

ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF an Application by Natural Resource Gas Limited for an order or orders approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of gas as of July 1, 2015;

AND IN THE MATTER OF the Quarterly Rate Adjustment Mechanism.

APPLICATION

1. As part of the EB-2015-0046 Decision and Interim Rate Order dated March 20, 2015 the Board approved a PGCVA reference price of \$0.208718 per m³ and a gas supply charge of \$0.216010 per m³, both effective April 1, 2015.
2. Based on actual and forecast natural gas prices for the July, 2014 through June, 2015 period the PGCVA balance is projected to be a charge of approximately \$30.21 per residential customer.
3. NRG hereby applies to the Board for further orders effective July 1, 2015 as follows:
 - a) an order changing the reference price authorized by the Board's EB-2015-0046 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 \$0.007545 per m³ from the Board approved level of \$0.208718 per m³ to \$0.201173 per m³;
 - b) an order changing the rates and other charges from those authorized by the Board's EB-2015-0046 Decision and Interim Rate Order to reflect a

projected \$0.008137 per m³ change in the gas supply charge from the Board approved level of \$0.216010 per m³ to a projected cost of \$0.207873 per m³. 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 July 1, 2015.

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

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Dated at London, Ontario, this 10th day of June, 2015.

NATURAL RESOURCE GAS LIMITED

Brian Lippold
General Manager

NATURAL RESOURCE GAS LIMITED

INTRODUCTION

As part of the EB-2015-0046 Decision and Interim Rate Order dated March 20, 2015 the Board approved a Purchased Gas Commodity Variance Account (“PGCVA”) reference price of \$0.208718 per m³ and a gas supply charge of \$0.216010 per m³, both effective April 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-2015-0046, the Board approved a GPRA rate of \$0.006929 per m³.

NRG is proposing to adjust the gas supply charge, the GPRA rate and the PGCVA reference price effective July 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 \$30.21 per residential customer for the twelve month period ending June, 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 April, 2015. The remaining months in the

June, 2015

1 twelve-month period ending June, 2015 are calculated using estimated prices based on
2 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 July, 2015 through June, 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 88,000 GJ
10 (2,268,667 m³) in April, 2015. This was the amount shown on the March, 2015 Direct
11 Purchase status report from Union Gas as being the projected deficit at the time of
12 contract renewal.

13

14 The cost of this gas, also shown in Schedule 3, was \$\$300,080. The price paid for this
15 gas is shown in Schedule 4 on the Ontario Delivered Gas line and was \$3.41.

16

17 February Balancing Gas

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

23

24 In order to meet its forecast banked gas account winter balancing checkpoint on the
25 Union Gas system, NRG purchased additional gas in each of December 2014, January
26 2015 and February 2015. The amounts purchased were based on the Direct Purchase
27 Status Report received from Union Gas for each of the months noted above.

28

29 This shortfall was due to the colder than normal weather experienced in December,
30 January and February of the 2014/2015 winter. In addition, volumes associated with

1 grain drying in the fall of 2014 were higher than forecast, primarily due to the late
2 growing season.

3

4 As shown in Schedule 3 on the Ontario Delivered Gas line, NRG purchased 25,320 GJ
5 (650,813 m³) in December 2014, 34,784 GJ (900,214 m³) in January 2015 and 8,846 GJ
6 (228,644 m³) in February 2015. The cost of this gas, also shown in Schedule 3 was
7 \$115,712 in December 2014, \$135,310 in January 2015 and \$31,580 in February 2015.
8 The price paid for this gas is shown in Schedule 4 on the Ontario Delivered Gas line and
9 was \$4.57/GJ, \$3.89/GJ and \$3.57/GJ, respectively over the three months.

10

11 Obligated Deliveries

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

16

17 The direct purchase customer assignment is forecast to be 197 GJ/day in July, 2015,
18 where it is forecast to remain through June, 2016. These levels allow direct purchase
19 customers to bring their supplies in line with their actual and projected consumption.
20 This results in deliveries for system gas customers of 2,183 GJ/day in April, 2015
21 through June, 2016.

22

23 The composition of these obligated system gas deliveries over this period is as follows.
24 Parkway deliveries are 989 GJ/day in July, 2015 through June, 2016. Obligated deliveries
25 for system gas customers at AECO are 366 GJ/day over the same period.

26

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

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

5 **GJ/s per Day**

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

6
 7 In addition to the obligated deliveries described above, NRG purchases gas from a local
 8 producer in its franchise area.

9
 10 The composition of the gas supply portfolio volumes for the July, 2014 through June,
 11 2015 period is shown on the top of Schedule 3. This schedule shows the monthly volume
 12 of gas purchased or forecast to be purchased from local producers, obligated deliveries at
 13 Parkway, at Dawn and the Alberta border (Western), and balancing gas (Ontario
 14 Delivered Gas). Similarly, the composition of the gas supply portfolio volumes for the
 15 July, 2015 through June, 2016 period is shown on the top of Schedule 6.

16

17 **Gas Costs**

18 NRG's actual and forecast gas costs for the July, 2014 through June, 2015 period, by
 19 source of supply, are shown in Schedule 4 in \$/GJ. These prices are also shown in the
 20 middle section of Schedule 3 in \$/m³. The conversion factor used is based on the heat
 21 values used by Union Gas in their calculation of NRG's Banked Gas Account balances.
 22 The conversion factors used are also shown in Schedule 4. All prices shown are actual
 23 prices paid in July, 2014 through April, 2015. Prices for the remaining months in this
 24 period are based on estimated and contracted prices to be paid in those months.

