

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 October 1, 2015;

AND IN THE MATTER OF the Quarterly Rate Adjustment Mechanism.

APPLICATION

1. As part of the EB-2015-0191 Decision and Interim Rate Order dated June 10, 2015 the Board approved a PGCVA reference price of \$0.201173 per m³ and a gas supply charge of \$0.207873 per m³, both effective July 1, 2015.
2. Based on actual and forecast natural gas prices for the October, 2014 through September, 2015 period the PGCVA balance is projected to be a charge of approximately \$21.41 per residential customer.
3. NRG hereby applies to the Board for further orders effective October 1, 2015 as follows:
 - a) an order changing the reference price authorized by the Board's EB-2015-0191 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 \$0.008486 per m³ from the Board approved level of \$0.201173 per m³ to \$0.192687 per m³;
 - b) an order changing the rates and other charges from those authorized by the Board's EB-2015-0191 Decision and Interim Rate Order to reflect a

projected \$0.007795 per m³ change in the gas supply charge from the Board approved level of \$0.207873 per m³ to a projected cost of \$0.200078 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-2015-0115.

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 October 1, 2015.

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

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Dated at London, Ontario, this 11th day of September, 2015.

NATURAL RESOURCE GAS LIMITED

Brian Lippold
General Manager

NATURAL RESOURCE GAS LIMITED

INTRODUCTION

As part of the EB-2015-0191 Decision and Interim Rate Order dated June 22, 2015 the Board approved a Purchased Gas Commodity Variance Account (“PGCVA”) reference price of \$0.201173 per m³ and a gas supply charge of \$0.207873 per m³, both effective July 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 date February 17, 2011. In EB-2015-0091, the Board approved a GPRA rate of \$0.006337 per m³.

NRG is proposing to adjust the gas supply charge, the GPRA rate and the PGCVA reference price effective October 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 \$21.41 per residential customer for the twelve month period ending September, 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.

1 The PGCVA balance has been calculated using the most recent information available,
2 including actual volumes and costs through July, 2015. The remaining months in the
3 twelve-month period ending September, 2015 are calculated using estimated prices based
4 on the best information available at the time of filing.

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

10
11 Forecast prices have been used for the period October, 2015 through September, 2016
12 period, except where actual contracted prices are available.

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

16
17 Gas Supply Portfolio

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

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

29

1 NRG is required to balance its total supply with its total demand on the Union Gas
2 system on an annual basis, at the time that the direct purchase contract with Union Gas is
3 renewed. In particular, NRG is required to balance its supply with its demand on the
4 Union system to within +/-4% at the end of the contract year. This may entail NRG
5 purchasing additional gas or shedding excess gas.

6

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

11

12 As shown in Schedule 3 on the Ontario Delivered Gas line, NRG purchased 88,000 GJ
13 (2,268,667 m³) in April, 2015. This was the amount shown on the March, 2015 Direct
14 Purchase status report from Union Gas as being the projected deficit at the time of
15 contract renewal. The cost of this gas, also shown in Schedule 3, was \$300,080. The
16 price paid for this gas is shown in Schedule 4 on the Ontario Delivered Gas line and was
17 \$3.41.

18

19 Similarly, NRG purchased 11,637 GJ (300,782 m³) in June, 2015 (Schedule 3). This was
20 the amount shown on the June, 2015 Direct Purchase status report from Union Gas being
21 the projected deficit at the time of contract renewal. The cost of this gas, also shown in
22 Schedule 3 was \$40,730. The price paid for this gas is shown in Schedule 4 on the
23 Ontario Delivered Gas line and was \$3.50.

24

25 February Balancing Gas

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

1 In order to meet its forecast banked gas account winter balancing checkpoint on the
2 Union Gas system, NRG purchased additional gas in each of December 2014, January
3 2015 and February 2015. The amounts purchased were based on the Direct Purchase
4 Status Report received from Union Gas for each of the months noted above.

5

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

10

11 As shown in Schedule 3 on the Ontario Delivered Gas line, NRG purchased 25,320 GJ
12 (650,813 m³) in December 2014, 34,784 GJ (900,214 m³) in January 2015 and 8,846 GJ
13 (228,644 m³) in February 2015. The cost of this gas, also shown in Schedule 3 was
14 \$115,712 in December 2014, \$135,310 in January 2015 and \$31,580 in February 2015.
15 The price paid for this gas is shown in Schedule 4 on the Ontario Delivered Gas line and
16 was \$4.57/GJ, \$3.89/GJ and \$3.57/GJ, respectively over the three months.

17

18 Obligated Deliveries

19 Obligated deliveries to Union by NRG on behalf of both system gas customers and direct
20 purchase customers has been forecast at 2,380 GJ/day effective October 1, 2014, an
21 increase from the previous level of 2,294 GJ/day. The increase reflected growing
22 volumes at NRG. NRG has not adjusted this level of deliveries as of October 1, 2015 but
23 notes this may change as a result of discussions with Union Gas.

24

25 The direct purchase customer assignment is forecast to be 325 GJ/day in October, 2015,
26 dropping to 197 GJ/day in November, 2015 where it is forecast to remain through
27 September, 2016. The higher level in October, 2015 is the result of a direct purchase
28 customer bringing their supplies in line with actual consumption. These levels allow
29 direct purchase customers to bring their supplies in line with their actual and projected

1 consumption. This results in deliveries for system gas customers of 2,055 GJ/day in
 2 October, 2015 and 2,183 GJ/day in November, 2015 through September, 2016.

3

4 The composition of these obligated system gas deliveries over this period is as follows.
 5 Parkway deliveries are 989 GJ/day in October, 2015 through September, 2016. Obligated
 6 deliveries for system gas customers at AECO are 366 GJ/day over the same period.

