

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 January 1, 2016;

AND IN THE MATTER OF the Quarterly Rate Adjustment Mechanism.

APPLICATION

1. As part of the EB-2015-0261 Decision and Interim Rate Order dated September 24, 2015 the Board approved a PGCVA reference price of \$0.192687 per m³ and a gas supply charge of \$0.200078 per m³, both effective October 1, 2015.
2. Based on actual and forecast natural gas prices for the January, 2015 through December, 2015 period the PGCVA balance is projected to be a charge of approximately \$15.57 per residential customer.
3. NRG hereby applies to the Board for further orders effective January 1, 2016 as follows:
 - a) an order changing the reference price authorized by the Board's EB-2015-0261 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 \$0.011201 per m³ from the Board approved level of \$0.192687 per m³ to \$0.181486 per m³;
 - b) an order changing the rates and other charges from those authorized by the Board's EB-2015-0261 Decision and Interim Rate Order to reflect a

projected \$0.013077 per m³ change in the gas supply charge from the Board approved level of \$0.200078 per m³ to a projected cost of \$0.187001 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 January 1, 2016.

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

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

NATURAL RESOURCE GAS LIMITED

Brian Lippold
General Manager

NATURAL RESOURCE GAS LIMITED

INTRODUCTION

As part of the EB-2015-0261 Decision and Interim Rate Order dated September 24, 2015 the Board approved a Purchased Gas Commodity Variance Account (“PGCVA”) reference price of \$0.192687 per m³ and a gas supply charge of \$0.200078 per m³, both effective October 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-2015-0261, the Board approved a GPRA rate of \$0.007028 per m³.

NRG is proposing to adjust the gas supply charge, the GPRA rate and the PGCVA reference price effective January 1, 2016 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 \$15.57 per average residential customer for the twelve month period ending December, 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 October, 2015. The remaining months in the
3 twelve-month period ending December, 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 January, 2016, 2015 through December,
12 2016 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/GJ.

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/GJ.

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 January, 2015 and February,
3 2015. The amounts purchased were based on the Direct Purchase Status Report received
4 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 34,784 GJ
12 (900,214 m³) in January 2015 and 8,846 GJ (228,644 m³) in February, 2015. The cost of
13 this gas, also shown in Schedule 3 was \$135,310 in January, 2015 and \$31,580 in
14 February, 2015. The price paid for this gas is shown in Schedule 4 on the Ontario
15 Delivered Gas line and was \$3.89/GJ and \$3.57/GJ, respectively over the two months.

16

17 Obligated Deliveries

18 Obligated deliveries to Union by NRG on behalf of both system gas customers and direct
19 purchase customers has been forecast at 2,625 GJ/day effective October 1, 2015, an
20 increase from the previous level of 2,380 GJ/day. The increase reflects growing volumes
21 at NRG. This change was the result of discussions with Union Gas.

22

23 The direct purchase customer assignment is forecast to be 192 GJ/day in January, 2016,
24 through October, 2016, dropping to 189 GJ/day in November, 2016 where it is forecast to
25 remain through December, 2016. These levels allow direct purchase customers to bring
26 their supplies in line with their actual and projected consumption. This results in
27 deliveries for system gas customers of 2,433 GJ/day in January, 2016 through October,
28 2016 and 2,436 GJ/day in November, 2016 through December, 2016.

29

1 The composition of these obligated system gas deliveries over this period is as follows.
 2 Parkway deliveries are 1,231 GJ/day in January, 2016 through October, 2016 and 1,235
 3 GJ/day in November, 2016 through December, 2016. Obligated deliveries for system gas
 4 customers at AECO are 374 GJ/day over the same period.

5

6 NRG has shifted a total of 828 GJ/day from Parkway obligated deliveries to Dawn
 7 obligated deliveries and is a result of the settlement agreement reached between Union
 8 Gas and intervenor groups in EB-2013-0365. NRG has taken advantage of this
 9 opportunity to the maximum extent possible. In January, 2016 through December, 2016,
 10 obligated delivers to Dawn on behalf of system gas customers is 828 GJ/day.

