costs of 4% are included  
29 in these rates.

30

1 The average Empress delivery price includes a mix of fixed price contracts over the  
 2 April, 2015 through March, 2016 period.

3

4 The following table shows the current mix of volumes and prices over the forecast  
 5 period.

<b>Empress Deliveries</b>				
<b>Contracted?</b>	<b>Jan. - Oct.</b>		<b>Nov. - March</b>	
	GJ/day	\$/GJ	GJ/day	\$/GJ
Yes	366	3.650	0	0.000
Yes	0	0.000	366	3.930
Total	366	3.650	366	3.930
with Fuel (4%)		3.796		4.087

6

7 NRG has no Empress deliveries that have not been contracted for over the April, 2015  
 8 through March, 2016 period. For completeness, NRG has provided forecast price data  
 9 used to forecast the Empress delivery price, had it been needed.

10

11 The calculations used to forecast the Empress delivery prices are shown in the following  
 12 table. The only calculation used in the table is the calculation of the 10 day average.  
 13 The prices used are shown in the Daily Energy Market Report as the price at Empress,  
 14 AB in Cdn\$/GJ.

**Empress Delivery Price Forecast**

	<b>Apr-15</b>	<b>May-15</b>	<b>Jun-15</b> <b>Oct-15</b>	<b>Nov-15</b> <b>Mar-16</b>
12-Feb-15	2.62	2.63	2.66	3.22
13-Feb-15	2.77	2.77	2.80	3.31
17-Feb-15	2.74	2.75	2.79	3.25
18-Feb-15	2.92	2.92	2.95	3.34
19-Feb-15	2.92	2.93	2.96	3.33
20-Feb-15	3.06	3.06	3.09	3.40
23-Feb-15	2.93	2.94	2.98	3.30
24-Feb-15	2.88	2.88	2.93	3.26
25-Feb-15	2.79	2.79	2.84	3.19
26-Feb-15	2.58	2.58	2.68	3.09
<b>10 Day Average</b>	<b>2.821</b>	<b>2.825</b>	<b>2.868</b>	<b>3.269</b>

15

1 Parkway Pricing

2 The Parkway price over the April, 2015 through March, 2016 period shown in Schedule 7  
 3 is based on a combination of actual contracted prices. The average Parkway delivery rate  
 4 forecast is \$4.540/GJ in April, 2015 through October, 2015 and \$4.710/GJ in November,  
 5 2015 through March, 2016.

6

7 The average Parkway delivery price includes a mix of fixed prices over this period. The  
 8 following table shows the current mix of volumes and prices over the forecast period.

<u>Contracted?</u>	<u>Parkway Deliveries</u>			
	<u>Jan. - Oct.</u>		<u>Nov. - March</u>	
	GJ/day	\$/GJ	GJ/day	\$/GJ
Yes	989	4.540	0	0.000
Yes	0	0.000	989	4.710
Total	989	4.540	989	4.710

9

10 NRG has no Parkway deliveries that have not been contracted for over the April, 2015  
 11 through March, 2016 period.

12

13 Historically, the calculations used to forecast the Parkway delivery prices were calculated  
 14 as follows. The prices used were shown in the Daily Energy Market Report as prices at  
 15 Henry Hub along with a Niagara, ON basis. These two prices are added together to  
 16 arrive at a proxy for the Parkway price. These prices from the Market Report were in  
 17 US\$/MMBtu and as a result need to be converted to Cdn\$/GJ. This was accomplished  
 18 through the use of a conversion factor of 1.054615 to convert MMBtu to GJ and through  
 19 the use of the foreign exchange rate. The formula used was (Henry Hub Price + Niagara  
 20 Basis) / 1.054615 x Foreign Exchange Rate.

21

22 As of the middle of February, 2015 the Daily Energy Market Report no longer provides a  
 23 Niagara, ON basis. As a result NRG is not able to provide a forecast of the Parkway  
 24 delivery price based on the methodology described above. As all of the Parkway  
 25 delivered gas has been purchased at fixed rates, there is no need for a Parkway price

1 forecast in the current application. If a forecast is needed in the future, NRG will propose  
2 a methodology to forecast this price based on information available to it at that time.

3  
4 Dawn Pricing

5 The Dawn price over the April, 2015 through March, 2016 period shown in Schedule 7 is  
6 based on a combination of actual contracted prices and forecasted prices. The average  
7 Dawn delivery rate is \$4.290/GJ in April, 2015, \$4.282/GJ in May through October,  
8 2015, and \$4.347/GJ in November, 2015 through March, 2016.

9  
10 The average Dawn delivery price includes a mix of fixed price contracts and a forecast  
11 price for the remainder of the purchases.

12  
13 The following table shows the current mix of volumes and prices over the forecast  
14 period.

<u>Contracted?</u>	<u>Dawn Deliveries</u>					
	<u>April</u>		<u>May - October</u>		<u>November - March</u>	
	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ
Yes	400	4.320	400	4.320	0	0.000
Yes	39	4.430	39	4.430	0	0.000
Partial	0	0.000	0	0.000	39	4.710
Yes	261	4.560	261	4.560	0	0.000
Partial	0	0.000	0	0.000	261	4.730
No	<u>128</u>	<u>3.606</u>	<u>128</u>	<u>3.550</u>	<u>528</u>	<u>4.130</u>
Total	828	4.290	828	4.282	828	4.347

15  
16 The price for the 39 GJ/day in April, 2015 through October, 2015 reflects a transfer of  
17 deliveries from Empress to Dawn. This gas has been purchased for Empress delivery at  
18 \$3.65/GJ. This has been increased by a locked in price to move the gas deliveries from  
19 Empress to Dawn of \$0.78/GJ, to arrive at the forecasted price of \$4.43/GJ. Similarly, in  
20 November, 2015 through March, 2016, the price of \$4.71/GJ is based on the contracted  
21 Empress price of \$3.93/GJ plus the same \$0.78/GJ to move the gas from Empress to  
22 Dawn delivery. This latter differential has not been locked in, hence the price is a partial  
23 contracted price at this time.

24

1 The price for the 261 GJ/day in April, 2015 through October, 2015 reflects a transfer of  
 2 deliveries from Parkway to Dawn. This gas has been purchased for Parkway delivery at  
 3 \$4.54/GJ. This has been increased by a locked in price to move the gas deliveries from  
 4 Parkway to Dawn of \$0.02/GJ, to arrive at the forecasted price of \$4.56/GJ. Similarly, in  
 5 November, 2015 through March, 2016, the price of \$4.73/GJ is based on the contracted  
 6 Parkway price of \$4.71/GJ plus the same \$0.02/GJ to move the gas from Empress to  
 7 Dawn delivery. This latter differential has not been locked in, hence the price is a partial  
 8 contracted price at this time.

9

10 The prices shown for the 128 GJ/day that has not been contracted for in April, 2015  
 11 through October, 2015 and the 528 GJ/day that has not been contracted for in November,  
 12 2015 through March, 2016 are both based on the average price forecasts from the  
 13 February 12, 2015 through February 27, 2015 period.

14

15 NRG has also used the April through October price forecast, \$3.550/GJ, as the forecast  
 16 cost of Ontario Delivered Gas which is forecast to be purchased in September, 2015 to  
 17 balance on the Union Gas system.

18

19 The calculations used to forecast the Dawn purchase price are shown in the following  
 20 table. The relevant prices used are shown in the Daily Energy Market Report as prices at  
 21 Henry Hub along with a Dawn, ON basis. These two prices are added together to arrive  
 22 at a proxy for the Dawn price. These prices from the Market Report are in US\$/MMBtu  
 23 and as a result need to be converted to Cdn\$/GJ. This is accomplished through the use of  
 24 a conversion factor of 1.054615 to convert MMBtu to GJ and through the use of the  
 25 foreign exchange rate. The formula used is (Henry Hub Price + Dawn Basis) / 1.054615  
 26 x Foreign Exchange Rate.