7

8 NRG has shifted a total of 828 GJ/day from Parkway obligated deliveries to Dawn
 9 obligated deliveries and is a result of the settlement agreement reached between Union
 10 Gas and intervenor groups in EB-2013-0365. NRG has taken advantage of this
 11 opportunity to the maximum extent possible. In October, 2015, obligated delivers to
 12 Dawn on behalf of system gas customers is 700 GJ/day, with the remaining 128 GJ/day
 13 assigned to the direct purchase customer that is bringing in additional gas in order to
 14 balance.

15

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

20

GJ/s per Day

Delivery Point	October, 2015	Nov., 2015 - Sept., 2016
Direct Purchase	325	197
AECO	366	366
Parkway	989	989
Dawn	<u>700</u>	<u>828</u>
Total	2,380	2,380

21

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

24

25 The composition of the gas supply portfolio volumes for the October, 2014 through
 26 September, 2015 period is shown on the top of Schedule 3. This schedule shows the

1 monthly volume of gas purchased or forecast to be purchased from local producers,
2 obligated deliveries at Parkway, at Dawn and the Alberta border (Western), and
3 balancing gas (Ontario Delivered Gas). Similarly, the composition of the gas supply
4 portfolio volumes for the October, 2015 through September, 2016 period is shown on the
5 top of Schedule 6.

6
7 Gas Costs

8 NRG's actual and forecast gas costs for the October, 2014 through September, 2015
9 period, by source of supply, are shown in Schedule 4 in \$/GJ. These prices are also
10 shown in the middle section of Schedule 3 in $\$/m^3$. The conversion factor used is based
11 on the heat values used by Union Gas in their calculation of NRG's Banked Gas Account
12 balances. The conversion factors used are also shown in Schedule 4. All prices shown
13 are actual prices paid in October, 2014 through July, 2015. Prices for the remaining
14 months in this period are based on estimated and contracted prices to be paid in those
15 months.

16
17 Prices for October, 2015 through September, 2016 are based on prices averaged over 10
18 days in the period August 18, 2015 through August 31, 2015. These prices, which have
19 been sourced from the Shell Energy North America report entitled 'Daily Energy Market
20 Update', have been utilized in calculating the prices shown in Schedule 7 in \$/GJ and in
21 the middle section of Schedule 6 in $\$/m^3$. The source of the foreign exchange rates used
22 in the calculations is the daily noon exchange rates for the 10-year lookup from the Bank
23 of Canada that are available on their website at www.bankofcanada.ca/rates/exchange.

24
25 Gas prices for each of the sources of supply are described below. In addition to the
26 above, contracted prices have been used where purchase decisions have been made.

27
28
29
30

1 NRG Corp. Pricing

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

5

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

11

12 The remaining gas purchased from NRG Corp. is shown in the line labeled "Local
13 Production (B)". This gas is priced at the approved Union Gas Ontario landed reference
14 price for each quarter. The October, 2014 through December, 2014 price is \$0.208106,
15 reflecting the Board's Decision and Order in EB-2014-0208 dated September 25, 2014.
16 The January, 2015 through March, 2015 price is \$0.218866, reflecting the Board's
17 Decision and Order in EB-2014-0356 dated December 19, 2014. The April, 2015
18 through June, 2015 price is \$0.194138, reflecting the Board's Decision and Order in EB-
19 2015-0035 dated March 23, 2015. The July, 2015 through September, 2015 price is
20 \$0.198417, reflecting the Board's Decision and Order in EB-2015-0187 dated June 23,
21 2015. These prices are shown in Schedule 3.

22

23 The NRG Corp. prices over the October, 2015 through September, 2016 period shown in
24 Schedule 6 reflect the Board approved price of \$0.301200 per m³ for 1,000,000 m³ as
25 shown on the Local Production (A) line. The remaining gas forecast to be purchased
26 from NRG Corp. is shown on the Local Production (B) line. The price forecast for this
27 gas has been taken from the Union's QRAM application in EB-2015-0255 dated
28 September 10, 2015, where the Ontario landed reference price has been forecast as
29 \$0.198147 per m³.

30

1 At the time this application was prepared the Union Gas QRAM price for October 1,
 2 2015 rates was not yet approved by the Board. Any differences between the applied for
 3 and Board approved Ontario landed reference price for Union will be reflected in NRG's
 4 next QRAM application and evidence.

5

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

8

9 Empress Pricing

10 The Empress price over the October, 2015 through September, 2016 period shown in
 11 Schedule 7 (Western Deliveries) is based on a combination of actual contracted prices.

12

13 The average Empress delivery rate is \$3.796/GJ in October, 2015, and \$4.087/GJ in
 14 November, 2015 through September, 2016. Fuel costs of 4% are included in these rates.

15

16 The average Empress delivery price includes a mix of fixed price contracts over the
 17 October, 2015 through September, 2016 period.

18

19 The following table shows the current mix of volumes and prices over the forecast
 20 period.

<u>Empress Deliveries</u>				
<u>Contracted?</u>	<u>Oct.</u>		<u>Nov. - Sept.</u>	
	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

21

22 NRG has no Empress deliveries that have not been contracted for over the October, 2015
 23 through September, 2016 period. For completeness, NRG has provided forecast price
 24 data used to forecast the Empress delivery price, had it been needed.

25

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

Empress Delivery Price Forecast

	<u>Oct-15</u>	<u>Nov-15</u>	<u>Dec-15</u> <u>Mar-16</u>	<u>Apr-16</u> <u>Sep-16</u>
18-Aug-15	2.93	3.02	3.12	2.98
19-Aug-15	2.96	3.00	3.11	2.97
20-Aug-15	2.96	3.02	3.12	2.97
21-Aug-15	2.89	2.94	3.05	2.93
24-Aug-15	2.84	2.90	3.01	2.89
25-Aug-15	2.92	2.97	3.07	2.92
26-Aug-15	2.94	3.00	3.10	2.94
27-Aug-15	2.90	2.95	3.05	2.92
28-Aug-15	2.99	3.03	3.13	2.97
31-Aug-15	2.98	3.01	3.10	2.95
10 Day Average	<u>2.931</u>	<u>2.984</u>	<u>3.086</u>	<u>2.944</u>

5

6 **Parkway Pricing**

7 The Parkway price over the October, 2015 through September, 2016 period shown in
 8 Schedule 7 is based on a combination of actual contracted prices. The average Parkway
 9 delivery rate forecast is \$4.540/GJ in October, 2015 and \$4.710/GJ in November, 2015
 10 through September, 2016.