11

12 The composition of the gas purchases for direct purchase and system gas customers for
 13 the January, 2016 through December, 2016 period is shown in the following table.
 14 Please note that these figures do not include the direct purchase deliveries associated with
 15 a large ethanol plant served by NRG.

16

GJ/s per Day

Delivery Point	Jan., 2016 - Oct., 2016	Nov., 2016 - Dec., 2016
Direct Purchase	192	189
AECO	374	374
Parkway	1,231	1,234
Dawn	<u>828</u>	<u>828</u>
Total	2,625	2,625

17

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

20

21 The composition of the gas supply portfolio volumes for the January, 2015 through
 22 December, 2015 period is shown on the top of Schedule 3. This schedule shows the
 23 monthly volume of gas purchased or forecast to be purchased from local producers,
 24 obligated deliveries at Parkway, at Dawn and the Alberta border (Western), and
 25 balancing gas (Ontario Delivered Gas). Similarly, the composition of the gas supply

1 portfolio volumes for the January, 2016 through December, 2016 period is shown on the
2 top of Schedule 6.

3
4 Gas Costs

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

13
14 Prices for January, 2016 through December, 2016 are based on prices averaged over 10
15 days in the period November 13, 2015 through November 30, 2015 (information was not
16 available for November 25 and 26). These prices, which have been sourced from the
17 Shell Energy North America report entitled 'Daily Energy Market Update', are for the
18 January, 2016 through December, 2016 strip, and have been utilized in calculating the
19 prices shown in Schedule 7 in \$/GJ and in the middle section of Schedule 6 in $\$/m^3$. The
20 source of the foreign exchange rates used in the calculations is the daily noon exchange
21 rates for the 10-year lookup from the Bank of Canada that are available on their website
22 at www.bankofcanada.ca/rates/exchange.

23
24 Gas prices for each of the sources of supply are described below. In addition to the
25 above, contracted prices have been used where purchase decisions have been made.

26
27 NRG Corp. Pricing

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

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

6
7 The remaining gas purchased from NRG Corp. is shown in the line labeled "Local
8 Production (B)". This gas is priced at the approved Union Gas Ontario landed reference
9 price for each quarter. The January, 2015 through March, 2015 price is \$0.218866,
10 reflecting the Board's Decision and Order in EB-2014-0356 dated December 19, 2014.
11 The April, 2015 through June, 2015 price is \$0.194138, reflecting the Board's Decision
12 and Order in EB-2015-0035 dated March 23, 2015. The July, 2015 through September,
13 2015 price is \$0.198417, reflecting the Board's Decision and Order in EB-2015-0187
14 dated June 23, 2015. The October, 2015 through December, 2015 price is \$0.198147,
15 reflecting the Board's Decision and Order in EB-2015-0255 dated September 24, 2015.
16 These prices are shown in Schedule 3.

17
18 The NRG Corp. prices over the January, 2016 through December, 2016 period shown in
19 Schedule 6 reflect the Board approved price of \$0.301200 per m³ for 1,000,000 m³ as
20 shown on the Local Production (A) line. The remaining gas forecast to be purchased
21 from NRG Corp. is shown on the Local Production (B) line. The price forecast for this
22 gas has been taken from the Union's QRAM application in EB-2015-0340 dated
23 December 9, 2015, where the Ontario landed reference price has been forecast as
24 \$0.180838 per m³.

25
26 At the time this application was prepared the Union Gas QRAM price for January 1, 2016
27 rates was not yet approved by the Board. Any differences between the applied for and
28 Board approved Ontario landed reference price for Union will be reflected in NRG's next
29 QRAM application and evidence.

30

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

3

4 Empress Pricing

5 The Empress price over the January, 2016 through December, 2016 period shown in
 6 Schedule 7 (Western Deliveries) is based on a combination of actual contracted prices
 7 and forecast prices.

8

9 The average Empress delivery rate is \$4.087/GJ in January, 2016 through October , 2016,
 10 and \$2.728/GJ in November, 2016 through December, 2016. Fuel costs of 4% are
 11 included in these rates.

12

13 The average Empress delivery price includes a fixed price contract over the January,
 14 2016 through October, 2016 period. This contract was signed by NRG in August, 2013.
 15 Forecasted prices have been used for the November, 2016 through December, 2016
 16 period.