**Dawn Delivery Price Forecast**

Henry Hub (US\$/MMBtu)	Dawn Basis	MMBtu -GJ	F/X	\$/ GJ (Cdn)
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**April-15**

12-Feb-15	2.730	0.23	1.054615	1.2490	3.51
13-Feb-15	2.810	0.20	1.054615	1.2461	3.56
17-Feb-15	2.780	0.21	1.054615	1.2374	3.51
18-Feb-15	2.860	0.20	1.054615	1.2418	3.60
19-Feb-15	2.880	0.19	1.054615	1.2498	3.64
20-Feb-15	2.970	0.25	1.054615	1.2546	3.83
23-Feb-15	2.890	0.24	1.054615	1.2576	3.73
24-Feb-15	2.890	0.20	1.054615	1.2496	3.66
25-Feb-15	2.860	0.18	1.054615	1.2423	3.58
26-Feb-15	2.700	0.20	1.054615	1.2527	<u>3.44</u>

**10 Day Average**

**3.606**

**May-15**

12-Feb-15	2.770	0.16	1.054615	1.2490	3.47
13-Feb-15	2.850	0.16	1.054615	1.2461	3.56
17-Feb-15	2.820	0.14	1.054615	1.2374	3.47
18-Feb-15	2.890	0.13	1.054615	1.2418	3.56
19-Feb-15	2.910	0.13	1.054615	1.2498	3.60
20-Feb-15	3.000	0.14	1.054615	1.2546	3.74
23-Feb-15	2.920	0.14	1.054615	1.2576	3.65
24-Feb-15	2.920	0.10	1.054615	1.2496	3.58
25-Feb-15	2.890	0.09	1.054615	1.2423	3.51
26-Feb-15	2.740	0.10	1.054615	1.2527	<u>3.37</u>

**10 Day Average**

**3.550**

**June-15 - October-15**

12-Feb-15	2.840	0.11	1.054615	1.2490	3.49
13-Feb-15	2.910	0.11	1.054615	1.2461	3.57
17-Feb-15	2.880	0.08	1.054615	1.2374	3.47
18-Feb-15	2.950	0.07	1.054615	1.2418	3.56
19-Feb-15	2.970	0.06	1.054615	1.2498	3.59
20-Feb-15	3.050	0.07	1.054615	1.2546	3.71
23-Feb-15	2.980	0.07	1.054615	1.2576	3.64
24-Feb-15	2.970	0.06	1.054615	1.2496	3.59
25-Feb-15	2.940	0.04	1.054615	1.2423	3.51
26-Feb-15	2.800	0.04	1.054615	1.2527	<u>3.37</u>

**10 Day Average**

**3.550**

**November-15 - March - 16**

12-Feb-15	3.230	0.20	1.054615	1.2490	4.06
13-Feb-15	3.280	0.20	1.054615	1.2461	4.11

17-Feb-15	3.250	0.20	1.054615	1.2374	4.05
18-Feb-15	3.290	0.24	1.054615	1.2418	4.16
19-Feb-15	3.290	0.24	1.054615	1.2498	4.18
20-Feb-15	3.340	0.24	1.054615	1.2546	4.26
23-Feb-15	3.270	0.25	1.054615	1.2576	4.20
24-Feb-15	3.260	0.24	1.054615	1.2496	4.15
25-Feb-15	3.250	0.23	1.054615	1.2423	4.10
26-Feb-15	3.160	0.24	1.054615	1.2527	4.04
<b>10 Day Average</b>					<b><u>4.130</u></b>

1

2 Other Forecast Assumptions

3 A number of other assumptions have been used to calculate the projected balance in the  
4 PGCVA. As shown on Schedules 4 and 7, the fuel ratio for Western deliveries has been  
5 forecast at 4.0%. This ratio has been reflected in the forecast prices shown in the  
6 schedules for Western deliveries.

7

8 TCPL tolls have been forecast at a rate of \$1.9655/GJ effective January 1, 2015. This  
9 rate reflects the tolls currently being charged as a result of the TCPL settlement  
10 agreement in RH-001-2014.

11

12 The heat value used to convert GJ to m<sup>3</sup> is 37.75 GJ/10<sup>3</sup> m<sup>3</sup>.

13

14 PGCVA Balance

15 The projected March, 2015 balance in the PGCVA is a debit of \$682,846.48 including a  
16 debit of \$67,126.06 in accumulated interest, based on the Board's prescribed interest rate.  
17 This estimate is based on actual and forecasted purchases and the balance brought  
18 forward from March, 2014. The PGCVA debit amounts to a charge of approximately  
19 \$51.56 for a typical residential customer consuming approximately 1,992 m<sup>3</sup> per year.  
20 These figures are shown on Schedule 2.

21

22 Proposed PGCVA Rate Changes

23 NRG proposes to adjust the reference price effective April 1, 2015 based on the projected  
24 accumulated balance in the PGCVA as of the end of March, 2015 and the forecasted cost



1 of gas over the 12 month period beginning April, 2015 and ending March, 2016. The  
2 reference price is set such that the projected PGCVA balance at the end of March, 2016 is  
3 close to zero.

4  
5 NRG's proposal will clear the PGCVA balance on a prospective basis, eliminating the  
6 need for retroactive adjustments. This is consistent with NRG's past proposals in QRAM  
7 applications, which have been accepted by the Board.

8  
9 NRG proposes to change the reference price by \$0.013394 per m<sup>3</sup> effective April 1, 2015,  
10 from \$0.222112 per m<sup>3</sup> to \$0.208718 per m<sup>3</sup>. The derivation of this rate is shown in  
11 Schedule 5. This is the reference price required to bring the PGCVA balance close to  
12 zero on a twelve month forecast basis. This change will also be reflected in the gas  
13 commodity charge.

## 14 15 16 **GAS PURCHASE REBALANCING ACCOUNT**

17 The impact on the GPRA of the proposed April 1, 2015 PGCVA reference price change  
18 from \$0.222112 per m<sup>3</sup> to \$0.208718 per m<sup>3</sup> is a credit of \$45,074.37, as shown on  
19 Schedule 8. This figure is shown in column (J) of Schedule 8 on the March, 2015 line. It  
20 is calculated as the change in the PGCVA reference price between March and April,  
21 multiplied by the cumulative inventory balance at the end of March. This cumulative  
22 inventory balance is the sum of the actual monthly inventory balances for January, 2015  
23 and forecasts for the subsequent months. These forecasts will be replaced with actual  
24 balances for these months in subsequent QRAM applications as this information becomes  
25 available. As well, the monthly inventory balances are based on a deemed level of  
26 unaccounted for gas ("UFG") of the total throughput volume, as shown in column (E) of  
27 Schedule 8. The 0.0% is the Board approved level of UFG from EB-2010-0018.

28  
29 NRG proposes to adjust the gas commodity charge effective April 1, 2015 based on the  
30 projected accumulated balance in the GPRA. The adjustment to the gas commodity

1 charge will be set such that the projected GPRA balance at the end of March, 2016, will  
 2 be close to zero. The rate required to achieve this is shown in column (K) on Schedule 8.  
 3 Column (P) shows the reduction of the inventory revaluation balance based on this rate of  
 4 \$0.006929 per m<sup>3</sup> over the April, 2015 through March, 2016 period.

5  
 6 NRG's proposal will clear the GPRA balance on a prospective basis, eliminating the need  
 7 for retroactive adjustments. This is consistent with NRG's proposal for the continued  
 8 prospective clearance of the PGCVA. This change will also be reflected in the gas  
 9 commodity charge.

### 11 **GAS COMMODITY CHARGE**

12 The system gas supply cost of \$0.000363 per m<sup>3</sup> will be maintained at the level approved  
 13 in EB-2010-0018. This figure represents the incremental costs over and above the  
 14 commodity and transportation costs that form the PGCVA reference price to the gas  
 15 supply function. These incremental costs are portions administrative and general  
 16 expenses, regulatory and consulting fees associated with the QRAM applications, return  
 17 on rate base (working cash allowance related to gas commodity) and income taxes. This  
 18 functionalization is unchanged from that approved in EB-2010-0018.