11

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

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

14

1 NRG has no Parkway deliveries that have not been contracted for over the October, 2015
2 through September, 2016 period.

3
4 Historically, the calculations used to forecast the Parkway delivery prices were calculated
5 as follows. The prices used were shown in the Daily Energy Market Report as prices at
6 Henry Hub along with a Niagara, ON basis. These two prices are added together to
7 arrive at a proxy for the Parkway price. These prices from the Market Report were in
8 US\$/MMBtu and as a result need to be converted to Cdn\$/GJ. This was accomplished
9 through the use of a conversion factor of 1.054615 to convert MMBtu to GJ and through
10 the use of the foreign exchange rate. The formula used was (Henry Hub Price + Niagara
11 Basis) / 1.054615 x Foreign Exchange Rate.

12
13 As noted in EB-2015-0191, as of the middle of February, 2015 the Daily Energy Market
14 Report no longer provides a Niagara, ON basis. As a result NRG is not able to provide a
15 forecast of the Parkway delivery price based on the methodology described above. As all
16 of the Parkway delivered gas has been purchased at fixed rates, there is no need for a
17 Parkway price forecast in the current application. If a forecast is needed in the future,
18 NRG will propose a methodology to forecast this price based on information available to
19 it at that time.

20 21 Dawn Pricing

22 The Dawn price over the October, 2015 through September, 2016 period shown in
23 Schedule 7 is based on a combination of actual contracted prices and forecasted prices.
24 The average Dawn delivery rate is \$4.427 in October, 2015, \$4.193/GJ in November,
25 2015, \$4.408/GJ in December, 2015 through March, 2016 and \$4.067/GJ in April, 2016
26 through September, 2016.

27
28 The average Dawn delivery price includes a mix of fixed price contracts and a forecast
29 price for the remainder of the purchases.

30

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

3

<u>Contracted?</u>	<u>Dawn Deliveries</u>							
	<u>Oct.</u>		<u>Nov.</u>		<u>Dec. - March</u>		<u>April-Sept.</u>	
	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ
Yes	400	4.320	0	0.000	0	0.000	0	0.000
Yes	39	4.430	0	0.000	0	0.000	0	0.000
Partial	0	0.000	39	4.710	39	4.710	39	4.710
Partial	261	4.590	0	0.000	0	0.000	0	0.000
Partial	0	0.000	261	4.800	261	4.800	261	4.800
No	0	0.000	528	3.855	528	4.192	528	3.658
Total	700	4.427	828	4.193	828	4.408	828	4.067

4

5 The price for the 39 GJ/day in October, 2015 reflects a transfer of deliveries from
6 Empress to Dawn. This gas has been purchased for Empress delivery at \$3.65/GJ. This
7 has been increased by a locked in price to move the gas deliveries from Empress to Dawn
8 of \$0.78/GJ, to arrive at the forecasted price of \$4.43/GJ. Similarly, in November, 2015
9 through September, 2016, the price of \$4.71/GJ is based on the contracted Empress price
10 of \$3.93/GJ plus the same \$0.78/GJ to move the gas from Empress to Dawn delivery.
11 This latter differential has not been locked in, hence the price is a partial contracted price
12 at this time.

13

14 The price for the 261 GJ/day in October, 2015 reflects a transfer of deliveries from
15 Parkway to Dawn. This gas has been purchased for Parkway delivery at \$4.54/GJ. This
16 has been increased by a locked in price to move the gas deliveries from Parkway to Dawn
17 of \$0.05/GJ, to arrive at the forecasted price of \$4.59/GJ. Similarly, in November, 2015
18 through September, 2016, the price of \$4.80/GJ is based on the contracted Parkway price
19 of \$4.71/GJ plus a differential of \$0.09/GJ to move the gas from Empress to Dawn
20 delivery. This latter differential has not been locked in, hence the price is a partial
21 contracted price at this time.

22

1 The prices shown for the 528 GJ/day that has not been contracted for in November, 2015
2 through September, 2016 are both based on the average price forecasts from the August
3 18, 2015 through August 31, 2015 period.

4

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

Dawn Delivery Price Forecast

	Henry Hub (US\$/MMBtu)	Dawn Basis	MMBtu -GJ	F/X	\$/ GJ (Cdn)
<u>Nov-15</u>					
18-Aug-15	2.840	0.28	1.054615	1.3056	3.86
19-Aug-15	2.840	0.29	1.054615	1.3110	3.89
20-Aug-15	2.870	0.28	1.054615	1.3081	3.91
21-Aug-15	2.790	0.29	1.054615	1.3169	3.85
24-Aug-15	2.600	0.29	1.054615	1.3262	3.63
25-Aug-15	2.770	0.32	1.054615	1.3346	3.91
26-Aug-15	2.780	0.32	1.054615	1.3322	3.92
27-Aug-15	2.750	0.31	1.054615	1.3218	3.84
28-Aug-15	2.790	0.32	1.054615	1.3215	3.90
31-Aug-15	2.760	0.33	1.054615	1.3157	<u>3.85</u>
10 Day Average					<u>3.855</u>
<u>December-15 - March-16</u>					
18-Aug-15	3.020	0.38	1.054615	1.3056	4.21
19-Aug-15	3.010	0.38	1.054615	1.3110	4.21
20-Aug-15	3.050	0.37	1.054615	1.3081	4.24
21-Aug-15	2.960	0.38	1.054615	1.3169	4.17
24-Aug-15	2.920	0.38	1.054615	1.3262	4.15
25-Aug-15	2.940	0.38	1.054615	1.3346	4.20