17

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

<u>Empress Deliveries</u>				
<u>Contracted?</u>	<u>Jan. - Oct.</u>		<u>Nov. - Dec.</u>	
	GJ/day	\$/GJ	GJ/day	\$/GJ
Yes	374	3.930	0	0.000
No	0	0.000	374	2.623
Total	374	3.930	374	2.623
with Fuel (4%)		4.087		2.728

20

21 NRG has forecast Empress deliveries that have not been contracted for over the
 22 November, 2016 through December, 2016 period.

23

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

1 The prices used are shown in the Daily Energy Market Update as the price at Empress,
 2 AB in Cdn\$/GJ for the January, 2016 through December, 2016 strip.

Empress Delivery Price Forecast

Jan-16 - Dec-16

13-Nov-15	2.69
16-Nov-15	2.72
17-Nov-15	2.70
18-Nov-15	2.67
19-Nov-15	2.63
20-Nov-15	2.63
23-Nov-15	2.61
24-Nov-15	2.57
27-Nov-15	2.49
30-Nov-15	2.52

10 Day Average 2.623

3

4 **Parkway Pricing**

5 The Parkway price over the January, 2016 through December, 2016 period shown in
 6 Schedule 7 is based on a combination of actual contracted prices and forecasted prices.
 7 The average Parkway delivery rate forecast is \$4.453/GJ in January, 2016, \$4.499/GJ in
 8 February, 2016 through October, 2016 and \$3.546/GJ in November, 2016 through
 9 December, 2016.

10

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

Parkway Deliveries

<u>Contracted?</u>	<u>Jan.</u>		<u>Feb. - Oct.</u>		<u>Nov. - Dec.</u>	
	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ
Yes	970	4.710	970	4.710	0	0.000
Yes	31	4.950	31	4.950	0	0.000
Yes	230	3.300	0	0.000	0	0.000
No	0	0.000	230	3.546	1,234	3.546
Total	1,231	4.453	1,231	4.499	1,234	3.546

14

1 The actual contract prices include 970 GJ/day at \$4.71/GJ in the January, 2016 through
2 October, 2016 period. This contract was signed by NRG in August, 2013. The price for
3 the 31 GJ/day in January, 2016 through October, 2016 reflects a transfer of deliveries
4 from Empress to Parkway. This gas has been purchased for Empress delivery at
5 \$3.93/GJ (see previous section). This has been increased by a locked in price to move the
6 gas deliveries from Empress to Parkway of \$1.02/GJ, to arrive at the forecasted price of
7 \$4.95/GJ.

8

9 In addition, NRG has locked in the price for the 230 GJ/day for the month of January,
10 2016 at \$3.30/GJ. The price shown for the 230 GJ/day that has not been contracted for in
11 February, 2016 through October, 2016, along with the 1,234 GJ/day that has not been
12 contracted for in November, 2016 through December, 2016 period are both based on the
13 forecast methodology discussed below.

14

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

23

24 As noted in EB-2015-0191, as of the middle of February, 2015 the Daily Energy Market
25 Report no longer provided a Niagara, ON basis. As a result NRG is not able to provide a
26 forecast of the Parkway delivery price based on the methodology described above. As
27 noted in previous QRAM applications, NRG indicated that it would propose a
28 methodology to forecast this price based on information available to it at that time.

29

1 NRG has forecast the Parkway prices to be equal to the Dawn prices over the January,
 2 2016 through December, 2016 period, plus \$0.10/GJ. The derivation of the Dawn
 3 forecast prices is detailed in the section below.

4

5 The only information which is available to NRG to determine a forecast price for
 6 Parkway is the purchase by NRG of gas for the month of January, 2016 at both Parkway
 7 and Dawn. As indicated above, NRG purchased gas for January delivery at Parkway for
 8 \$3.30/GJ. At the same time, NRG purchased gas for January delivery at Dawn for
 9 \$3.20/GJ (see below). NRG has thus forecast the Parkway price to be \$0.10/GJ higher
 10 than the Dawn delivery price.