19  
 20 The change in the gas commodity charge proposed for April 1, 2015 is summarized  
 21 below. The change in the gas commodity charge reflects both the change in the PGCVA  
 22 reference price and the change in the recovery of the inventory revaluation amount in the  
 23 GPRA. The change in the gas commodity charge is as follows:

	EB-2014-0358 Jan. 1, 2015	Proposed April 1, 2015	Difference
27 PGCVA Reference Price	\$0.222112	\$0.208718	\$(0.013394)
28 GPRA Recovery	\$0.014861	\$0.006929	\$(0.007932)
29 System Gas Supply Cost	<u>\$0.000363</u>	<u>\$0.000363</u>	<u>\$0.000000</u>
30 Gas Commodity Charge	\$0.237336	\$0.216010	\$(0.021326)

1 **SUMMARY**

2 In summary, NRG proposes to change the reference price for amounts to be recorded in  
3 the Purchased Gas Commodity Variance Account from \$0.222112 by \$0.013394 to  
4 \$0.208718 per m<sup>3</sup> effective April 1, 2015. Appendix B contains the accounting entries  
5 related to the PGCVA.

6

7 NRG also proposes to change the gas supply charge from \$0.237336 to \$0.216010 per m<sup>3</sup>  
8 effective April 1, 2015. This change reflects the change in the PGCVA reference price,  
9 as described above, the change related to the recovery of the GPRA balance, also as  
10 described above, and the continuation of the system gas supply cost. These changes  
11 apply to all system gas customers served under Rates 1, 2, 3, 4, 5 and 6.

12

13 The proposed rate schedules are attached as Appendix A. The proposed customer notices  
14 are attached as Appendix C.

15

16 Schedule 9 provides a residential bill comparison showing the impact of the proposed  
17 changes on a year over year basis for the appropriate quarter as well as the annual bill  
18 impact of the most recent quarterly change. The annual bill impact related to the change  
19 in the commodity charges on a customer consuming approximately 2,009 m<sup>3</sup> is a  
20 decrease of \$42.85.

21

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE

HISTORICAL TWELVE MONTH PERIOD - APRIL, 2014 TO MARCH, 2015

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	April	389,127	1,842,589	0.211185	0.315237	0.104052	191,725.11	-2,465,501.44	-3,255.10	-48,480.12	188,470.01	-2,513,981.56	190.0	1.47%
Actual	May	479,371	2,331,232	0.205630	0.315237	0.109607	255,519.40	-2,209,982.04	-3,020.24	-51,500.36	252,499.16	-2,261,482.40	93.3	1.47%
Actual	June	570,847	2,893,041	0.197317	0.315237	0.117920	341,147.43	-1,868,834.61	-2,707.23	-54,207.59	338,440.20	-1,923,042.20	40.5	1.47%
Actual	July	385,468	1,896,767	0.203224	0.315237	0.112013	212,462.55	-1,656,372.06	-2,289.32	-56,496.91	210,173.23	-1,712,868.97	35.0	1.47%
Actual	August	410,441	2,094,815	0.195932	0.315237	0.119305	249,921.85	-1,406,450.21	-2,029.06	-58,525.97	247,892.79	-1,464,976.18	34.2	1.47%
Actual	September	402,130	2,042,170	0.196913	0.315237	0.118324	241,637.74	-1,164,812.47	-1,722.90	-60,248.87	239,914.84	-1,225,061.34	47.3	1.47%
Actual	October	390,373	1,981,011	0.197057	0.231630	0.034573	68,489.50	-1,096,322.97	-1,426.90	-61,675.77	67,062.60	-1,157,998.74	111.6	1.47%
Actual	November	353,122	1,900,605	0.185795	0.231630	0.045835	87,114.22	-1,009,208.75	-1,343.00	-63,018.77	85,771.22	-1,072,227.52	221.9	1.47%
Actual	December	484,186	2,594,170	0.186644	0.231630	0.044986	116,701.33	-892,507.42	-1,236.28	-64,255.05	115,465.05	-956,762.47	309.6	1.47%
Actual	January	504,849	2,845,697	0.177408	0.222112	0.044704	127,214.04	-765,293.38	-1,093.32	-65,348.37	126,120.72	-830,641.75	369.4	1.47%
Actual	February	357,563	1,967,329	0.181750	0.222112	0.040362	79,405.34	-685,888.04	-937.48	-66,285.85	78,467.86	-752,173.89	293.2	1.47%
Forecast	March	<u>372,426</u>	<u>1,992,662</u>	<u>0.186899</u>	0.222112	0.035213	<u>70,167.62</u>	<u>-615,720.42</u>	<u>-840.21</u>	<u>-67,126.06</u>	<u>69,327.41</u>	<u>-682,846.48</u>	<u>246.2</u>	1.47%
	Total	5,099,902	26,382,089	0.193309			2,041,506.13	-615,720.42	-21,901.04	-67,126.06	2,019,605.09	-682,846.48	1,992.2	

PGCVA Balance per M\*3 Purchased (\$/M\*3) (\$0.025883)  
 Forecast Average Residential Consumption per Customer 1,992.2 M\*3  
 Estimated Impact on Average Residential Customer \$51.56 Customer Charge

(1) Includes balance of -2,657,226.55 as of March, 2014  
 (2) Includes balance of -45,225.02 as of March, 2014

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

HISTORICAL TWELVE MONTH PERIOD - APRIL, 2014 TO MARCH, 2015

	<u>Apr-14</u>	<u>May-14</u>	<u>Jun-14</u>	<u>Jul-14</u>	<u>Aug-14</u>	<u>Sep-14</u>	<u>Oct-14</u>	<u>Nov-14</u>	<u>Dec-14</u>	<u>Jan-15</u>	<u>Feb-15</u>	<u>Mar-15</u>	<u>Total</u>
<b><u>Volumes (m3)</u></b>													
Local Production (A)	82,192	84,931	82,192	84,931	84,931	82,192	84,931	82,192	84,931	84,931	76,712	84,932	999,998
Local Production (B)	125,200	114,039	128,608	115,034	122,479	131,477	139,734	127,305	118,993	109,167	82,093	115,068	1,429,197
Dawn Delivery	0	461,346	236,510	244,475	437,864	412,887	242,558	641,428	659,758	664,291	599,240	679,947	5,280,304
Parkway Delivery	1,345,947	1,375,348	1,114,641	1,152,179	1,147,419	1,115,616	1,211,991	766,150	788,044	793,459	715,759	812,159	12,338,712
Western Delivery	289,250	295,569	290,369	300,148	302,122	299,998	301,797	283,530	291,632	293,636	264,881	300,556	3,513,487
Ontario Delivered Gas	<u>0</u>	<u>0</u>	<u>1,040,722</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>650,813</u>	<u>900,214</u>	<u>228,644</u>	<u>0</u>	<u>2,820,392</u>
Total	1,842,589	2,331,232	2,893,041	1,896,767	2,094,815	2,042,170	1,981,011	1,900,605	2,594,170	2,845,697	1,967,329	1,992,662	26,382,089
<b><u>Price (\$/m3)</u></b>													
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	
Local Production (B)	0.236288	0.236288	0.236288	0.236288	0.236288	0.236288	0.208106	0.208106	0.208106	0.218866	0.218866	0.218866	
Dawn Delivery	0.000000	0.189619	0.190248	0.188648	0.163753	0.167359	0.163418	0.169664	0.179455	0.173810	0.167214	0.172216	
Parkway Delivery	0.192127	0.191555	0.185920	0.185858	0.186629	0.185757	0.185991	0.175816	0.176630	0.175424	0.175648	0.171385	
Western Delivery	0.203986	0.196718	0.185575	0.182175	0.172513	0.174090	0.174459	0.146121	0.147660	0.146821	0.146648	0.143299	
Ontario Delivered Gas	0.000000	0.000000	0.184867	0.000000	0.000000	0.000000	0.000000	0.000000	0.177797	0.150308	0.138120	0.000000	
<b><u>Total Gas Cost (\$)</u></b>													
Local Production (A)	24,756	25,581	24,756	25,581	25,581	24,756	25,581	24,756	25,581	25,581	23,106	25,582	301,199
Local Production (B)	29,583	26,946	30,389	27,181	28,940	31,066	29,079	26,493	24,763	23,893	17,967	25,184	321,486
Dawn Delivery	0	87,480	44,996	46,120	71,701	69,100	39,638	108,827	118,397	115,460	100,201	117,098	919,019
Parkway Delivery	258,593	263,455	207,234	214,142	214,142	207,234	225,419	134,702	139,192	139,192	125,722	139,192	2,268,217
Western Delivery	59,003	58,144	53,885	54,679	52,120	52,227	52,651	41,430	43,063	43,112	38,844	43,069	592,227
Ontario Delivered Gas	0	0	192,395	0	0	0	0	0	115,712	135,310	31,580	0	474,998
TCPL Transportation	<u>17,192</u>	<u>17,765</u>	<u>17,192</u>	<u>17,765</u>	<u>17,956</u>	<u>17,747</u>	<u>18,004</u>	<u>16,915</u>	<u>17,479</u>	<u>22,301</u>	<u>20,142</u>	<u>22,301</u>	<u>222,757</u>
Total	389,127	479,371	570,847	385,468	410,441	402,130	390,373	353,122	484,186	504,849	357,563	372,426	5,099,902