25

1 Prices for July, 2015 through June, 2016 are based on prices averaged over 10 days in the
2 period May 15, 2015 through May 29, 2015 (reports were not available for May 25).
3 These prices, which have been sourced from the Shell Energy North America report
4 entitled 'Daily Energy Market Update', have been utilized in calculating the prices shown
5 in Schedule 7 in \$/GJ and in the middle section of Schedule 6 in \$/m³. The source of the
6 foreign exchange rates used in the calculations is the daily noon exchange rates for the
7 10-year lookup from the Bank of Canada that are available on their website at
8 www.bankofcanada.ca/rates/exchange.

9

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

12

13 NRG Corp. Pricing

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

17

18 The Board issued a Decision and Order - Phase 2 for EB-2010-0018 dated May 17, 2012
19 in which the Board indicated that NRG would be permitted to recover from ratepayers a
20 maximum annual quantity of 1.0 million cubic metres of natural gas at a rate of \$8.486
21 per mcf (or \$0.3012/m³). This price, as set by the Board, can be seen in the line labeled
22 "Local Production (A)" of the price section of Schedule 3.

23

24 The remaining gas purchased from NRG Corp. is shown in the line labeled "Local
25 Production (B)". This gas is priced at the approved Union Gas Ontario landed reference
26 price for each quarter. The April, 2014 through September, 2014 price is \$0.236288,
27 reflecting the Board's Decision and Order in EB-2014-0050 dated March 21, 2014. The
28 October, 2014 through December, 2014 price is \$0.208106, reflecting the Board's
29 Decision and Order in EB-2014-0208 dated September 25, 2014. The January, 2015
30 through March, 2015 price is \$0.218866, reflecting the Board's Decision and Order in

1 EB-2014-0356 dated December 19, 2014. The April, 2015 through June, 2015 price is
2 \$0.194138, reflecting the Board's Decision and Order in EB-2015-0035 dated March 23,
3 2015. These prices are shown in Schedule 3.

4
5 The NRG Corp. prices over the July, 2015 through June, 2016 period shown in Schedule
6 6 reflect the Board approved price of \$0.301200 per m³ for 1,000,000 m³ as shown on the
7 Local Production (A) line. The remaining gas forecast to be purchased from NRG Corp.
8 is shown on the Local Production (B) line. The price forecast for this gas has been taken
9 from the Union's QRAM application in EB-2015-0187 dated June 10, 2015, where the
10 Ontario landed reference price has been forecast as \$0.198417 per m³.

11
12 At the time this application was prepared the Union Gas QRAM price for July 1, 2015
13 rates was not yet approved by the Board. Any differences between the applied for and
14 Board approved Ontario landed reference price for Union will be reflected in NRG's next
15 QRAM application and evidence.

16
17 NRG also purchases gas for delivery at Parkway and Empress. The pricing of this gas at
18 these delivery points is discussed below.

19
20 Empress Pricing

21 The Empress price over the July, 2015 through June, 2016 period shown in Schedule 7
22 (Western Deliveries) is based on a combination of actual contracted prices.

23
24 The average Empress delivery rate is \$3.796/GJ in July, 2015 through October, 2015, and
25 \$4.087/GJ in November, 2015 through June, 2016. Fuel costs of 4% are included in
26 these rates.

27
28 The average Empress delivery price includes a mix of fixed price contracts over the July,
29 2015 through June, 2016 period.

30

1 The following table shows the current mix of volumes and prices over the forecast
 2 period.

Empress Deliveries				
Contracted?	July - Oct.		Nov. - June	
	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

3

4 NRG has no Empress deliveries that have not been contracted for over the July, 2015
 5 through June, 2016 period. For completeness, NRG has provided forecast price data used
 6 to forecast the Empress delivery price, had it been needed.

7

8 The calculations used to forecast the Empress delivery prices are shown in the following
 9 table. The only calculation used in the table is the calculation of the 10 day average.

10 The prices used are shown in the Daily Energy Market Report as the price at Empress,
 11 AB in Cdn\$/GJ.

Empress Delivery Price Forecast

	Jul-15	Aug-15	Nov-15	Apr-16
	Oct-15	Mar-16	Jun-16	
15-May-15	3.01	3.03	3.28	3.03
18-May-15	2.99	3.01	3.27	3.04
19-May-15	2.95	2.97	3.26	3.05
20-May-15	2.93	2.95	3.25	3.06
21-May-15	2.93	2.97	3.27	3.05
22-May-15	2.85	2.88	3.21	3.03
26-May-15	2.80	2.84	3.19	3.03
27-May-15	2.79	2.83	3.18	3.02
28-May-15	2.64	2.68	3.06	2.94
29-May-15	2.59	2.62	3.00	2.90
10 Day Average	2.848	2.878	3.197	3.015

12

13 **Parkway Pricing**

14 The Parkway price over the July, 2015 through June, 2016 period shown in Schedule 7 is
 15 based on a combination of actual contracted prices. The average Parkway delivery rate

1 forecast is \$4.540/GJ in July, 2015 through October, 2015 and \$4.710/GJ in November,
2 2015 through June, 2016.

3

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

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

6

7 NRG has no Parkway deliveries that have not been contracted for over the July, 2015
8 through June, 2016 period.

9

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

18

19 As of the middle of February, 2015 the Daily Energy Market Report no longer provides a
20 Niagara, ON basis. As a result NRG is not able to provide a forecast of the Parkway
21 delivery price based on the methodology described above. As all of the Parkway
22 delivered gas has been purchased at fixed rates, there is no need for a Parkway price
23 forecast in the current application. If a forecast is needed in the future, NRG will propose
24 a methodology to forecast this price based on information available to it at that time.