11

12 Dawn Pricing

13 The Dawn price over the January, 2016 through December, 2016 period shown in
 14 Schedule 7 is based on a combination of actual contracted prices and forecasted prices.
 15 The average Dawn delivery rate is \$3.740 in January, 2016, \$3.903/GJ in February, 2016
 16 through October, 2016 and \$3.446/GJ in November, 2016 through December, 2016.

17

18 The average Dawn delivery price includes a mix of fixed price contracts and a forecast
 19 price for the remainder of the purchases. The following table shows the current mix of
 20 volumes and prices over the forecast period.

21

Dawn Deliveries						
<u>Contracted?</u>	<u>Jan.</u>		<u>Feb. - Oct.</u>		<u>Nov. - Dec.</u>	
	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ
Yes	261	4.800	261	4.800	0	0.000
Yes	19	4.745	19	4.745	0	0.000
Yes	548	3.200	0	0.000	0	0.000
No	0	0.000	548	3.446	0	0.000
No	0	0.000	0	0.000	828	3.446
Total	828	3.740	828	3.903	828	3.446

22

23 The price for the 261 GJ/day in January, 2016 through October, 2016 reflects a transfer
 24 of deliveries from Parkway to Dawn. This gas has been purchased for Parkway delivery

1 at \$4.71/GJ. This has been increased by a locked in price to move the gas deliveries from
2 Parkway to Dawn of \$0.09/GJ, to arrive at the forecasted price of \$4.80/GJ.

3

4 The price for the 19 GJ/day in January, 2016 through October, 2016 also reflects a
5 transfer of deliveries from Parkway to Dawn. This gas has also been purchased for
6 Parkway delivery at \$4.71/GJ. This has been increased by a locked in price to move the
7 gas deliveries from Parkway to Dawn of \$0.035/GJ, to arrive at the forecasted price of
8 \$4.745/GJ.

9

10 The price for the 548 GJ/day for January, 2016 has been contracted for at \$3.20/GJ. The
11 prices shown for the 548 GJ/day that has not been contracted for in February, 2016
12 through October, 2016 period, along with the 828 GJ/day that has not been contracted for
13 in the November, 2016 through December, 2016 period are both based on the average
14 price forecasts from the November 13, 2015 through November 30, 2015 Daily Energy
15 Market Updates for the January, 2016 through December, 2016 strip.

16

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

Dawn Delivery Price Forecast

	Henry Hub (US\$/MMBtu)	Dawn Basis	MMBtu -GJ	F/X	\$/ GJ (Cdn)
<u>January-16 - December-16</u>					
13-Nov-15	2.640	0.16	1.054615	1.3318	3.54
16-Nov-15	2.660	0.16	1.054615	1.3325	3.56

17-Nov-15	2.650	0.17	1.054615	1.3308	3.56
18-Nov-15	2.610	0.18	1.054615	1.3318	3.52
19-Nov-15	2.550	0.18	1.054615	1.3297	3.44
20-Nov-15	2.550	0.18	1.054615	1.3345	3.45
23-Nov-15	2.510	0.18	1.054615	1.3373	3.41
24-Nov-15	2.500	0.17	1.054615	1.3309	3.37
27-Nov-15	2.420	0.17	1.054615	1.3372	3.28
30-Nov-15	2.450	0.17	1.054615	1.3353	<u>3.32</u>
10 Day Average					<u>3.446</u>

1

2 This Dawn price has also been used to forecast the price of Ontario Delivered Gas
3 (Schedule 7) in September, 2016. This price would apply to the 660,526 m³ that is
4 currently forecast (Schedule 6) to be bought in (or before) September, 2016 in order to
5 balance with Union at the end of current contract. As noted earlier, this is a balancing
6 requirement with Union.

7

8 Other Forecast Assumptions

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

13

14 TCPL tolls have been forecast at a rate of \$1.9388/GJ over the forecast period. This rate
15 reflects the tolls currently being charged as a result of the TCPL settlement agreement in
16 RH-001-2014.

17

18 The heat value used to convert GJ to m³ is 38.55 GJ/10³ m³. This is consistent with the
19 figure used by Union Gas in their calculation of NRG's Banked Gas Account balances.