NATURAL RESOURCE GAS LIMITED

ACTUAL AND FORECAST GAS PRICES

HISTORICAL TWELVE MONTH PERIOD - APRIL, 2014 TO MARCH, 2015

	<u>Apr-14</u>	<u>May-14</u>	<u>Jun-14</u>	<u>Jul-14</u>	<u>Aug-14</u>	<u>Sep-14</u>	<u>Oct-14</u>	<u>Nov-14</u>	<u>Dec-14</u>	<u>Jan-15</u>	<u>Feb-15</u>	<u>Mar-15</u>
<u>Local Production</u>												
Local Production (A) (\$/GJ)	7.807	7.720	7.837	7.839	7.807	7.844	7.778	7.778	7.742	7.795	7.785	7.979
Local Production (B) (\$/GJ)	6.124	6.056	6.148	6.150	6.125	6.153	5.374	5.374	5.349	5.664	5.657	5.798
<u>Dawn</u> (\$/GJ)	0.000	4.860	4.950	4.910	4.244	4.358	4.220	4.381	4.613	4.498	4.322	4.562
<u>Parkway</u> (\$/GJ)	4.980	4.910	4.837	4.837	4.837	4.837	4.803	4.540	4.540	4.540	4.540	4.540
<u>Western Deliveries</u> (\$/GJ)	5.287	5.042	4.828	4.742	4.472	4.534	4.505	3.773	3.795	3.800	3.790	3.796
Fuel Ratio (%)	4.57%	4.03%	2.96%	1.61%	2.93%	3.65%	4.24%	3.21%	4.69%	5.43%	5.19%	4.00%
<u>TCPL Transportation</u> (\$/GJ)												
TCPL Toll	1.5405	1.5405	1.5405	1.5405	1.5405	1.5405	1.5405	1.5405	1.5405	1.9655	1.9655	1.9655
GJ/day (TCPL)	372	372	372	372	376	384	377	366	366	366	366	366
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)	2,103	2,103	2,103	2,103	2,107	2,115	2,194	2,183	2,183	2,183	2,183	2,183
<u>Ontario Delivered Gas</u> (\$/GJ)	0.000	0.000	4.810	0.000	0.000	0.000	0.000	0.000	4.570	3.890	3.570	0.000
Heat Value (GJ/103m3)	38.58	39.02	38.43	38.42	38.58	38.40	38.72	38.73	38.91	38.64	38.69	37.75

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT

PROJECTED TWELVE MONTH FORWARD PERIOD - APRIL, 2015 TO MARCH, 2016  
(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) (1)	Monthly Interest (\$'s)	Y-T-D Interest (\$'s) (2)	Total PGCVA (\$'s)	Total Y-T-D PGCVA (\$'s)	Average Residential Consumption (M*3)	Monthly Interest Rate
April	352,154	1,934,834	0.182007	0.208718	0.026711	51,681.36	-564,039.06	-754.26	-67,880.32	50,927.10	-631,919.38	186.6	1.47%
May	362,393	1,992,662	0.181864	0.208718	0.026854	53,510.95	-510,528.11	-690.95	-68,571.27	52,820.00	-579,099.38	89.7	1.47%
June	351,956	1,934,834	0.181905	0.208718	0.026813	51,878.72	-458,649.39	-625.40	-69,196.67	51,253.32	-527,846.06	53.1	1.47%
July	362,393	1,992,662	0.181864	0.208718	0.026854	53,510.95	-405,138.44	-561.85	-69,758.52	52,949.10	-474,896.96	40.9	1.47%
August	362,393	1,992,662	0.181864	0.208718	0.026854	53,510.95	-351,627.49	-496.29	-70,254.81	53,014.66	-421,882.30	42.8	1.47%
September	542,219	3,354,570	0.161636	0.208718	0.047082	157,939.86	-193,687.63	-430.74	-70,685.55	157,509.12	-264,373.18	58.5	1.47%
October	362,393	1,992,662	0.181864	0.208718	0.026854	53,510.95	-140,176.68	-237.27	-70,922.82	53,273.68	-211,099.50	118.7	1.47%
November	361,809	1,934,834	0.186997	0.208718	0.021721	42,026.54	-98,150.14	-171.72	-71,094.54	41,854.82	-169,244.68	202.7	1.47%
December	372,575	1,992,662	0.186974	0.208718	0.021744	43,328.45	-54,821.69	-120.23	-71,214.77	43,208.22	-126,036.46	321.8	1.47%
January	372,575	1,992,662	0.186974	0.208718	0.021744	43,328.45	-11,493.24	-67.16	-71,281.93	43,261.29	-82,775.17	355.2	1.47%
February	340,276	1,819,179	0.187049	0.208718	0.021669	39,419.79	27,926.55	-14.08	-71,296.01	39,405.71	-43,369.46	293.2	1.47%
March	<u>372,575</u>	<u>1,992,662</u>	<u>0.186974</u>	0.208718	0.021744	<u>43,328.45</u>	<u>71,255.00</u>	<u>34.21</u>	<u>-71,261.80</u>	<u>43,362.66</u>	<u>-6.80</u>	<u>246.2</u>	1.47%
Total	4,515,712	24,926,888	0.181158			686,975.42	71,255.00	-4,135.74	-71,261.80	682,839.68	-6.80	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 Charge

(1) Includes March, 2015 year-to-date balance of (\$615,720.42) (See Schedule 2)  
(2) Includes March, 2015 year-to-date balance of (\$67,126.06) (See Schedule 2)