26-Aug-15	2.960	0.39	1.054615	1.3322	4.23
27-Aug-15	2.920	0.39	1.054615	1.3218	4.15
28-Aug-15	2.970	0.39	1.054615	1.3215	4.21
31-Aug-15	2.930	0.39	1.054615	1.3157	<u>4.14</u>
10 Day Average					<u>4.192</u>

April-16 - Sept-16

18-Aug-15	2.960	0.00	1.054615	1.3056	3.66
19-Aug-15	2.950	0.00	1.054615	1.3110	3.67
20-Aug-15	2.970	0.00	1.054615	1.3081	3.68
21-Aug-15	2.910	0.00	1.054615	1.3169	3.63
24-Aug-15	2.870	0.00	1.054615	1.3262	3.61
25-Aug-15	2.870	0.01	1.054615	1.3346	3.64
26-Aug-15	2.890	0.03	1.054615	1.3322	3.69
27-Aug-15	2.870	0.03	1.054615	1.3218	3.63
28-Aug-15	2.910	0.04	1.054615	1.3215	3.70
31-Aug-15	2.880	0.05	1.054615	1.3157	<u>3.66</u>
10 Day Average					<u>3.658</u>

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 over the forecast period. This rate
9 reflects the tolls currently being charged as a result of the TCPL settlement agreement in
10 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 September, 2015 balance in the PGCVA is a debit of \$273,686.39
16 including a debit of \$69,167.15 in accumulated interest, based on the Board's prescribed
17 interest rate. This estimate is based on actual and forecasted purchases and the balance

1 brought forward from September, 2014. The PGCVA debit amounts to a charge of
2 approximately \$21.41 for a typical residential customer consuming approximately
3 2,129.4 m³ per year. These figures are shown on Schedule 2.

4 Proposed PGCVA Rate Changes

6 NRG proposes to adjust the reference price effective October 1, 2015 based on the
7 projected accumulated balance in the PGCVA as of the end of September, 2015 and the
8 forecasted cost of gas over the 12 month period beginning October, 2015 and ending
9 September, 2016. The reference price is set such that the projected PGCVA balance at
10 the end of September, 2016 is close to zero.

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

16 NRG proposes to change the reference price by \$0.008486 per m³ effective October 1,
17 2015, from \$0.201173 per m³ to \$0.192687 per m³. The derivation of this rate is shown
18 in Schedule 5. This is the reference price required to bring the PGCVA balance close to
19 zero on a twelve month forecast basis. This change will also be reflected in the gas
20 commodity charge.

22 **GAS PURCHASE REBALANCING ACCOUNT**

23 The impact on the GPRA of the proposed October 1, 2015 PGCVA reference price
24 change from \$0.201173 per m³ to \$0.192687 per m³ is a debit of \$39,076.88, as shown on
25 Schedule 8. This figure is shown in column (J) of Schedule 8 on the September, 2015
26 line. It is calculated as the change in the PGCVA reference price between September and
27 October, multiplied by the cumulative inventory balance at the end of September. This
28 cumulative inventory balance is the sum of the actual monthly inventory balances for
29 July, 2015 and forecasts for the subsequent months. These forecasts will be replaced
30 with actual balances for these months in subsequent QRAM applications as this

1 information becomes available. As well, the monthly inventory balances are based on a
2 deemed level of unaccounted for gas (“UFG”) of the total throughput volume, as shown
3 in column (E) of Schedule 8. The 0.0% is the Board approved level of UFG from EB-
4 2010-0018.

5
6 NRG proposes to adjust the gas commodity charge effective October 1, 2015 based on
7 the projected accumulated balance in the GPRA. The adjustment to the gas commodity
8 charge will be set such that the projected GPRA balance at the end of September, 2016,
9 will be close to zero. The rate required to achieve this is shown in column (K) on
10 Schedule 8. Column (P) shows the reduction of the inventory revaluation balance based
11 on this rate of \$0.007028 per m³ over the October, 2015 through September, 2016 period.

12
13 NRG’s proposal will clear the GPRA balance on a prospective basis, eliminating the need
14 for retroactive adjustments. This is consistent with NRG’s proposal for the continued
15 prospective clearance of the PGCVA. This change will also be reflected in the gas
16 commodity charge.

17
18 **GAS COMMODITY CHARGE**

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

26
27 The change in the gas commodity charge proposed for October 1, 2015 is summarized
28 below. The change in the gas commodity charge reflects both the change in the PGCVA
29 reference price and the change in the recovery of the inventory revaluation amount in the
30 GPRA. The change in the gas commodity charge is as follows:

1

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SUMMARY

10 In summary, NRG proposes to change the reference price for amounts to be recorded in
11 the Purchased Gas Commodity Variance Account from \$0.201173 by \$0.008486 to
12 \$0.192687 per m³ effective October 1, 2015. Appendix B contains the accounting entries
13 related to the PGCVA.

14

15 NRG also proposes to change the gas supply charge from \$0.207873 to \$0.200078 per m³
16 effective October 1, 2015. This change reflects the change in the PGCVA reference
17 price, as described above, the change related to the recovery of the GPRA balance, also
18 as described above, and the continuation of the system gas supply cost. These changes
19 apply to all system gas customers served under Rates 1, 2, 3, 4, 5 and 6.

20

21 The proposed rate schedules are attached as Appendix A. The rate schedules used are
22 those that result from the Board's Decision and Order dated September 10, 2015 in EB-
23 2015-0115. The proposed customer notices are attached as Appendix C. These customer
24 notices deal with both the change in the commodity rates as a result of this application
25 and the change in the distribution rates as a result of the decision in EB-2015-0115.