20

21 PGCVA Balance

22 The projected December, 2015 balance in the PGCVA is a debit of \$201,603.32
23 including a debit of \$69,708.97 in accumulated interest, based on the Board's prescribed
24 interest rate. This estimate is based on actual and forecasted purchases and the balance

1 brought forward from December, 2014. The PGCVA debit amounts to a charge of
2 approximately \$15.57 for a typical residential customer consuming approximately
3 2,076.4 m³ per year. These figures are shown on Schedule 2.

4 Proposed PGCVA Rate Changes

6 NRG proposes to adjust the reference price effective January 1, 2016 based on the
7 projected accumulated balance in the PGCVA as of the end of December, 2015 and the
8 forecasted cost of gas over the 12 month period beginning January, 2016 and ending
9 December, 2016. The reference price is set such that the projected PGCVA balance at
10 the end of December, 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 \$0.011201 per m³ effective January, 1,
17 2016, from \$0.192687 per m³ to \$0.181486 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 January 1, 2016 PGCVA reference price
24 change from \$0.192687 per m³ to \$0.181486 per m³ is a debit of \$16,632.36, as shown on
25 Schedule 8. This figure is shown in column (J) of Schedule 8 on the December, 2015
26 line. It is calculated as the change in the PGCVA reference price between December and
27 January, multiplied by the cumulative inventory balance at the end of December. This
28 cumulative inventory balance is the sum of the actual monthly inventory balances for
29 October, 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 January 1, 2016 based on the
7 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 December, 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 \$0.005152 per m³ over the January, 2016 through December, 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 January 1, 2016 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

2

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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 \$0.192687 by \$0.011201 to
 12 \$0.181486 per m³ effective January 1, 2016. Appendix B contains the accounting entries
 13 related to the PGCVA.

14

15 NRG also proposes to change the gas supply charge from \$0.200078 to \$0.187001 per m³
 16 effective January 1, 2016. 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 proposed customer notices
 22 are attached as Appendix C.

23

24 Schedule 9 provides a bill comparison showing the impact of the proposed changes on a
 25 year over year basis for the appropriate quarter as well as the annual bill impact of the
 26 most recent quarterly change for an average residential customer. The annual bill impact
 27 related to the change in the commodity charges on a customer consuming approximately
 28 2,009 m³ is a decrease of \$26.28.

29

	EB-2015-0261 Oct. 1, 2015	Proposed Jan. 1, 2016	Difference
PGCVA Reference Price	\$0.192687	\$0.181486	\$(0.011201)
GPRA Recovery	\$0.007028	\$0.005152	\$(0.001876)
System Gas Supply Cost	<u>\$0.000363</u>	<u>\$0.000363</u>	<u>\$0.000000</u>
Gas Commodity Charge	\$0.200078	\$0.187001	\$(0.013077)

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE

HISTORICAL TWELVE MONTH PERIOD - JANUARY, 2015 TO DECEMBER, 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	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%
Actual	August	354,247	1,909,176	0.185550	0.201173	0.015623	29,827.05	-245,613.54	-252.49	-68,948.73	29,574.56	-314,562.27	35.4	1.10%
Actual	September	340,933	1,819,252	0.187403	0.201173	0.013770	25,051.11	-220,562.43	-225.15	-69,173.88	24,825.96	-289,736.31	41.3	1.10%
Actual	October	367,660	1,974,108	0.186241	0.192687	0.006446	12,725.10	-207,837.33	-202.18	-69,376.06	12,522.92	-277,213.39	90.2	1.10%
Forecast	November	373,061	2,208,560	0.168916	0.192687	0.023771	52,499.69	-155,337.64	-190.52	-69,566.58	52,309.17	-224,904.22	202.7	1.10%
Forecast	December	<u>392,087</u>	<u>2,156,498</u>	<u>0.181816</u>	0.192687	0.010871	<u>23,443.29</u>	<u>-131,894.35</u>	<u>-142.39</u>	<u>-69,708.97</u>	<u>23,300.90</u>	<u>-201,603.32</u>	<u>321.8</u>	1.10%
	Total	4,796,520	26,882,073	0.178428			760,613.07	-131,894.35	-5,453.92	-69,708.97	755,159.15	-201,603.32	2,076.4	