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

PROJECTED TWELVE MONTH FORWARD PERIOD - APRIL, 2015 TO MARCH, 2016

	<u>Apr-15</u>	<u>May-15</u>	<u>Jun-15</u>	<u>Jul-15</u>	<u>Aug-15</u>	<u>Sep-15</u>	<u>Oct-15</u>	<u>Nov-15</u>	<u>Dec-15</u>	<u>Jan-16</u>	<u>Feb-16</u>	<u>Mar-16</u>	<u>Total</u>
<b><u>Volumes (m3)</u></b>													
Local Production (A)	82,192	84,932	82,192	84,932	84,932	82,192	84,932	82,192	84,932	84,932	76,708	84,932	1,000,000
Local Production (B)	117,808	115,068	117,808	115,068	115,068	117,808	115,068	117,808	115,068	115,068	123,292	115,068	1,400,000
Dawn Delivery	658,013	679,947	658,013	679,947	679,947	658,013	679,947	658,013	679,947	679,947	614,146	679,947	8,005,828
Parkway Delivery	785,960	812,159	785,960	812,159	812,159	785,960	812,159	785,960	812,159	812,159	733,563	812,159	9,562,517
Western Delivery	290,861	300,556	290,861	300,556	300,556	290,861	300,556	290,861	300,556	300,556	271,470	300,556	3,538,808
Ontario Delivered Gas	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,419,736</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,419,736</u>
Total	1,934,834	1,992,662	1,934,834	1,992,662	1,992,662	3,354,570	1,992,662	1,934,834	1,992,662	1,992,662	1,819,179	1,992,662	24,926,888
<b><u>Price (\$/m3)</u></b>													
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	
Local Production (B)	0.194138	0.194138	0.194138	0.194138	0.194138	0.194138	0.194138	0.194138	0.194138	0.194138	0.194138	0.194138	
Dawn Delivery	0.161948	0.161646	0.161646	0.161646	0.161646	0.161646	0.161646	0.164099	0.164099	0.164099	0.164099	0.164099	
Parkway Delivery	0.171385	0.171385	0.171385	0.171385	0.171385	0.171385	0.171385	0.177803	0.177803	0.177803	0.177803	0.177803	
Western Delivery	0.143299	0.143299	0.143299	0.143299	0.143299	0.143299	0.143299	0.154284	0.154284	0.154284	0.154284	0.154284	
Ontario Delivered Gas	0.000000	0.000000	0.000000	0.000000	0.000000	0.134013	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
<b><u>Total Gas Cost (\$)</u></b>													
Local Production (A)	24,756	25,582	24,756	25,582	25,582	24,756	25,582	24,756	25,582	25,582	23,104	25,582	301,200
Local Production (B)	22,871	22,339	22,871	22,339	22,339	22,871	22,339	22,871	22,339	22,339	23,936	22,339	271,793
Dawn Delivery	106,564	109,911	106,365	109,911	109,911	106,365	109,911	107,979	111,579	111,579	100,781	111,579	1,302,433
Parkway Delivery	134,702	139,192	134,702	139,192	139,192	134,702	139,192	139,746	144,404	144,404	130,430	144,404	1,664,262
Western Delivery	41,680	43,069	41,680	43,069	43,069	41,680	43,069	44,875	46,371	46,371	41,884	46,371	523,190
Ontario Delivered Gas	0	0	0	0	0	190,263	0	0	0	0	0	0	190,263
TCPL Transportation	<u>21,581</u>	<u>22,301</u>	<u>21,581</u>	<u>22,301</u>	<u>22,301</u>	<u>21,581</u>	<u>22,301</u>	<u>21,581</u>	<u>22,301</u>	<u>22,301</u>	<u>20,142</u>	<u>22,301</u>	<u>262,571</u>
Total	352,154	362,393	351,956	362,393	362,393	542,219	362,393	361,809	372,575	372,575	340,276	372,575	4,515,712





NATURAL RESOURCE GAS LIMITED

GAS PURCHASE REBALANCING ACCOUNT

APRIL, 2014 THROUGH MARCH, 2016

Month	Purchase Volume (M <sup>3</sup> ) A	Throughput Volume (M <sup>3</sup> ) B	Direct Purchase Volume (M <sup>3</sup> ) C	System Sales Volume (M <sup>3</sup> ) D=B-C	Deemed U.F.G. (M <sup>3</sup> ) E	System Sales + U.F.G. (M <sup>3</sup> ) F=D+E	Monthly Inventory Balance (M <sup>3</sup> ) G=A-F	Cumulative Inventory (M <sup>3</sup> ) H (1)	Reference Price (\$/M <sup>3</sup> ) I	Inventory Revaluation (\$s) J	Inventory Rate (\$/M <sup>3</sup> ) K	Inventory Recovery (\$s) L=KxD	Y-T-D GPRA Balance (\$s) M (2)	Monthly Interest (\$s) N	Y-T-D Interest (\$s) O (3)	Total Y-T-D GPRA (\$s) P=M+O	Monthly Interest Rate
April	1,842,589	4,480,961	2,476,246	2,004,715	0	2,004,715	-162,126	-2,994,303	0.315237	0.00	0.009556	19,157.06	-371,167.10	-478.15	4,956.05	-366,211.05	1.47%
May	2,331,232	3,730,885	2,732,424	998,461	0	998,461	1,332,771	-1,661,531	0.315237	0.00	0.009556	9,541.29	-361,625.81	-454.68	4,501.37	-357,124.44	1.47%
June	2,893,041	3,027,097	2,579,360	447,737	0	447,737	2,445,304	783,773	0.315237	0.00	0.009556	4,278.57	-357,347.23	-442.99	4,058.38	-353,288.85	1.47%
July	1,896,767	2,549,886	2,103,625	446,261	0	446,261	1,450,506	2,234,279	0.315237	0.00	0.009556	4,264.47	-353,082.76	-437.75	3,620.63	-349,462.13	1.47%
August	2,094,815	3,824,759	2,868,780	955,979	0	955,979	1,138,836	3,373,115	0.315237	0.00	0.009556	9,135.34	-343,947.42	-432.53	3,188.10	-340,759.32	1.47%
September	2,042,170	4,071,592	2,576,990	1,494,602	0	1,494,602	547,568	3,920,683	0.315237	-327,796.52	0.009556	14,282.42	-657,461.50	-421.34	2,766.76	-654,694.74	1.47%
October	1,981,011	4,908,332	2,982,611	1,925,721	0	1,925,721	55,290	3,975,973	0.231630	0.00	0.030284	58,318.53	-599,142.97	-805.39	1,961.37	-597,181.60	1.47%
November	1,900,605	6,980,304	3,347,715	3,632,589	0	3,632,589	-1,731,984	2,243,989	0.231630	0.00	0.030284	110,009.33	-489,133.64	-733.95	1,227.42	-487,906.22	1.47%
December	2,594,170	7,116,185	3,343,765	3,772,420	0	3,772,420	-1,178,250	1,065,739	0.231630	-10,143.70	0.030284	114,243.97	-385,033.37	-599.19	628.23	-384,405.14	1.47%
January	2,845,697	7,219,445	3,283,470	3,935,975	0	3,935,975	-1,090,278	-24,539	0.222112	0.00	0.014861	58,492.52	-326,540.85	-471.67	156.56	-326,384.29	1.47%
February	1,967,329	7,371,911	2,853,493	4,518,417	0	4,518,417	-2,551,088	-2,575,627	0.222112	0.00	0.014861	67,148.20	-259,392.65	-400.01	-243.45	-259,636.10	1.47%
March	1,992,662	5,527,262	2,744,961	2,782,301	0	2,782,301	-789,639	-3,365,266	0.222112	45,074.37	0.014861	41,347.78	-172,970.50	-317.76	-561.21	-173,531.71	1.47%
April	1,934,834	4,254,841	2,685,665	1,569,176	0	1,569,176	365,658	-2,999,608	0.208718	0.00	0.006929	10,872.82	-162,097.68	-211.89	-773.10	-162,870.78	1.47%
May	1,992,662	3,493,180	2,661,298	831,882	0	831,882	1,160,780	-1,838,827	0.208718	0.00	0.006929	5,764.11	-156,333.57	-198.57	-971.67	-157,305.24	1.47%
June	1,934,834	3,076,361	2,638,035	438,326	0	438,326	1,496,508	-342,319	0.208718	0.00	0.006929	3,037.16	-153,296.41	-191.51	-1,163.18	-154,459.59	1.47%
July	1,992,662	3,069,806	2,646,622	423,184	0	423,184	1,569,478	1,227,159	0.208718	0.00	0.006929	2,932.24	-150,364.17	-187.79	-1,350.97	-151,715.14	1.47%
August	1,992,662	3,546,615	2,639,204	907,411	0	907,411	1,085,251	2,312,411	0.208718	0.00	0.006929	6,287.45	-144,076.72	-184.20	-1,535.17	-145,611.89	1.47%
September	3,354,570	4,058,210	2,699,547	1,358,663	0	1,358,663	1,995,907	4,308,318	0.208718	0.00	0.006929	9,414.18	-134,662.54	-176.49	-1,711.66	-136,374.20	1.47%
October	1,992,662	5,171,595	2,783,246	2,388,349	0	2,388,349	-395,687	3,912,631	0.208718	0.00	0.006929	16,548.87	-118,113.67	-164.96	-1,876.62	-119,990.29	1.47%
November	1,934,834	6,471,595	2,807,687	3,663,908	0	3,663,908	-1,729,074	2,183,557	0.208718	0.00	0.006929	25,387.22	-92,726.45	-144.69	-2,021.31	-94,747.76	1.47%
December	1,992,662	6,521,595	2,795,357	3,726,238	0	3,726,238	-1,733,576	449,982	0.208718	0.00	0.006929	25,819.10	-66,907.35	-113.59	-2,134.90	-69,042.25	1.47%
January	1,992,662	6,421,595	2,824,409	3,597,186	0	3,597,186	-1,604,524	-1,154,542	0.208718	0.00	0.006929	24,924.90	-41,982.45	-81.96	-2,216.86	-44,199.31	1.47%
February	1,819,179	6,121,595	2,807,462	3,314,133	0	3,314,133	-1,494,954	-2,649,496	0.208718	0.00	0.006929	22,963.63	-19,018.82	-51.43	-2,268.29	-21,287.11	1.47%
March	1,992,662	5,821,595	2,744,961	3,076,634	0	3,076,634	-1,083,972	-3,733,468	0.208718	0.00	0.006929	21,318.00	2,299.18	-23.30	-2,291.59	7.59	1.47%