25

26

1 Dawn Pricing

2 The Dawn price over the July, 2015 through June, 2016 period shown in Schedule 7 is
 3 based on a combination of actual contracted prices and forecasted prices. The average
 4 Dawn delivery rate is \$4.274/GJ in July, 2015, \$4.275/GJ in August through October,
 5 2015, \$4.356/GJ in November, 2015 through March, 2016 and \$4.078/GJ in April, 2016
 6 through June, 2016.

7

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

10

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

<u>Contracted?</u>	<u>Dawn Deliveries</u>							
	<u>July</u>		<u>August - October</u>		<u>Nov. - March</u>		<u>April-June</u>	
	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ
Yes	400	4.320	400	4.320	0	0.000	0	0.000
Yes	39	4.430	39	4.430	0	0.000	0	0.000
Partial	0	0.000	0	0.000	39	4.710	39	4.710
Yes	261	4.560	261	4.560	0	0.000	0	0.000
Partial	0	0.000	0	0.000	261	4.730	261	4.730
No	<u>128</u>	<u>3.501</u>	<u>128</u>	<u>3.505</u>	<u>528</u>	<u>4.146</u>	<u>528</u>	<u>3.709</u>
Total	828	4.274	828	4.275	828	4.356	828	4.078

13

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

22

23 The price for the 261 GJ/day in July, 2015 through October, 2015 reflects a transfer of
 24 deliveries from Parkway to Dawn. This gas has been purchased for Parkway delivery at

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

7
 8 The prices shown for the 128 GJ/day that has not been contracted for in July, 2015
 9 through October, 2015 and the 528 GJ/day that has not been contracted for in November,
 10 2015 through June, 2016 are both based on the average price forecasts from the May 15,
 11 2015 through May 29, 2015 period.

12
 13 The calculations used to forecast the Dawn purchase price are shown in the following
 14 table. The relevant prices used are shown in the Daily Energy Market Report as prices at
 15 Henry Hub along with a Dawn, ON basis. These two prices are added together to arrive
 16 at a proxy for the Dawn price. These prices from the Market Report are in US\$/MMBtu
 17 and as a result need to be converted to Cdn\$/GJ. This is accomplished through the use of
 18 a conversion factor of 1.054615 to convert MMBtu to GJ and through the use of the
 19 foreign exchange rate. The formula used is (Henry Hub Price + Dawn Basis) / 1.054615
 20 x Foreign Exchange Rate.

Dawn Delivery Price Forecast

	Henry Hub (US\$/MMBtu)	Dawn Basis	MMBtu -GJ	F/X	\$/ GJ (Cdn)
<u>July-15</u>					
15-May-15	3.070	0.11	1.054615	1.2022	3.63
18-May-15	3.060	0.10	1.054615	1.2232	3.67
19-May-15	2.990	0.09	1.054615	1.2232	3.57
20-May-15	2.980	0.10	1.054615	1.2196	3.56
21-May-15	2.990	0.09	1.054615	1.2208	3.57
22-May-15	2.920	0.09	1.054615	1.2301	3.51
26-May-15	2.850	0.12	1.054615	1.2427	3.50
27-May-15	2.850	0.10	1.054615	1.2459	3.49

28-May-15	2.710	0.09	1.054615	1.2435	3.30
29-May-15	2.670	0.06	1.054615	1.2437	<u>3.22</u>
10 Day Average					<u>3.501</u>

August-15 - October-15

15-May-15	3.070	0.10	1.054615	1.2022	3.61
18-May-15	3.070	0.10	1.054615	1.2232	3.68
19-May-15	3.000	0.09	1.054615	1.2232	3.58
20-May-15	2.980	0.09	1.054615	1.2196	3.55
21-May-15	3.000	0.09	1.054615	1.2208	3.58
22-May-15	2.930	0.09	1.054615	1.2301	3.52
26-May-15	2.860	0.10	1.054615	1.2427	3.49
27-May-15	2.860	0.09	1.054615	1.2459	3.49
28-May-15	2.750	0.08	1.054615	1.2435	3.34
29-May-15	2.670	0.06	1.054615	1.2437	<u>3.22</u>
10 Day Average					<u>3.505</u>

November-15 - March-16

15-May-15	3.350	0.33	1.054615	1.2022	4.19
18-May-15	3.340	0.33	1.054615	1.2232	4.26
19-May-15	3.290	0.33	1.054615	1.2232	4.20
20-May-15	3.280	0.33	1.054615	1.2196	4.17
21-May-15	3.300	0.33	1.054615	1.2208	4.20
22-May-15	3.250	0.33	1.054615	1.2301	4.18
26-May-15	3.190	0.33	1.054615	1.2427	4.15
27-May-15	3.180	0.33	1.054615	1.2459	4.15
28-May-15	3.080	0.32	1.054615	1.2435	4.01
29-May-15	3.030	0.32	1.054615	1.2437	<u>3.95</u>
10 Day Average					<u>4.146</u>

April-16 - June-16

15-May-15	3.180	0.05	1.054615	1.2022	3.68
18-May-15	3.180	0.06	1.054615	1.2232	3.76
19-May-15	3.160	0.06	1.054615	1.2232	3.73
20-May-15	3.170	0.06	1.054615	1.2196	3.74
21-May-15	3.170	0.06	1.054615	1.2208	3.74
22-May-15	3.150	0.06	1.054615	1.2301	3.74
26-May-15	3.110	0.06	1.054615	1.2427	3.74
27-May-15	3.100	0.05	1.054615	1.2459	3.72
28-May-15	3.040	0.04	1.054615	1.2435	3.63
29-May-15	3.010	0.05	1.054615	1.2437	3.61

10 Day Average

3.709

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 m³ is 37.75 GJ/10³ m³.

