

EB-2014-0274

IN THE MATTER OF the *Ontario Energy Board Act* 1998, S.O.1998, c.15, (Schedule 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 effective October 1, 2014.

BEFORE: Cathy Spoel

Presiding Member

Allison Duff Board Member

RATE ORDER April 2, 2015

Natural Resource Gas Limited (NRG) filed an application on August 22, 2014, requesting the continuation of its Price Cap Incentive Rate setting (IR) mechanism for two more years, from October 1, 2014 to August 31, 2016, rather than filing a cost of service application. NRG last appeared before the Ontario Energy Board (OEB) with a cost of service application for its 2011 fiscal year (EB-2010-0018).

The OEB held an oral hearing and approved NRG's request on November 11, 2014 for a two year extension. In approving the request, the OEB directed NRG to file an application for a Price Cap IR adjustment for the 2014 fiscal year. Accordingly, NRG filed an application on November 25, 2014 under section 36 of the *Ontario Energy Board Act*, 1998 seeking approval for changes to the rates that

NRG charges for the distribution, transmission and storage of natural gas effective

October 1, 2014. In its application, NRG continued to use its current IR plan but used the parameters based on the OEB's Price Cap IR parameters to set 2015

rates.

The OEB issued its Decision on March 19, 2015 approving NRG's proposed rate adjustments as filed. However, the OEB did not approve NRG's request for an effective date of October 1, 2014 for the new rates. Rather, the OEB approved an effective date of April 1, 2015 and ordered NRG to file a draft Rate Order reflecting the OEB's Decision. The OEB also set the procedural dates for parties to file comments and NRG to file a reply on the draft Rate Order.

NRG filed its draft Rate Order on March 24, 2015. OEB staff indicated that the rate adjustments proposed by NRG appropriately reflected the OEB's Decision and agreed with NRG's calculation of the Shared Tax Savings rate rider. OEB staff also supported NRG's proposal of a single customer notice to communicate changes to both the commodity and distribution rates effective April 1, 2015. The change in commodity rates resulted from the OEB's Quarterly Rate Adjustment Mechanism effective April 1, 2015, while the distribution rate changes are as a result of the IR adjustment in the current proceeding.

No other parties filed comments in response to the draft Rate Order. The OEB has reviewed the draft Rate Order and is satisfied with the adjustments made by NRG.

No cost awards were sought in the proceeding.

THE OEB ORDERS THAT:

1. The Tariff of Rates and Charges set out in Appendix "A" of this Rate Order is approved, effective April 1, 2015 for natural gas consumed or estimated to have been consumed on and after such date.

- The Tariff of Rates and Charges set out in Appendix "A" of this Rate Order supersedes all previous distribution rate schedules approved by the OEB for NRG and is final in this respect. NRG's commodity rates will continue to be interim as originally set out in EB-2014-0053.
- 3. NRG shall provide the customer notice in Appendix "B" to all customers with the first bill or invoice in April 2015 informing customers of the new rates.
- 4. Pursuant to section 30 of the Ontario *Energy Board Act, 1998*, NRG shall pay the OEB's costs of and incidental to, this proceeding immediately upon receipt of the OEB's invoice

DATED at Toronto, April 2, 2015 **ONTARIO ENERGY BOARD**

Original signed by

Kirsten Walli Board Secretary

APPENDIX "A"

TO

BOARD ORDER EB-2014-0274

DATED: APRIL 2, 2015

RATE 1 - General Service Rate

Rate Availability

The entire service area of the Company.

Eligibility

All customers.

M 11 E 10

Rate

a)	Monthly Fixed Charge	\$13.50
	Rate Rider for Shared Tax Savings - effective until September 30, 2015	\$(0.22)
b)	Delivery Charge First 1,000 m³ per month All over 1,000 m³ per month	15.9437 cents per m ³ 10.7805 cents per m ³

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

Meter Readings

c)

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.