(1) Includes balance of -2,832,177 as of March, 2014  
(2) Includes balance of -390,324.16 as of March, 2014  
(3) Includes balance of 5,434.20 as of March, 2014

**NATURAL RESOURCE GAS LIMITED**

**RESIDENTIAL BILL COMPARISONS**

**QUARTERLY BILL IMPACT**

	Quarter Starting 01-Apr-14 <u>EB-2014-0053</u>	Quarter Starting 01-Apr-15 <u>EB-2015-0046</u>	\$ Change	Percent Change
Average Residential Consumption for Quarter	329.4	329.4		
Monthly Charges	\$40.50	\$40.50	\$0.00	0.0%
Delivery Charges	\$51.58	\$51.58	\$0.00	0.0%
Total Commodity Charges	<u>\$107.11</u>	<u>\$71.15</u>	<u>(\$35.95)</u>	<u>-33.6%</u>
Total Customer Charges	\$199.19	\$163.24	(\$35.95)	-18.0%

**ANNUAL BILL IMPACT**

	01-Jan-15 <u>EB-2014-0358</u>	01-Apr-15 <u>EB-2015-0046</u>	\$ Change	Percent Change
Average Residential Consumption	2,009.4	2,009.4		
Monthly Charges	\$162.00	\$162.00	\$0.00	0.0%
Delivery Charges	\$314.67	\$314.67	\$0.00	0.0%
Total Commodity Charges	<u>\$476.90</u>	<u>\$434.05</u>	<u>(\$42.85)</u>	<u>-9.0%</u>
Total Customer Charges	\$953.58	\$910.72	(\$42.85)	-4.5%

**RATES USED**

	01-Apr-14 <u>EB-2014-0053</u>	01-Jan-15 <u>EB-2014-0358</u>	01-Apr-15 <u>EB-2015-0046</u>
Monthly charge	13.50	13.50	13.50
Delivery Charge	0.156601	0.156601	0.156601
Total Commodity Charge	0.325156	0.237336	0.216010

**APPENDIX "A" TO  
DECISION AND INTERIM ORDER  
BOARD FILE No. EB-2015-0046  
DATED MARCH XX, 2015**

## NATURAL RESOURCE GAS LIMITED

### RATE 1 - General Service Rate

#### Rate Availability

The entire service area of the Company.

#### Eligibility

All customers.

#### Rate

a)	Monthly Fixed Charge	\$13.50
b)	Delivery Charge	
	First 1,000 m <sup>3</sup> per month	15.6601 cents per m <sup>3</sup>
	All over 1,000 m <sup>3</sup> per month	10.6527 cents per m <sup>3</sup>
c)	Gas Supply Charge and System Gas Refund Rate Rider (if applicable)	Schedule A

#### Meter Readings

Gas consumption by each customer under this rate schedule shall be determined by monthly meter reading, provided that in circumstances beyond the control of the company such as strikes or non-access to a meter, the company may estimate the consumption each month as of the scheduled date of the regular monthly meter reading and render a monthly bill to the customer thereof.

#### Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

#### Bundled Direct Purchase Delivery

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Effective: April 01, 2015

Implementation: All bills rendered on or after April 01, 2015

EB-2015-0046

## NATURAL RESOURCE GAS LIMITED

### RATE 2 - Seasonal Service

#### Rate Availability

The entire service area of the company.

#### Eligibility

All customers.

#### Rate

For all gas consumed from:	April 1 through October 31:	November 1 through March 31:
a) Monthly Fixed Charge	\$15.00	\$15.00
b) Delivery Charge		
First 1,000 m <sup>3</sup> per month	14.5236 cents per m <sup>3</sup>	18.3068 cents per m <sup>3</sup>
Next 24,000 m <sup>3</sup> per month	9.4826 cents per m <sup>3</sup>	15.6960 cents per m <sup>3</sup>
All over 25,000 m <sup>3</sup> per month	6.1698 cents per m <sup>3</sup>	15.2899 cents per m <sup>3</sup>
c) Gas Supply Charge and System Gas Refund Rate Rider (if applicable)		Schedule A

#### Meter Readings

Gas consumption by each customer under this rate schedule shall be determined by monthly meter reading, provided that in circumstances beyond the control of the company such as strikes or non-access to a meter, the company may estimate the consumption each month as of the scheduled date of the regular monthly meter reading and render a monthly bill to the customer thereof.

#### Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

#### Bundled Direct Purchase Delivery

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Effective: April 01, 2015

Implementation: All bills rendered on or after April 01, 2015

EB-2015-0046

## NATURAL RESOURCE GAS LIMITED

### RATE 3 - Special Large Volume Contract Rate

#### Rate Availability

Entire service area of the company.

#### Eligibility

A customer who enters into a contract with the company for the purchase or transportation of gas:

- a) for a minimum term of one year;
- b) that specifies a combined daily contracted demand for firm and interruptible service of at least 700 m<sup>3</sup>; and
- c) a qualifying annual volume of at least 113,000 m<sup>3</sup>.

#### Rate

1. Bills will be rendered monthly and shall be the total of:

- a) A Monthly Customer Charge:

A Monthly Customer Charge of \$150.00 for firm or interruptible customers; or  
A Monthly Customer Charge of \$175.00 for combined (firm and interruptible) customers.

- b) A Monthly Demand Charge:

A Monthly Demand Charge of 29.0974 cents per m<sup>3</sup> for each m<sup>3</sup> of daily contracted firm demand.

- c) A Monthly Delivery Charge:

- (i) A Monthly Firm Delivery Charge for all firm volumes of 3.8521 cents per m<sup>3</sup>,
- (ii) A Monthly Interruptible Delivery Charge for all interruptible volumes to be negotiated between the company and the customer not to exceed 10.9612 cents per m<sup>3</sup> and not to be less than 7.9412 per m<sup>3</sup>.

- d) Gas Supply Charge and System Gas Refund Rate Rider (if applicable) Schedule A

- e) Overrun Gas Charges:

Overrun gas is available without penalty provided that it is authorized by the company in advance. The company will not unreasonably withhold authorization.

If, on any day, the customer should take, without the company's approval in advance, a volume of gas in excess of the maximum quantity of gas which the company is obligated to deliver to the customer on such day, or if, on any day, the customer fails to comply with any curtailment notice reducing the customer's take of gas, then,

- (i) the volume of gas taken in excess of the company's maximum delivery obligation for such day, or
- (ii) the volume of gas taken in the period on such day covered by such curtailment notice (as determined by the company in accordance with its usual practice) in excess of the volume of gas authorized to be taken in such period by such curtailment notice,

as the case may be, shall constitute unauthorized overrun volume.

Any unauthorized firm overrun gas taken in any month shall be paid for at the Rate 3 Firm Delivery Charge in effect at the time the overrun occurs. In addition, the Contract Demand level shall be adjusted to the actual maximum daily volume taken and the Demand Charges stated above shall apply for the whole contract year,

including retroactively, if necessary, thereby requiring recomputation of bills rendered previously in the contract year.