13

14 PGCVA Balance

15 The projected June, 2015 balance in the PGCVA is a debit of \$386,276.62 including a
16 debit of \$68,416.76 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 June, 2014. The PGCVA debit amounts to a charge of approximately
19 \$30.21 for a typical residential customer consuming approximately 2,127.2 m³ 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 July 1, 2015 based on the projected
24 accumulated balance in the PGCVA as of the end of June, 2015 and the forecasted cost of
25 gas over the 12 month period beginning July, 2015 and ending June, 2016. The reference
26 price is set such that the projected PGCVA balance at the end of June, 2016 is close to
27 zero.

28

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

4
5 NRG proposes to change the reference price by \$0.007545 per m³ effective July 1, 2015,
6 from \$0.208718 per m³ to \$0.201173 per m³. The derivation of this rate is shown in
7 Schedule 5. This is the reference price required to bring the PGCVA balance close to
8 zero on a twelve month forecast basis. This change will also be reflected in the gas
9 commodity charge.

11 **GAS PURCHASE REBALANCING ACCOUNT**

12 The impact on the GPRA of the proposed July 1, 2015 PGCVA reference price change
13 from \$0.208718 per m³ to \$0.201173 per m³ is a debit of \$11,265.39, as shown on
14 Schedule 8. This figure is shown in column (J) of Schedule 8 on the June, 2015 line. It
15 is calculated as the change in the PGCVA reference price between June and July,
16 multiplied by the cumulative inventory balance at the end of June. This cumulative
17 inventory balance is the sum of the actual monthly inventory balances for April, 2015 and
18 forecasts for the subsequent months. These forecasts will be replaced with actual
19 balances for these months in subsequent QRAM applications as this information becomes
20 available. As well, the monthly inventory balances are based on a deemed level of
21 unaccounted for gas ("UFG") of the total throughput volume, as shown in column (E) of
22 Schedule 8. The 0.0% is the Board approved level of UFG from EB-2010-0018.

23
24 NRG proposes to adjust the gas commodity charge effective July 1, 2015 based on the
25 projected accumulated balance in the GPRA. The adjustment to the gas commodity
26 charge will be set such that the projected GPRA balance at the end of June, 2016, will be
27 close to zero. The rate required to achieve this is shown in column (K) on Schedule 8.
28 Column (P) shows the reduction of the inventory revaluation balance based on this rate of
29 \$0.006337 per m³ over the July, 2015 through June, 2016 period.

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

6 **GAS COMMODITY CHARGE**

7 The system gas supply cost of \$0.000363 per m³ will be maintained at the level approved
 8 in EB-2010-0018. This figure represents the incremental costs over and above the
 9 commodity and transportation costs that form the PGCVA reference price to the gas
 10 supply function. These incremental costs are portions administrative and general
 11 expenses, regulatory and consulting fees associated with the QRAM applications, return
 12 on rate base (working cash allowance related to gas commodity) and income taxes. This
 13 functionalization is unchanged from that approved in EB-2010-0018.

14
 15 The change in the gas commodity charge proposed for July 1, 2015 is summarized below.
 16 The change in the gas commodity charge reflects both the change in the PGCVA
 17 reference price and the change in the recovery of the inventory revaluation amount in the
 18 GPRA. The change in the gas commodity charge is as follows:

	EB-2015-0046 April 1, 2015	Proposed July 1, 2015	Difference
22 PGCVA Reference Price	\$0.208718	\$0.201173	\$(0.007545)
23 GPRA Recovery	\$0.006929	\$0.006337	\$(0.000592)
24 System Gas Supply Cost	<u>\$0.000363</u>	<u>\$0.000363</u>	<u>\$0.000000</u>
25 Gas Commodity Charge	\$0.216010	\$0.207873	\$(0.008137)

28 **SUMMARY**

29 In summary, NRG proposes to change the reference price for amounts to be recorded in
 30 the Purchased Gas Commodity Variance Account from \$0.208718 by \$0.007545 to
 31 \$0.201173 per m³ effective July 1, 2015. Appendix B contains the accounting entries
 32 related to the PGCVA.

1 NRG also proposes to change the gas supply charge from \$0.216010 to \$0.207873 per m³
2 effective July 1, 2015. This change reflects the change in the PGCVA reference price, as
3 described above, the change related to the recovery of the GPRA balance, also as
4 described above, and the continuation of the system gas supply cost. These changes
5 apply to all system gas customers served under Rates 1, 2, 3, 4, 5 and 6.

6

7 The proposed rate schedules are attached as Appendix A. The proposed customer notices
8 are attached as Appendix C.

9

10 Schedule 9 provides a residential bill comparison showing the impact of the proposed
11 changes on a year over year basis for the appropriate quarter as well as the annual bill
12 impact of the most recent quarterly change. The annual bill impact related to the change
13 in the commodity charges on a customer consuming approximately 2,009 m³ is a
14 decrease of \$16.35.