Schedule A

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

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
	Rate Rider for Shared Tax Savings - effective until September 30, 2015	\$(0.38)	
b)	Delivery Charge First 1,000 m ³ per month	15.1677 cents per m ³	19.1187 cents per m ³

First $1,000 \text{ m}^3$ per month $15.1677 \text{ cents per m}^3$ $19.1187 \text{ cents per m}^3$ Next $24,000 \text{ m}^3$ per month $9.4826 \text{ cents per m}^3$ $15.6960 \text{ cents per m}^3$ All over $25,000 \text{ m}^3$ per month $6.1698 \text{ cents per m}^3$ $15.2899 \text{ cents per m}^3$

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

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 m³; and c) a qualifying annual volume of at least 113,000 m³.

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. Rate Rider for

Shared Tax Savings - effective until September 30, 2015

\$(16.68)

Α

b) A Monthly Demand Charge:

A Monthly Demand Charge of 29.0974 cents per m³ for each m³ of daily contracted firm demand. c)

Monthly Delivery Charge:

- (i) A Monthly Firm Delivery Charge for all firm volumes of 3.9431 cents per m³,
- (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 m³ and not to be less than 7.9412 per m³.
- 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 m³ for firm gas and 5.4412 cents per m³ 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 m³ 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

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 January 1 through

December 31: March 31:

a) Monthly Fixed Charge \$15.00

Rate Rider for Shared Tax Savings

- effective until September 30, 2015 \$(1.10)

b) Delivery Charge

First 1,000 m³ per month 15.4678 cents per m³ 19.7327 cents per m³ All over 1,000 m³ per month 10.5218 cents per m³ 16.9052 cents per m³

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

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 m³; and c) a qualifying annual volume of at least 50,000 m³.

Rate

- 1. Bills will be rendered monthly and shall be the total of:
 - a) Monthly Fixed Charge

\$150.00.

Rate Rider for Shared Tax Savings - effective until September 30, 2015

\$(6.04)

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 m³ and not to be less than 5.4612 per m³.

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 m³. Overrun volumes will not contribute to the minimum volume. The rate applicable to the shortfall from this annual minimum shall be 7.1024 cents per m³ 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

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) Rate

Rider for Shared Tax Savings - effective until September 30, 2015 \$(602.26)

b) A Monthly Demand Charge:

A Monthly Demand Charge of 18.6158 cents per m³ for each m³ of daily contracted firm demand. c)

Monthly Delivery Charge:

- (i) A Monthly Firm Delivery Charge for all firm volumes of 3.8432 cents per m³,
- (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 m³ and not to be less than 7.9412 per m³.
- 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 m³ for firm gas and 5.4412 cents per m³ 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 m³ 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

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 ³
GPRA Recovery Rate	(EB-2015-0046)	$0.6929 \text{ cents per m}^3$
System Gas Fee	(EB-2010-0018)	0.0363 cents per m ³
Total Gas Supply Charge	21.6010 cents per m ³	

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

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

Transmission Service

Availability

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

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

APPENDIX "B"

TO

BOARD ORDER EB-2014-0274

DATED: APRIL 2, 2015



Natural Resource Gas Limited

39 Beech St. E., PO Box 307, Aylmer On N5H 2S1

IMPORTANT INFORMATION ABOUT YOUR GAS BILL

Gas Commodity:

On all bills rendered by Natural Resource Gas Limited ("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.

Delivery Charge:

The OEB approved a delivery charge increase effective April 1, 2015 and will be on all bills rendered by NRG on or after April 1, 2015.

Rate Rider:

The OEB approved a rate rider on all bills rendered by NRG on or after April 1, 2015. This rate rider represents Corporate Tax Savings and is a credit to the customer and effective until September 30, 2015.

Bill Impact:

How will the 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:

Gas Commodity * – annual heating costs to decrease by approximately \$43 per year Delivery Charge – delivery charge will increase by less than \$6 per year

Changes to the commodity and delivery charge will result in a reduction of approximately \$37 or 4% to the total annual bill.

*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 the changes in rates or any other item that appears on your bill, please feel free to call our office at 519-773-5321.

We would like to thank you for choosing to make natural gas your energy of choice.