Any unauthorized interruptible overrun gas taken in any month shall be paid for at the Rate 1 Delivery Charge in effect at the time the overrun occurs plus any Gas Supply Charge applicable.

For any unauthorized overrun gas taken, the customer shall, in addition, indemnify the company in respect of any penalties or additional costs imposed on the company by the company's suppliers, any additional gas cost incurred or any sales margins lost as a consequence of the customer taking the unauthorized overrun volume.

2. In negotiating the Monthly Interruptible Commodity Charge referred to in 1(c)(ii) above, the matters to be considered include:

- a) The volume of gas for which the customer is willing to contract;
- b) The load factor of the customer's anticipated gas consumption, the pattern of annual use, and the minimum annual quantity of gas which the customer is willing to contract to take or in any event pay for;
- c) Interruptible or curtailment provisions;
- d) Competition.

3. In each contract year, the customer shall take delivery from the company, or in any event pay for it if available and not accepted by the customer, a minimum volume of gas as specified in the contract between the parties. Overrun volumes will not contribute to the minimum volume. The rate applicable to the shortfall from this minimum shall be 3.1530 cents per m<sup>3</sup> for firm gas and 5.4412 cents per m<sup>3</sup> for interruptible gas.

4. The contract may provide that the Monthly Demand Charge specified in Rate Section 1 above shall not apply on all or part of the daily contracted firm demand used by the customer during the testing, commissioning, phasing in, decommissioning and phasing out of gas-using equipment for a period not to exceed one year (the transition period). In such event, the contract will provide for a Monthly Firm Delivery Commodity Charge to be applied on such volume during the transition of 5.7163 cents per m<sup>3</sup> and a gas supply commodity charge as set out in Schedule A, if applicable. Gas purchased under this clause will not contribute to the minimum volume.

#### **Bundled Direct Purchase Delivery**

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

#### **Delayed Payment Penalty**

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Effective: April 01, 2015

Implementation: All bills rendered on or after April 01, 2015

EB-2015-0046



## NATURAL RESOURCE GAS LIMITED

### RATE 4 - General Service Peaking

#### Rate Availability

The entire service area of the company.

#### Eligibility

All customers whose operations, in the judgment of Natural Resource Gas Limited, can readily accept interruption and restoration of gas service with 24 hours notice.

#### Rate

For all gas consumed from:	April 1 through December 31:	January 1 through March 31:
a) Monthly Fixed Charge	\$15.00	\$15.00
b) Delivery Charge		
First 1,000 m <sup>3</sup> per month	15.1257cents per m <sup>3</sup>	19.2963 cents per m <sup>3</sup>
All over 1,000 m <sup>3</sup> per month	10.5218 cents per m <sup>3</sup>	16.9052 cents per m <sup>3</sup>
c) Gas Supply Charge and System Gas Refund Rate Rider (if applicable)		Schedule A

#### Meter Readings

Gas consumption by each customer under this rate schedule shall be determined by monthly meter reading provided that in circumstances beyond the control of the company such as strikes or non-access to a meter, the company may estimate the consumption each month as of the scheduled date of the regular monthly meter reading and render a monthly bill to the customer thereof.

#### Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

#### Bundled Direct Purchase Delivery

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Effective: April 01, 2015

Implementation: All bills rendered on or after April 01, 2015

EB-2015-0046

## NATURAL RESOURCE GAS LIMITED

### RATE 5 - Interruptible Peaking Contract Rate

#### Rate Availability

Entire service area of the company.

#### Eligibility

A customer who enters into a contract with the company for the purchase or transportation of gas:

- a) for a minimum term of one year;
- b) that specifies a daily contracted demand for interruptible service of at least 700 m<sup>3</sup>; and
- c) a qualifying annual volume of at least 50,000 m<sup>3</sup>.

#### Rate

1. Bills will be rendered monthly and shall be the total of:

- a) Monthly Fixed Charge \$150.00.
- b) A Monthly Delivery Charge:

A Monthly Delivery Charge for all interruptible volumes to be negotiated between the company and the customer not to exceed 8.4612 cents per m<sup>3</sup> and not to be less than 5.4612 per m<sup>3</sup>.

- c) Gas Supply Charge and System Gas Refund Rate Rider (if applicable) Schedule A
- d) Overrun Gas Charge:

Overrun gas is available without penalty provided that it is authorized by the company in advance. The company will not unreasonably withhold authorization.

If, on any day, the customer should take, without the company's approval in advance, a volume of gas in excess of the maximum quantity of gas which the company is obligated to deliver to the customer on such day, or if, on any day, the customer fails to comply with any curtailment notice reducing the customer's take of gas, then

- (i) the volume of gas taken in excess of the company's maximum delivery obligation for such day, or
- (ii) the volume of gas taken in the period on such day covered by such curtailment notice (as determined by the company in accordance with its usual practice) in excess of the volume of gas authorized to be taken in such period by such curtailment notice,

as the case may be, shall constitute unauthorized overrun volume.

Any unauthorized overrun gas taken in any month shall be paid for at the Rate 1 Delivery Charge in effect at the time the overrun occurs plus any applicable Gas Supply Charge.

For any unauthorized overrun gas taken, the customer shall, in addition, indemnify the company in respect of any penalties or additional costs imposed on the company by the company's suppliers, any additional gas cost incurred or any sales margins lost as a consequence of the customer taking the unauthorized overrun volume.

2. In negotiating the Monthly Interruptible Commodity Charge referred to in 1(c) above, the matters to be considered include:

- a) The volume of gas for which the customer is willing to contract;
- b) The load factor of the customer's anticipated gas consumption and the pattern of annual use and the minimum annual quantity of gas which the customer is willing to contract to take or in any event pay for;

- c) Interruptible or curtailment provisions;
- d) Competition.

3. In each contract year, the customer shall take delivery from the company, or in any event pay for it if available and not accepted by the customer, a minimum volume of gas of 50,000 m<sup>3</sup>. Overrun volumes will not contribute to the minimum volume. The rate applicable to the shortfall from this annual minimum shall be 7.0069 cents per m<sup>3</sup> for interruptible gas.

**Bundled Direct Purchase Delivery**

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

**Delayed Payment Penalty**

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Effective: April 01, 2015

Implementation: All bills rendered on or after April 01, 2015

EB-2015-0046

## NATURAL RESOURCE GAS LIMITED

### **RATE 6 – Integrated Grain Processors Co-Operative Aylmer Ethanol Production Facility**

#### **Rate Availability**

Rate 6 is available to the Integrated Grain Processors Co-Operative, Aylmer Ethanol Production Facility only.

#### **Eligibility**

Integrated Grain Processors Co-Operative's ("IGPC") ethanol production facility located in the Town of Aylmer

#### **Rate**

1. Bills will be rendered monthly and shall be the total of:

a) Monthly Customer Charge of \$150.00 for firm services

Rate Rider for reduction in Aid to Construct - effective until September 30, 2016                      \$(41,786.54)

b) A Monthly Demand Charge:

A Monthly Demand Charge of 18.3951 cents per m<sup>3</sup> for each m<sup>3</sup> of daily contracted firm demand.

c) A Monthly Delivery Charge:

(i) A Monthly Firm Delivery Charge for all firm volumes of 3.7976 cents per m<sup>3</sup>,

(ii) A Monthly Interruptible Delivery Charge for all interruptible volumes to be negotiated between the company and IGPC not to exceed 10.9612 cents per m<sup>3</sup> and not to be less than 7.9412 per m<sup>3</sup>.

d) Gas Supply Charge and System Gas Refund Rate Rider (if applicable)                      Schedule A

e) Overrun Gas Charges:

Overrun gas is available without penalty provided that it is authorized by the company in advance. The company will not unreasonably withhold authorization.

If, on any day, IGPC should take, without the company's approval in advance, a volume of gas in excess of the maximum quantity of gas which the company is obligated to deliver to IGPC on such day, or if, on any day, IGPC fails to comply with any curtailment notice reducing IGPC's take of gas, then,

(i) the volume of gas taken in excess of the company's maximum delivery obligation for such day, or

(ii) the volume of gas taken in the period on such day covered by such curtailment notice (as determined by the company in accordance with its usual practice) in excess of the volume of gas authorized to be taken in such period by such curtailment notice,

as the case may be, shall constitute unauthorized overrun volume.