15

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE

HISTORICAL TWELVE MONTH PERIOD - JULY, 2014 TO JUNE, 2015

<u>Act/Fcst</u>	<u>Month</u>	<u>Purchase Cost (\$'s)</u>	<u>M*3</u>	<u>Actual/Forecast Price (\$/M*3)</u>	<u>Reference Price (\$/M*3)</u>	<u>Unit Rate Difference (\$/M*3)</u>	<u>Monthly PGCVA (\$'s)</u>	<u>Y-T-D PGCVA (\$'s)</u> (1)	<u>Monthly Interest (\$'s)</u>	<u>Y-T-D Interest (\$'s)</u> (2)	<u>Total PGCVA (\$'s)</u>	<u>Total Y-T-D PGCVA (\$'s)</u>	<u>Average Residential Consumption (M*3)</u>	<u>Monthly Interest Rate</u>
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	369.8	1.47%
Actual	March	373,208	1,945,518	0.191830	0.222112	0.030282	58,914.18	-626,973.86	-840.21	-67,126.06	58,073.97	-694,099.92	315.1	1.47%
Actual	April	646,127	4,127,421	0.156545	0.208718	0.052173	215,339.93	-411,633.93	-574.73	-67,700.79	214,765.20	-479,334.72	170.5	1.10%
Forecast	May	348,585	1,872,374	0.186173	0.208718	0.022545	42,212.67	-369,421.26	-377.33	-68,078.12	41,835.34	-437,499.38	89.7	1.10%
Forecast	June	<u>352,273</u>	<u>1,934,834</u>	<u>0.182069</u>	0.208718	0.026649	<u>51,561.40</u>	<u>-317,859.86</u>	<u>-338.64</u>	<u>-68,416.76</u>	<u>51,222.76</u>	<u>-386,276.62</u>	<u>53.1</u>	1.10%
	Total	5,008,325	27,202,711	0.184111			1,550,974.75	-317,859.86	-14,209.17	-68,416.76	1,536,765.58	-386,276.62	2,127.2	

PGCVA Balance per M*3 Purchased (\$/M*3) (\$0.014200)
Forecast Average Residential Consumption per Customer 2,127.2 M*3
Estimated Impact on Average Residential Customer \$30.21 Customer Charge

(1) Includes balance of -1,868,834.61 as of June, 2014
(2) Includes balance of -54,207.59 as of June, 2014

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

HISTORICAL TWELVE MONTH PERIOD - JULY, 2014 TO JUNE, 2015

	<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>Apr-15</u>	<u>May-15</u>	<u>Jun-15</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Local Production (A)	84,931	84,931	82,192	84,931	82,192	84,931	84,931	76,712	84,931	82,192	84,931	82,192	999,997
Local Production (B)	115,034	122,479	131,477	139,734	127,305	118,993	109,167	82,093	118,996	88,210	75,188	117,808	1,346,484
Dawn Delivery	244,475	437,864	412,887	242,558	641,428	659,758	664,291	599,240	660,576	640,383	624,536	658,013	6,486,008
Parkway Delivery	1,152,179	1,147,419	1,115,616	1,211,991	766,150	788,044	793,459	715,759	789,021	764,902	793,915	785,960	10,824,415
Western Delivery	300,148	302,122	299,998	301,797	283,530	291,632	293,636	264,881	291,994	283,068	293,805	290,861	3,497,470
Ontario Delivered Gas	<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>2,268,667</u>	<u>0</u>	<u>0</u>	<u>4,048,337</u>
Total	1,896,767	2,094,815	2,042,170	1,981,011	1,900,605	2,594,170	2,845,697	1,967,329	1,945,518	4,127,421	1,872,374	1,934,834	27,202,711
<u>Price (\$/m3)</u>													
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	0.208106	0.208106	0.208106	0.218866	0.218866	0.218866	0.194138	0.194138	0.194138	
Dawn Delivery	0.188648	0.163753	0.167359	0.163418	0.169664	0.179455	0.173810	0.167214	0.177250	0.166568	0.166859	0.162212	
Parkway Delivery	0.185858	0.186629	0.185757	0.185991	0.175816	0.176630	0.175424	0.175648	0.176411	0.176103	0.175323	0.171385	
Western Delivery	0.182175	0.172513	0.174090	0.174459	0.146121	0.147660	0.146821	0.146648	0.147273	0.145604	0.145352	0.143110	
Ontario Delivered Gas	0.000000	0.000000	0.000000	0.000000	0.000000	0.177797	0.150308	0.138120	0.000000	0.132272	0.000000	0.000000	
<u>Total Gas Cost (\$)</u>													
Local Production (A)	25,581	25,581	24,756	25,581	24,756	25,581	25,581	23,106	25,581	24,756	25,581	24,756	301,199
Local Production (B)	27,181	28,940	31,066	29,079	26,493	24,763	23,893	17,967	26,044	17,125	14,597	22,871	290,021
Dawn Delivery	46,120	71,701	69,100	39,638	108,827	118,397	115,460	100,201	117,087	106,667	104,209	106,738	1,104,147
Parkway Delivery	214,142	214,142	207,234	225,419	134,702	139,192	139,192	125,722	139,192	134,702	139,192	134,702	1,947,531
Western Delivery	54,679	52,120	52,227	52,651	41,430	43,063	43,112	38,844	43,003	41,216	42,705	41,625	546,674
Ontario Delivered Gas	0	0	0	0	0	115,712	135,310	31,580	0	300,080	0	0	582,682
TCPL Transportation	<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>21,581</u>	<u>22,301</u>	<u>21,581</u>	<u>236,071</u>
Total	385,468	410,441	402,130	390,373	353,122	484,186	504,849	357,563	373,208	646,127	348,585	352,273	5,008,325