26

27 Schedule 9 provides a residential bill comparison showing the impact of the proposed
28 changes on a year over year basis for the appropriate quarter as well as the annual bill
29 impact of the most recent quarterly change. The annual bill impact related to the change
30 in the commodity charges on a customer consuming approximately 2,009 m³ is a
31 decrease of \$15.66.

32

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE

HISTORICAL TWELVE MONTH PERIOD - OCTOBER, 2014 TO SEPTEMBER, 2015

Act/Fcst	Month	Purchase Cost (\$'s)	M*3	Actual/Forecast Price (\$/M*3)	Reference Price (\$/M*3)	Unit Rate Difference (\$/M*3)	Monthly PGCVA (\$'s)	Y-T-D PGCVA (\$'s)	Monthly Interest (\$'s)	Y-T-D Interest (\$'s)	Total PGCVA (\$'s)	Total Y-T-D PGCVA (\$'s)	Average Residential Consumption (M*3)	Monthly Interest Rate
								(1)		(2)				
Actual	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%
Actual	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	83.0	1.10%
Actual	June	383,522	2,146,678	0.178658	0.208718	0.030060	64,529.14	-304,892.12	-338.64	-68,416.76	64,190.50	-373,308.88	42.8	1.10%
Actual	July	354,680	1,909,461	0.185749	0.201173	0.015424	29,451.53	-275,440.59	-279.48	-68,696.24	29,172.05	-344,136.83	34.4	1.10%
Forecast	August	364,197	1,995,126	0.182543	0.201173	0.018630	37,169.19	-238,271.40	-252.49	-68,948.73	36,916.70	-307,220.13	42.8	1.10%
Forecast	September	<u>355,963</u>	<u>1,937,219</u>	<u>0.183750</u>	0.201173	0.017423	<u>33,752.16</u>	<u>-204,519.24</u>	<u>-218.42</u>	<u>-69,167.15</u>	<u>33,533.74</u>	<u>-273,686.39</u>	<u>58.5</u>	1.10%
	Total	4,916,375	27,222,609	0.180599			960,293.23	-204,519.24	-8,918.28	-69,167.15	951,374.95	-273,686.39	2,129.4	

PGCVA Balance per M*3 Purchased (\$/M*3) (\$0.010054)
Forecast Average Residential Consumption per Customer 2,129.4 M*3
Estimated Impact on Average Residential Customer \$21.41 Customer Charge

(1) Includes balance of -1,164,812.47 as of September, 2014
(2) Includes balance of -60,248.87 as of September, 2014

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

HISTORICAL TWELVE MONTH PERIOD - OCTOBER, 2014 TO SEPTEMBER, 2015

	<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>Jul-15</u>	<u>Aug-15</u>	<u>Sep-15</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Local Production (A)	84,931	82,192	84,931	84,931	76,712	84,931	82,192	84,931	82,192	84,931	84,932	82,192	999,998
Local Production (B)	139,734	127,305	118,993	109,167	82,093	118,996	88,210	75,188	68,653	75,789	115,068	117,808	1,237,003
Dawn Delivery	242,558	641,428	659,758	664,291	599,240	660,576	640,383	624,536	642,041	662,378	679,947	658,013	7,375,148
Parkway Delivery	1,211,991	766,150	788,044	793,459	715,759	789,021	764,902	793,915	766,883	791,173	812,159	785,960	9,779,416
Western Delivery	301,797	283,530	291,632	293,636	264,881	291,994	283,068	293,805	286,127	295,190	303,020	293,245	3,481,924
Ontario Delivered Gas	<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>300,782</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,349,120</u>
Total	1,981,011	1,900,605	2,594,170	2,845,697	1,967,329	1,945,518	4,127,421	1,872,374	2,146,678	1,909,461	1,995,126	1,937,219	27,222,609
<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)	0.208106	0.208106	0.208106	0.218866	0.218866	0.218866	0.194138	0.194138	0.194138	0.198417	0.198417	0.198417	
Dawn Delivery	0.163418	0.169664	0.179455	0.173810	0.167214	0.177250	0.166568	0.166859	0.166257	0.165746	0.162854	0.166704	
Parkway Delivery	0.185991	0.175816	0.176630	0.175424	0.175648	0.176411	0.176103	0.175323	0.175649	0.175931	0.171385	0.171385	
Western Delivery	0.174459	0.146121	0.147660	0.146821	0.146648	0.147273	0.145604	0.145352	0.145055	0.145347	0.143148	0.142129	
Ontario Delivered Gas	0.000000	0.000000	0.177797	0.150308	0.138120	0.000000	0.132272	0.000000	0.135412	0.000000	0.000000	0.000000	
<u>Total Gas Cost (\$)</u>													
Local Production (A)	25,581	24,756	25,581	25,581	23,106	25,581	24,756	25,581	24,756	25,581	25,582	24,756	301,199
Local Production (B)	29,079	26,493	24,763	23,893	17,967	26,044	17,125	14,597	13,328	15,038	22,831	23,375	254,534
Dawn Delivery	39,638	108,827	118,397	115,460	100,201	117,087	106,667	104,209	106,744	109,786	110,732	109,693	1,247,443
Parkway Delivery	225,419	134,702	139,192	139,192	125,722	139,192	134,702	139,192	134,702	139,192	139,192	134,702	1,725,099
Western Delivery	52,651	41,430	43,063	43,112	38,844	43,003	41,216	42,705	41,504	42,905	43,377	41,679	515,488
Ontario Delivered Gas	0	0	115,712	135,310	31,580	0	300,080	0	40,730	0	0	0	623,412
TCPL Transportation	<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>21,758</u>	<u>22,178</u>	<u>22,483</u>	<u>21,758</u>	<u>249,200</u>
Total	390,373	353,122	484,186	504,849	357,563	373,208	646,127	348,585	383,522	354,680	364,197	355,963	4,916,375