Any unauthorized firm overrun gas taken in any month shall be paid for at the Rate 6 Firm Delivery Charge in effect at the time the overrun occurs. In addition, the Contract Demand level shall be adjusted to the actual maximum daily volume taken and the Demand Charges stated above shall apply for the whole contract year, including retroactively, if necessary, thereby requiring recomputation of bills rendered previously in the contract year.

Any unauthorized interruptible overrun gas taken in any month shall be paid for at the Rate 1 Delivery Charge in effect at the time the overrun occurs plus any Gas Supply Charge applicable.

For any unauthorized overrun gas taken, IGPC shall, in addition, indemnify the company in respect of any penalties or additional costs imposed on the company by the company's suppliers, any additional gas cost incurred or any sales margins lost as a consequence of the customer taking the unauthorized overrun volume.

2. In negotiating the Monthly Interruptible Commodity Charge referred to in 1(c)(ii) above, the matters to be considered include:

- a) The volume of gas for which IGPC is willing to contract;
- b) The load factor of IGPC's anticipated gas consumption, the pattern of annual use, and the minimum annual quantity of gas which IGPC is willing to contract to take or in any event pay for;
- c) Interruptible or curtailment provisions;
- d) Competition.

3. In each contract year, IGPC shall take delivery from the company, or in any event pay for it if available and not accepted by the IGPC, a minimum volume of gas as specified in the contract between the parties. Overrun volumes will not contribute to the minimum volume. The rate applicable to the shortfall from this minimum shall be 3.1530 cents per m<sup>3</sup> for firm gas and 5.4412 cents per m<sup>3</sup> for interruptible gas.

4. The contract may provide that the Monthly Demand Charge specified in Rate Section 1 above shall not apply on all or part of the daily contracted firm demand used by the IGPC during the testing, commissioning, phasing in, decommissioning and phasing out of gas-using equipment for a period not to exceed one year (the transition period). In such event, the contract will provide for a Monthly Firm Delivery Commodity Charge to be applied on such volume during the transition of 5.7163 cents per m<sup>3</sup> and a gas supply commodity charge as set out in Schedule A, if applicable. Gas purchased under this clause will not contribute to the minimum volume.

#### **Bundled Direct Purchase Delivery**

Where IGPC elects under this rate schedule to directly purchase its gas from a supplier other than NRG, IGPC or its agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to IGPC if it elects said Bundled T transportation service.

Unless otherwise authorized by NRG, IGPC, when delivering gas to NRG under direct purchase arrangements, must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

#### **Delayed Payment Penalty**

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Effective: April 01, 2015

Implementation: All bills rendered on or after April 01, 2015

EB-2015-0046

**NATURAL RESOURCE GAS LIMITED**

**SCHEDULE A – Gas Supply Charges**

**Rate Availability**

Entire service area of the company.

**Eligibility**

All customers served under Rates 1, 2, 3, 4, 5 and 6.

**Rate**

The Gas Supply Charge applicable to all sales customers shall be made up of the following charges:

PGCVA Reference Price	(EB-2015-0046)	20.8718 cents per m <sup>3</sup>
GPRA Recovery Rate	(EB-2015-0046)	0.6929 cents per m <sup>3</sup>
System Gas Fee	(EB-2010-0018)	<u>0.0363</u> cents per m <sup>3</sup>
Total Gas Supply Charge		<u>21.6010</u> cents per m <sup>3</sup>

Note:

PGCVA means Purchased Gas Commodity Variance Account

GPRA means Gas Purchase Rebalancing Account

Effective: April 01, 2015

Implementation: All bills rendered on or after April 01, 2015

EB-2015-0046

**NATURAL RESOURCE GAS LIMITED**

**RATE BT1 – Bundled Direct Purchase Contract Rate**

**Availability**

Rate BT1 is available to all customers or their agent, who enter into a Receipt Contract for delivery of gas to NRG. The availability of this option is subject to NRG obtaining a satisfactory agreement or arrangement with Union Gas and NRG's gas supplier for direct purchase volume and DCQ offsets.

**Eligibility**

All customers electing to purchase gas directly from a supplier other than NRG must enter into a Bundled T-Service Receipt Contract with NRG either directly or through their agent, for delivery of gas to NRG at a mutually acceptable delivery point.

**Rate**

For gas delivered to NRG at any point other than the Ontario Point of Delivery, NRG will charge a customer or their agent, all approved tolls and charges incurred by NRG to transport the gas to the Ontario Point of Delivery.

Note:

Ontario Point of Delivery means Dawn or Parkway on the Union Gas System as agreed to by NRG and NRG's customer or their agent.

Effective: April 01, 2015

Implementation: All bills rendered on or after April 01, 2015

EB-2015-0046

**NATURAL RESOURCE GAS LIMITED**

**Transmission Service**

**Availability**

Transmission Service charges shall be applied to Natural Resource Gas Corp.

**Eligibility**

Only Natural Resource Gas Corp. shall be charged the Transmission Service Rate. Fees and Charges will be applied only in those months that NRG Corp. delivers gas to a delivery point on NRG's system.

**Rate**

Administrative Charge	\$250/month
Transportation Rate	\$0.95/mcf

Effective: April 01, 2015

Implementation: All bills rendered on or after April 01, 2015

EB-2015-0046



**APPENDIX "B" TO  
DECISION AND INTERIM ORDER  
BOARD FILE No. EB-2015-0046  
DATED MARCH XX, 2015**

**NATURAL RESOURCE GAS LIMITED**

**Accounting Entries for the Purchased Gas Commodity Variance Account**

Note: Account numbers are in accordance with the Uniform System of Accounts for Gas Utilities, Class A, prescribed under the Ontario Energy Board Act.

To record monthly as a debit (credit) in Deferral Account No. 179-27 (PGCVA) the decrease (increase) to reflect the projected changes in gas costs and prospective recovery of the balances of the gas supply deferral accounts approved by the Board for rate making purposes.

Debit/Credit Account No. 179-27 Purchased Gas Commodity Variance Account (PGCVA)

Credit/Debit Account No. 623 Cost of Gas

To record as a debit (credit) in Deferral Account No. 179-28, interest on the balance in Deferral Account

Debit/Credit Account No. 179-28 Purchased Gas Commodity Variance Account (PGCVA)

Credit/Debit Account No. 323 Other Interest Expense

Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**APPENDIX "C" TO  
DECISION AND INTERIM ORDER  
BOARD FILE No. EB-2015-0046  
DATED MARCH XX, 2015**

## **IMPORTANT INFORMATION ABOUT YOUR GAS BILL**

On all bills rendered by NRG on or after April 1, 2015, the price we charge for the gas commodity and transportation portion of your bill will be decreasing by \$0.021326 per cubic meter to \$0.216010 per cubic meter. The Ontario Energy Board (OEB) has approved this change to reflect the prices that NRG expects that it will be paying to its gas suppliers through to the end of March, 2016. On your gas bill this cost is on the line entitled "Gas Commodity".

As a regulated utility, NRG is permitted to recover what it pays for the purchase of gas plus any costs reasonably associated with this purchase but with no mark up or 'profit'. The price the utility charges you is based on the forecasted gas and transportation costs to NRG, which are periodically reviewed by the OEB and reconciled with actual costs. The gas commodity portion gets adjusted regularly throughout the year as the price of the gas commodity changes.

How will this price change impact you? That will depend on the amount of gas that you use. For a typical residential customer who consumes approximately 2,009 cubic meters of gas annually, this price change will cause your annual heating costs to decrease by approximately \$43 per year. For customers who have arranged to have their gas supplied by a gas marketer/broker, the price may or may not change depending on the terms of the contract the customer has with the gas marketer/broker.

If you have any questions about this rate change, please do not hesitate to contact us at 519-773-5321. We thank you for continuing to make natural gas your fuel of choice.