NATURAL RESOURCE GAS LIMITED

ACTUAL AND FORECAST GAS PRICES

HISTORICAL TWELVE MONTH PERIOD - JULY, 2014 TO JUNE, 2015

	<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>Apr-15</u>	<u>May-15</u>	<u>Jun-15</u>
<u>Local Production</u>												
Local Production (A) (\$/GJ)	7.839	7.807	7.844	7.778	7.778	7.742	7.795	7.785	7.751	7.765	7.800	7.979
Local Production (B) (\$/GJ)	6.150	6.125	6.153	5.374	5.374	5.349	5.664	5.657	5.633	5.005	5.027	5.143
<u>Dawn</u> (\$/GJ)	4.910	4.244	4.358	4.220	4.381	4.613	4.498	4.322	4.562	4.294	4.321	4.297
<u>Parkway</u> (\$/GJ)	4.837	4.837	4.837	4.803	4.540	4.540	4.540	4.540	4.540	4.540	4.540	4.540
<u>Western Deliveries</u> (\$/GJ)	4.742	4.472	4.534	4.505	3.773	3.795	3.800	3.790	3.790	3.754	3.764	3.791
Fuel Ratio (%)	1.61%	2.93%	3.65%	4.24%	3.21%	4.69%	5.43%	5.19%	5.19%	4.20%	4.20%	4.00%
<u>TCPL Transportation</u> (\$/GJ)												
TCPL Toll	1.5405	1.5405	1.5405	1.5405	1.5405	1.5405	1.9655	1.9655	1.9655	1.9655	1.9655	1.9655
GJ/day (TCPL)	372	376	384	377	366	366	366	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	2,107	2,115	2,194	2,183	2,183	2,183	2,183	2,183	2,183	2,133	2,186
<u>Ontario Delivered Gas</u> (\$/GJ)	0.000	0.000	0.000	0.000	0.000	4.570	3.890	3.570	0.000	3.410	0.000	0.000
Heat Value (GJ/103m3)	38.42	38.58	38.40	38.72	38.73	38.91	38.64	38.69	38.86	38.79	38.62	37.75

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT

PROJECTED TWELVE MONTH FORWARD PERIOD - JULY, 2015 TO JUNE, 2016
(WITH CHANGE IN REFERENCE PRICE)

<u>Month</u>	<u>Purchase Cost (\$'s)</u>	<u>M*3</u>	<u>Forecast Price (\$/M*3)</u>	<u>Reference Price (\$/M*3)</u>	<u>Unit Rate Difference (\$/M*3)</u>	<u>Monthly PGCVA (\$'s)</u>	<u>Y-T-D PGCVA (\$'s)</u> (1)	<u>Monthly Interest (\$'s)</u>	<u>Y-T-D Interest (\$'s)</u> (2)	<u>Total PGCVA (\$'s)</u>	<u>Total Y-T-D PGCVA (\$'s)</u>	<u>Average Residential Consumption (M*3)</u>	<u>Monthly Interest Rate</u>
July	362,680	1,992,662	0.182008	0.201173	0.019165	38,189.37	-279,670.49	-291.37	-68,708.13	37,898.00	-348,378.62	40.9	1.10%
August	362,705	1,992,662	0.182020	0.201173	0.019153	38,165.46	-241,505.03	-256.36	-68,964.49	37,909.10	-310,469.52	42.8	1.10%
September	352,285	1,934,834	0.182075	0.201173	0.019098	36,951.47	-204,553.56	-221.38	-69,185.87	36,730.09	-273,739.43	58.5	1.10%
October	362,705	1,992,662	0.182020	0.201173	0.019153	38,165.46	-166,388.10	-187.51	-69,373.38	37,977.95	-235,761.48	118.7	1.10%
November	362,537	1,934,834	0.187374	0.201173	0.013799	26,698.78	-139,689.32	-152.52	-69,525.90	26,546.26	-209,215.22	202.7	1.10%
December	373,299	1,992,662	0.187337	0.201173	0.013836	27,570.47	-112,118.85	-128.05	-69,653.95	27,442.42	-181,772.80	321.8	1.10%
January	373,299	1,992,662	0.187337	0.201173	0.013836	27,570.47	-84,548.38	-102.78	-69,756.73	27,467.69	-154,305.11	355.2	1.10%
February	341,013	1,819,179	0.187454	0.201173	0.013719	24,957.31	-59,591.07	-77.50	-69,834.23	24,879.81	-129,425.30	293.2	1.10%
March	373,299	1,992,662	0.187337	0.201173	0.013836	27,570.47	-32,020.60	-54.63	-69,888.86	27,515.84	-101,909.46	246.2	1.10%
April	355,632	1,934,834	0.183805	0.201173	0.017368	33,604.20	1,583.60	-29.35	-69,918.21	33,574.85	-68,334.61	186.6	1.10%
May	366,163	1,992,662	0.183756	0.201173	0.017417	34,706.20	36,289.80	1.45	-69,916.76	34,707.65	-33,626.96	89.7	1.10%
June	<u>355,632</u>	<u>1,934,834</u>	<u>0.183805</u>	0.201173	0.017368	<u>33,604.20</u>	<u>69,894.00</u>	<u>33.27</u>	<u>-69,883.49</u>	<u>33,637.47</u>	<u>10.51</u>	<u>53.1</u>	1.10%
Total	4,341,248	23,507,152	0.184678			387,753.86	69,894.00	-1,466.73	-69,883.49	386,287.13	10.51	2,009.4	

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

(1) Includes June, 2015 year-to-date balance of (\$317,859.86) (See Schedule 2)
(2) Includes June, 2015 year-to-date balance of (\$68,416.76) (See Schedule 2)