NATURAL RESOURCE GAS LIMITED

ACTUAL AND FORECAST GAS PRICES

HISTORICAL TWELVE MONTH PERIOD - OCTOBER, 2014 TO SEPTEMBER, 2015

	<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>Jul-15</u>	<u>Aug-15</u>	<u>Sep-15</u>
<u>Local Production</u>												
Local Production (A) (\$/GJ)	7.778	7.778	7.742	7.795	7.785	7.751	7.765	7.800	7.785	7.773	7.979	7.979
Local Production (B) (\$/GJ)	5.374	5.374	5.349	5.664	5.657	5.633	5.005	5.027	5.018	5.120	5.256	5.256
<u>Dawn</u> (\$/GJ)	4.220	4.381	4.613	4.498	4.322	4.562	4.294	4.321	4.297	4.277	4.314	4.416
<u>Parkway</u> (\$/GJ)	4.803	4.540	4.540	4.540	4.540	4.540	4.540	4.540	4.540	4.540	4.540	4.540
<u>Western Deliveries</u> (\$/GJ)	4.505	3.773	3.795	3.800	3.790	3.790	3.754	3.764	3.749	3.751	3.792	3.765
Fuel Ratio (%)	4.24%	3.21%	4.69%	5.43%	5.19%	5.19%	4.20%	4.20%	4.17%	3.79%	4.00%	4.00%
<u>TCPL Transportation</u> (\$/GJ)												
TCPL Toll	1.5405	1.5405	1.5405	1.9655	1.9655	1.9655	1.9655	1.9655	1.9655	1.9655	1.9655	1.9655
GJ/day (TCPL)	377	366	366	366	366	366	366	366	369	369	369	369
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)	2,194	2,183	2,183	2,183	2,183	2,183	2,183	2,133	2,186	2,186	2,186	2,058
<u>Ontario Delivered Gas</u> (\$/GJ)	0.000	0.000	4.570	3.890	3.570	0.000	3.410	0.000	3.500	0.000	0.000	0.000
Heat Value (GJ/103m3)	38.72	38.73	38.91	38.64	38.69	38.86	38.79	38.62	38.69	38.75	37.75	37.75

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT

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

Month	Purchase Cost (\$'s)	M*3	Forecast Price (\$/M*3)	Reference Price (\$/M*3)	Unit Rate Difference (\$/M*3)	Monthly PGCVA (\$'s)	Y-T-D PGCVA (\$'s) (1)	Monthly Interest (\$'s)	Y-T-D Interest (\$'s) (2)	Total PGCVA (\$'s)	Total Y-T-D PGCVA (\$'s)	Average Residential Consumption (M*3)	Monthly Interest Rate
October	366,576	1,992,662	0.183963	0.192687	0.008724	17,383.99	-187,135.25	-187.48	-69,354.63	17,196.51	-256,489.88	118.7	1.10%
November	358,456	1,934,834	0.185265	0.192687	0.007422	14,360.34	-172,774.91	-171.54	-69,526.17	14,188.80	-242,301.08	202.7	1.10%
December	374,602	1,992,662	0.187991	0.192687	0.004696	9,357.54	-163,417.37	-158.38	-69,684.55	9,199.16	-233,101.92	321.8	1.10%
January	374,602	1,992,662	0.187991	0.192687	0.004696	9,357.54	-154,059.83	-149.80	-69,834.35	9,207.74	-223,894.18	355.2	1.10%
February	342,185	1,819,179	0.188099	0.192687	0.004588	8,346.39	-145,713.44	-141.22	-69,975.57	8,205.17	-215,689.01	293.2	1.10%
March	374,602	1,992,662	0.187991	0.192687	0.004696	9,357.54	-136,355.90	-133.57	-70,109.14	9,223.97	-206,465.04	246.2	1.10%
April	355,326	1,934,834	0.183647	0.192687	0.009040	17,490.90	-118,865.00	-124.99	-70,234.13	17,365.91	-189,099.13	186.6	1.10%
May	365,849	1,992,662	0.183598	0.192687	0.009089	18,111.31	-100,753.69	-108.96	-70,343.09	18,002.35	-171,096.78	89.7	1.10%
June	355,326	1,934,834	0.183647	0.192687	0.009040	17,490.90	-83,262.79	-92.36	-70,435.45	17,398.54	-153,698.24	53.1	1.10%
July	365,849	1,992,662	0.183598	0.192687	0.009089	18,111.31	-65,151.48	-76.32	-70,511.77	18,034.99	-135,663.25	40.9	1.10%
August	365,849	1,992,662	0.183598	0.192687	0.009089	18,111.31	-47,040.17	-59.72	-70,571.49	18,051.59	-117,611.66	42.8	1.10%
September	<u>748,072</u>	<u>4,492,954</u>	<u>0.166499</u>	0.192687	0.026188	<u>117,661.48</u>	<u>70,621.31</u>	<u>-43.12</u>	<u>-70,614.61</u>	<u>117,618.36</u>	<u>6.70</u>	<u>58.5</u>	1.10%
Total	4,747,296	26,065,272	0.182131			275,140.55	70,621.31	-1,447.46	-70,614.61	273,693.09	6.70	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 Sept., 2015 year-to-date balance of (\$204,519.24) (See Schedule 2)
(2) Includes Sept., 2015 year-to-date balance of (\$69,167.15) (See Schedule 2)

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

PROJECTED TWELVE MONTH FORWARD PERIOD - OCTOBER, 2015 TO SEPTEMBER, 2016

	<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>Jul-16</u>	<u>Aug-16</u>	<u>Sep-16</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Local Production (A)	84,932	82,192	84,932	84,932	76,708	84,932	82,192	84,932	82,192	84,932	84,932	82,192	1,000,000
Local Production (B)	115,068	117,808	115,068	115,068	123,292	115,068	117,808	115,068	117,808	115,068	115,068	117,808	1,400,000
Dawn Delivery	679,947	658,013	679,947	679,947	614,146	679,947	658,013	679,947	658,013	679,947	679,947	658,013	8,005,828
Parkway Delivery	812,159	785,960	812,159	812,159	733,563	812,159	785,960	812,159	785,960	812,159	812,159	785,960	9,562,517
Western Delivery	300,556	290,861	300,556	300,556	271,470	300,556	290,861	300,556	290,861	300,556	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>2,558,120</u>	<u>2,558,120</u>
Total	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	1,992,662	1,992,662	4,492,954	26,065,272
<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)	0.198147	0.198147	0.198147	0.198147	0.198147	0.198147	0.198147	0.198147	0.198147	0.198147	0.198147	0.198147	
Dawn Delivery	0.167119	0.158286	0.166402	0.166402	0.166402	0.166402	0.153529	0.153529	0.153529	0.153529	0.153529	0.153529	
Parkway Delivery	0.171385	0.177803	0.177803	0.177803	0.177803	0.177803	0.177803	0.177803	0.177803	0.177803	0.177803	0.177803	
Western Delivery	0.143299	0.154284	0.154284	0.154284	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	0.153529	
<u>Total Gas Cost (\$)</u>													
Local Production (A)	25,582	24,756	25,582	25,582	23,104	25,582	24,756	25,582	24,756	25,582	25,582	24,756	301,200
Local Production (B)	22,800	23,343	22,800	22,800	24,430	22,800	23,343	22,800	23,343	22,800	22,800	23,343	277,406
Dawn Delivery	113,632	104,154	113,145	113,145	102,195	113,145	101,024	104,392	101,024	104,392	104,392	101,024	1,275,662
Parkway Delivery	139,192	139,746	144,404	144,404	130,430	144,404	139,746	144,404	139,746	144,404	144,404	139,746	1,695,032
Western Delivery	43,069	44,875	46,371	46,371	41,884	46,371	44,875	46,371	44,875	46,371	46,371	44,875	542,680
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	392,746	392,746
TCPL Transportation	<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>22,301</u>	<u>22,301</u>	<u>21,581</u>	<u>262,571</u>
Total	366,576	358,456	374,602	374,602	342,185	374,602	355,326	365,849	355,326	365,849	365,849	748,072	4,747,296

NATURAL RESOURCE GAS LIMITED

GAS PURCHASE REBALANCING ACCOUNT

OCTOBER, 2014 THROUGH SEPTEMBER, 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
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	-385,033.36	-599.19	628.23	-384,405.13	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	-326,540.84	-471.67	156.56	-326,384.28	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	-267,810.26	-400.01	-243.45	-268,053.71	1.47%
March	1,945,518	6,475,425	3,100,218	3,375,207	0	3,375,207	-1,429,689	-3,438,892	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	3,108,577	2,213,447	895,130	0	895,130	977,244	-193,649	0.208718	0.00	0.006929	6,202.36	-152,504.50	-145.48	-874.29	-153,378.79	1.10%
June	2,146,678	3,387,526	2,888,471	499,055	0	499,055	1,647,623	1,453,974	0.208718	-10,970.24	0.006929	3,457.95	-160,016.78	-139.80	-1,014.09	-161,030.87	1.10%
July	1,909,461	3,334,364	2,909,523	424,841	0	424,841	1,484,620	2,938,594	0.201173	0.00	0.006337	2,692.22	-157,324.56	-146.68	-1,160.77	-158,485.33	1.10%
August	1,995,126	3,546,615	2,639,204	907,411	0	907,411	1,087,715	4,026,309	0.201173	0.00	0.006337	5,750.26	-151,574.30	-144.21	-1,304.98	-152,879.28	1.10%
September	1,937,219	4,058,210	2,699,547	1,358,663	0	1,358,663	578,556	4,604,865	0.201173	-39,076.88	0.006337	8,609.85	-182,041.34	-138.94	-1,443.92	-183,485.26	1.10%
October	1,992,662	5,171,595	2,783,246	2,388,349	0	2,388,349	-395,687	4,209,178	0.192687	0.00	0.007028	16,785.32	-165,256.02	-166.87	-1,610.79	-166,866.81	1.10%
November	1,934,834	6,471,595	2,807,687	3,663,908	0	3,663,908	-1,729,074	2,480,104	0.192687	0.00	0.007028	25,749.95	-139,506.07	-151.48	-1,762.27	-141,268.34	1.10%
December	1,992,662	6,521,595	2,795,357	3,726,238	0	3,726,238	-1,733,576	746,529	0.192687	0.00	0.007028	26,188.00	-113,318.07	-127.88	-1,890.15	-115,208.22	1.10%
January	1,992,662	6,421,595	2,824,409	3,597,186	0	3,597,186	-1,604,524	-857,995	0.192687	0.00	0.007028	25,281.02	-88,037.05	-103.87	-1,994.02	-90,031.07	1.10%
February	1,819,179	6,121,595	2,807,462	3,314,133	0	3,314,133	-1,494,954	-2,352,949	0.192687	0.00	0.007028	23,291.73	-64,745.32	-80.70	-2,074.72	-66,820.04	1.10%
March	1,992,662	5,821,595	2,744,961	3,076,634	0	3,076,634	-1,083,972	-3,436,921	0.192687	0.00	0.007028	21,622.58	-43,122.74	-59.35	-2,134.07	-45,256.81	1.10%
April	1,934,834	4,621,595	2,685,665	1,935,930	0	1,935,930	-1,096	-3,438,017	0.192687	0.00	0.007028	13,605.72	-29,517.02	-39.53	-2,173.60	-31,690.62	1.10%
May	1,992,662	3,621,595	2,661,298	960,297	0	960,297	1,032,365	-2,405,651	0.192687	0.00	0.007028	6,748.97	-22,768.05	-27.06	-2,200.66	-24,968.71	1.10%
June	1,934,834	3,171,595	2,638,035	533,560	0	533,560	1,401,274	-1,004,377	0.192687	0.00	0.007028	3,749.86	-19,018.19	-20.87	-2,221.53	-21,239.72	1.10%
July	1,992,662	3,171,595	2,646,622	524,973	0	524,973	1,467,689	463,312	0.192687	0.00	0.007028	3,689.51	-15,328.68	-17.43	-2,238.96	-17,567.64	1.10%
August	1,992,662	3,671,595	2,639,204	1,032,391	0	1,032,391	960,271	1,423,584	0.192687	0.00	0.007028	7,255.64	-8,073.04	-14.05	-2,253.01	-10,326.05	1.10%
September	4,492,954	4,171,595	2,699,547	1,472,048	0	1,472,048	3,020,906	4,444,490	0.192687	0.00	0.007028	10,345.55	2,272.51	-7.40	-2,260.41	12.10	1.10%