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

PROJECTED TWELVE MONTH FORWARD PERIOD - JULY, 2015 TO JUNE, 2016

	<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>Apr-16</u>	<u>May-16</u>	<u>Jun-16</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Local Production (A)	84,932	84,932	82,192	84,932	82,192	84,932	84,932	76,708	84,932	82,192	84,932	82,192	1,000,000
Local Production (B)	115,068	115,068	117,808	115,068	117,808	115,068	115,068	123,292	115,068	117,808	115,068	117,808	1,400,000
Dawn Delivery	679,947	679,947	658,013	679,947	658,013	679,947	679,947	614,146	679,947	658,013	679,947	658,013	8,005,828
Parkway Delivery	812,159	812,159	785,960	812,159	785,960	812,159	812,159	733,563	812,159	785,960	812,159	785,960	9,562,517
Western Delivery	300,556	300,556	290,861	300,556	290,861	300,556	300,556	271,470	300,556	290,861	300,556	290,861	3,538,808
Ontario Delivered Gas	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	1,992,662	1,992,662	1,934,834	1,992,662	1,934,834	1,992,662	1,992,662	1,819,179	1,992,662	1,934,834	1,992,662	1,934,834	23,507,152
<u>Price (\$/m3)</u>													
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)	0.198417	0.198417	0.198417	0.198417	0.198417	0.198417	0.198417	0.198417	0.198417	0.198417	0.198417	0.198417	
Dawn Delivery	0.161344	0.161381	0.161381	0.161381	0.164439	0.164439	0.164439	0.164439	0.164439	0.153945	0.153945	0.153945	
Parkway Delivery	0.171385	0.171385	0.171385	0.171385	0.177803	0.177803	0.177803	0.177803	0.177803	0.177803	0.177803	0.177803	
Western Delivery	0.143299	0.143299	0.143299	0.143299	0.154284	0.154284	0.154284	0.154284	0.154284	0.154284	0.154284	0.154284	
Ontario Delivered Gas	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
<u>Total Gas Cost (\$)</u>													
Local Production (A)	25,582	25,582	24,756	25,582	24,756	25,582	25,582	23,104	25,582	24,756	25,582	24,756	301,200
Local Production (B)	22,831	22,831	23,375	22,831	23,375	22,831	22,831	24,463	22,831	23,375	22,831	23,375	277,784
Dawn Delivery	109,705	109,731	106,191	109,731	108,203	111,810	111,810	100,990	111,810	101,298	104,674	101,298	1,287,249
Parkway Delivery	139,192	139,192	134,702	139,192	139,746	144,404	144,404	130,430	144,404	139,746	144,404	139,746	1,679,563
Western Delivery	43,069	43,069	41,680	43,069	44,875	46,371	46,371	41,884	46,371	44,875	46,371	44,875	532,882
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
TCPL Transportation	<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>21,581</u>	<u>22,301</u>	<u>21,581</u>	<u>262,571</u>
Total	362,680	362,705	352,285	362,705	362,537	373,299	373,299	341,013	373,299	355,632	366,163	355,632	4,341,248

NATURAL RESOURCE GAS LIMITED

GAS PURCHASE REBALANCING ACCOUNT

JULY, 2014 THROUGH JUNE, 2016

Month	Purchase Volume (M ³) A	Throughput Volume (M ³) B	Direct Purchase Volume (M ³) C	System Sales Volume (M ³) D=B-C	Deemed U.F.G. (M ³) E	System Sales + U.F.G. (M ³) F=D+E	Monthly Inventory Balance (M ³) G=A-F	Cumulative Inventory (M ³) H (1)	Reference Price (\$/M ³) I	Inventory Revaluation (\$s) J	Inventory Rate (\$/M ³) 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
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	3,373,114	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	-327,796.51	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	6,912,658	2,960,664	3,951,994	0	3,951,994	-1,984,665	-2,009,204	0.222112	0.00	0.014861	58,730.58	-267,810.27	-400.01	-243.45	-268,053.72	1.47%
March	1,945,518	6,475,425	3,100,218	3,375,207	0	3,375,207	-1,429,689	-3,438,893	0.222112	46,060.53	0.014861	50,158.95	-171,590.79	-328.07	-571.52	-172,162.31	1.47%
April	4,127,421	4,835,304	2,975,883	1,859,421	0	1,859,421	2,268,000	-1,170,893	0.208718	0.00	0.006929	12,883.93	-158,706.86	-157.29	-728.81	-159,435.67	1.10%
May	1,872,374	2,913,630	2,208,734	704,895	0	704,895	1,167,478	-3,415	0.208718	0.00	0.006929	4,884.22	-153,822.64	-145.48	-874.29	-154,696.93	1.10%
June	1,934,834	3,076,361	2,638,035	438,326	0	438,326	1,496,508	1,493,094	0.208718	-11,265.39	0.006929	3,037.16	-162,050.87	-141.00	-1,015.29	-163,066.16	1.10%
July	1,992,662	3,069,806	2,646,622	423,184	0	423,184	1,569,478	3,062,572	0.201173	0.00	0.006337	2,681.72	-159,369.15	-148.55	-1,163.84	-160,532.99	1.10%
August	1,992,662	3,546,615	2,639,204	907,411	0	907,411	1,085,251	4,147,823	0.201173	0.00	0.006337	5,750.26	-153,618.89	-146.09	-1,309.93	-154,928.82	1.10%
September	1,934,834	4,058,210	2,699,547	1,358,663	0	1,358,663	576,171	4,723,995	0.201173	0.00	0.006337	8,609.85	-145,009.04	-140.82	-1,450.75	-146,459.79	1.10%
October	1,992,662	5,171,595	2,783,246	2,388,349	0	2,388,349	-395,687	4,328,308	0.201173	0.00	0.006337	15,134.97	-129,874.07	-132.92	-1,583.67	-131,457.74	1.10%
November	1,934,834	6,471,595	2,807,687	3,663,908	0	3,663,908	-1,729,074	2,599,234	0.201173	0.00	0.006337	23,218.18	-106,655.89	-119.05	-1,702.72	-108,358.61	1.10%
December	1,992,662	6,521,595	2,795,357	3,726,238	0	3,726,238	-1,733,576	865,659	0.201173	0.00	0.006337	23,613.17	-83,042.72	-97.77	-1,800.49	-84,843.21	1.10%
January	1,992,662	6,421,595	2,824,409	3,597,186	0	3,597,186	-1,604,524	-738,865	0.201173	0.00	0.006337	22,795.37	-60,247.35	-76.12	-1,876.61	-62,123.96	1.10%
February	1,819,179	6,121,595	2,807,462	3,314,133	0	3,314,133	-1,494,954	-2,233,819	0.201173	0.00	0.006337	21,001.66	-39,245.69	-55.23	-1,931.84	-41,177.53	1.10%
March	1,992,662	5,821,595	2,744,961	3,076,634	0	3,076,634	-1,083,972	-3,317,791	0.201173	0.00	0.006337	19,496.63	-19,749.06	-35.98	-1,967.82	-21,716.88	1.10%
April	1,934,834	4,621,595	2,685,665	1,935,930	0	1,935,930	-1,096	-3,318,887	0.201173	0.00	0.006337	12,267.99	-7,481.07	-18.10	-1,985.92	-9,466.99	1.10%
May	1,992,662	3,621,595	2,661,298	960,297	0	960,297	1,032,365	-2,286,521	0.201173	0.00	0.006337	6,085.40	-1,395.67	-6.86	-1,992.78	-3,388.45	1.10%
June	1,934,834	3,171,595	2,638,035	533,560	0	533,560	1,401,274	-885,247	0.201173	0.00	0.006337	3,381.17	1,985.50	-1.28	-1,994.06	-8.56	1.10%