(1) Includes balance of 3,920,683 as of September, 2014
(2) Includes balance of -657,461.50 as of September, 2014
(3) Includes balance of 2,766.76 as of September, 2014

NATURAL RESOURCE GAS LIMITED

RESIDENTIAL BILL COMPARISONS

QUARTERLY BILL IMPACT

	Quarter Starting 01-Oct-14 <u>EB-2014-0053</u>	Quarter Starting 01-Oct-15 <u>EB-2015-0261</u>	\$ Change	Percent Change
Average Residential Consumption for Quarter	643.2	643.2		
Monthly Charges	\$40.50	\$40.50	\$0.00	0.0%
Delivery Charges	\$100.73	\$104.40	\$3.67	3.6%
Total Commodity Charges	<u>\$168.70</u>	<u>\$128.69</u>	<u>(\$40.01)</u>	<u>-23.7%</u>
Total Customer Charges	\$309.92	\$273.59	(\$36.33)	-11.7%

ANNUAL BILL IMPACT

	01-Jul-15 <u>EB-2015-0191</u>	01-Oct-15 <u>EB-2015-0261</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	\$326.15	\$5.78	1.8%
Total Commodity Charges	<u>\$417.70</u>	<u>\$402.04</u>	<u>(\$15.66)</u>	<u>-3.7%</u>
Total Customer Charges	\$900.07	\$890.19	(\$9.89)	-1.1%

RATES USED

	01-Oct-14 <u>EB-2014-0053</u>	01-Jul-15 <u>EB-2015-0191</u>	01-Oct-15 <u>EB-2015-0261</u>
Monthly charge	13.50	13.50	13.50
Delivery Charge	0.156601	0.159437	0.162312
Total Commodity Charge	0.262277	0.207873	0.200078

**APPENDIX "A" TO
DECISION AND INTERIM ORDER
BOARD FILE No. EB-2015-0261
DATED SEPTEMBER 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 Changes - effective until September 30, 2016	\$0.13
b)	Delivery Charge	
	First 1,000 m ³ per month	16.2312 cents per m ³
	All over 1,000 m ³ per month	10.9099 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: October 01, 2015

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

EB-2015-0261

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 Changes - effective until September 30, 2016	\$0.24	
b) Delivery Charge		
First 1,000 m ³ per month	15.8212 cents per m ³	19.9424 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: October 01, 2015

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

EB-2015-0261

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 Changes - effective until September 30, 2016 \$10.53

- 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 4.0357 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: October 01, 2015

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

EB-2015-0261

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 Changes - effective until September 30, 2016	\$0.69	
b) Delivery Charge		
First 1,000 m ³ per month	15.8149 cents per m ³	20.1755 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: October 01, 2015

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

EB-2015-0261

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 Changes - effective until September 30, 2016 \$3.81

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 7.1995 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: October 01, 2015

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

EB-2015-0261

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 Changes - effective until September 30, 2016 \$380.13

b) A Monthly Demand Charge:

A Monthly Demand Charge of 18.8392 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 3.8894 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: October 01, 2015

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

EB-2015-0261

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-2015-0261)	19.2687 cents per m ³
GPRA Recovery Rate	(EB-2015-0261)	0.7028 cents per m ³
System Gas Fee	(EB-2010-0018)	<u>0.0363</u> cents per m ³
Total Gas Supply Charge		<u>20.0078</u> cents per m ³

Note:

PGCVA means Purchased Gas Commodity Variance Account

GPRA means Gas Purchase Rebalancing Account

Effective: October 01, 2015

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

EB-2015-0261

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: October 01, 2015

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

EB-2015-0261

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: October 01, 2015

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

EB-2015-0261

**APPENDIX "B" TO
DECISION AND INTERIM ORDER
BOARD FILE No. EB-2015-0261
DATED SEPTEMBER 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-2015-0261
DATED SEPTEMBER XX, 2015**

IMPORTANT INFORMATION ABOUT YOUR GAS BILL

Gas Commodity:

On all bills rendered by Natural Resource Gas Limited (“NRG”) on or after October 1, 2015, the price we charge for the gas commodity and transportation portion of your bill will be decreasing by \$0.007795 per cubic meter to \$0.200078 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 September 2016. On your gas bill this cost is on the line it 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 October 1, 2015 and will be on all bills rendered by NRG on or after October 1, 2015.

Rate Rider:

The OEB approved a rate rider on all bills rendered by NRG on or after October 1, 2015. This rate rider represents Corporate Tax Changes that results in a charge to the customer and effective until September 30, 2016. Residential is a charge of 13 cents/month.

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 \$16 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 decrease of approximately \$10 or 1.1% 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.