(1) Includes balance of 783,773 as of June, 2014
(2) Includes balance of -357,347.23 as of June, 2014
(3) Includes balance of 4,058.38 as of June, 2014

NATURAL RESOURCE GAS LIMITED

RESIDENTIAL BILL COMPARISONS

QUARTERLY BILL IMPACT

	Quarter Starting 01-Jul-14 <u>EB-2014-0053</u>	Quarter Starting 01-Jul-15 <u>EB-2015-0191</u>	\$ Change	Percent Change
Average Residential Consumption for Quarter	142.2	142.2		
Monthly Charges	\$40.50	\$40.50	\$0.00	0.0%
Delivery Charges	\$22.27	\$22.67	\$0.40	1.8%
Total Commodity Charges	<u>\$46.24</u>	<u>\$29.56</u>	<u>(\$16.68)</u>	<u>-36.1%</u>
Total Customer Charges	\$109.01	\$92.73	(\$16.27)	-14.9%

ANNUAL BILL IMPACT

	01-Apr-15 <u>EB-2015-0046</u>	01-Jul-15 <u>EB-2015-0191</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	\$320.37	\$320.37	\$0.00	0.0%
Total Commodity Charges	<u>\$434.05</u>	<u>\$417.70</u>	<u>(\$16.35)</u>	<u>-3.8%</u>
Total Customer Charges	\$916.42	\$900.07	(\$16.35)	-1.8%

RATES USED

	01-Jul-14 <u>EB-2014-0053</u>	01-Apr-15 <u>EB-2015-0046</u>	01-Jul-15 <u>EB-2015-0191</u>
Monthly charge	13.50	13.50	13.50
Delivery Charge	0.156601	0.159437	0.159437
Total Commodity Charge	0.325156	0.216010	0.207873

**APPENDIX "A" TO
DECISION AND INTERIM ORDER
BOARD FILE No. EB-2015-0191
DATED JUNE 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
	Rate Rider for Shared Tax Savings - effective until September 30, 2015	\$(0.22)
b)	Delivery Charge	
	First 1,000 m ³ per month	15.9437 cents per m ³
	All over 1,000 m ³ per month	10.7805 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: July 01, 2015

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

EB-2015-0191

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
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
Next 24,000 m ³ per month	9.4826 cents per m ³	15.6960 cents per m ³
All over 25,000 m ³ per month	6.1698 cents per m ³	15.2899 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: July 01, 2015

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

EB-2015-0191

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 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)

b) A Monthly Demand Charge:

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

c) A 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: July 01, 2015

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

EB-2015-0191

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
Rate Rider for Shared Tax Savings - effective until September 30, 2015	\$(1.10)	
b) Delivery Charge		
First 1,000 m ³ per month	15.4678 cents per m ³	19.7327 cents per m ³
All over 1,000 m ³ per month	10.5218 cents per m ³	16.9052 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: July 01, 2015

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

EB-2015-0191

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 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: July 01, 2015

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

EB-2015-0191

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)

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) A 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: July 01, 2015

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

EB-2015-0191

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-2015-0191)	20.1173 cents per m ³
GPRA Recovery Rate	(EB-2015-0191)	0.6337 cents per m ³
System Gas Fee	(EB-2010-0018)	<u>0.0363</u> cents per m ³
Total Gas Supply Charge		<u>20.7873</u> cents per m ³

Note:

PGCVA means Purchased Gas Commodity Variance Account

GPRA means Gas Purchase Rebalancing Account

Effective: July 01, 2015

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

EB-2015-0191

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: July 01, 2015

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

EB-2015-0191

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: July 01, 2015

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

EB-2015-0191

**APPENDIX "B" TO
DECISION AND INTERIM ORDER
BOARD FILE No. EB-2015-0191
DATED JUNE 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-2015-0191
DATED JUNE XX, 2015**

IMPORTANT INFORMATION ABOUT YOUR GAS BILL

On all bills rendered by NRG on or after July 1, 2015, the price we charge for the gas commodity and transportation portion of your bill will be decreasing by \$0.008137 per cubic meter to \$0.20.7873 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 June, 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 \$16 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.