PGCVA Balance per M*3 Purchased (\$/M*3) (\$0.007500)
Forecast Average Residential Consumption per Customer 2,076.4 M*3
Estimated Impact on Average Residential Customer \$15.57 Customer Charge

- (1) Includes balance of -892,507.42 as of December, 2014
(2) Includes balance of -64,255.05 as of December, 2014

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

HISTORICAL TWELVE MONTH PERIOD - JANUARY, 2015 TO DECEMBER, 2015

	<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>Oct-15</u>	<u>Nov-15</u>	<u>Dec-15</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Local Production (A)	84,931	76,712	84,931	82,192	84,931	82,192	84,931	84,931	82,192	84,931	82,192	84,932	999,998
Local Production (B)	109,167	82,093	118,996	88,210	75,188	68,653	75,789	68,007	64,567	68,087	117,808	115,068	1,051,632
Dawn Delivery	664,291	599,240	660,576	640,383	624,536	642,041	662,378	665,217	540,652	554,969	613,230	665,837	7,533,348
Parkway Delivery	793,459	715,759	789,021	764,902	793,915	766,883	791,173	794,565	763,864	975,952	1,104,280	989,909	10,043,682
Western Delivery	293,636	264,881	291,994	283,068	293,805	286,127	295,190	296,455	282,684	290,169	291,051	300,752	3,469,812
Ontario Delivered Gas	<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>85,294</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,783,601</u>
Total	2,845,697	1,967,329	1,945,518	4,127,421	1,872,374	2,146,678	1,909,461	1,909,176	1,819,252	1,974,108	2,208,560	2,156,498	26,882,073
<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	0.301200
Local Production (B)	0.218866	0.218866	0.218866	0.194138	0.194138	0.194138	0.198417	0.198417	0.198417	0.198147	0.198147	0.198147	0.198147
Dawn Delivery	0.173810	0.167214	0.177250	0.166568	0.166859	0.166257	0.165746	0.166470	0.171511	0.173094	0.147858	0.152851	0.152851
Parkway Delivery	0.175424	0.175648	0.176411	0.176103	0.175323	0.175649	0.175931	0.175180	0.176343	0.172139	0.152921	0.173822	0.173822
Western Delivery	0.146821	0.146648	0.147273	0.145604	0.145352	0.145055	0.145347	0.145263	0.146321	0.146564	0.150041	0.157554	0.157554
Ontario Delivered Gas	0.150308	0.138120	0.000000	0.132272	0.000000	0.135412	0.000000	0.000000	0.155756	0.000000	0.000000	0.000000	0.000000
<u>Total Gas Cost (\$)</u>													
Local Production (A)	25,581	23,106	25,581	24,756	25,581	24,756	25,581	25,581	24,756	25,581	24,756	25,582	301,199
Local Production (B)	23,893	17,967	26,044	17,125	14,597	13,328	15,038	13,494	12,811	13,491	23,343	22,800	213,932
Dawn Delivery	115,460	100,201	117,087	106,667	104,209	106,744	109,786	110,739	92,728	96,062	90,671	101,774	1,252,128
Parkway Delivery	139,192	125,722	139,192	134,702	139,192	134,702	139,192	139,192	134,702	168,000	168,868	172,068	1,734,722
Western Delivery	43,112	38,844	43,003	41,216	42,705	41,504	42,905	43,064	41,362	42,528	43,670	47,385	511,298
Ontario Delivered Gas	135,310	31,580	0	300,080	0	40,730	0	0	13,285	0	0	0	520,985
TCPL Transportation	<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>22,178</u>	<u>21,288</u>	<u>21,998</u>	<u>21,753</u>	<u>22,478</u>	<u>262,257</u>
Total	504,849	357,563	373,208	646,127	348,585	383,522	354,680	354,247	340,933	367,660	373,061	392,087	4,796,520

NATURAL RESOURCE GAS LIMITED

ACTUAL AND FORECAST GAS PRICES

HISTORICAL TWELVE MONTH PERIOD - JANUARY, 2015 TO DECEMBER, 2015

	<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>Oct-15</u>	<u>Nov-15</u>	<u>Dec-15</u>
<u>Local Production</u>												
Local Production (A) (\$/GJ)	7.795	7.785	7.751	7.765	7.800	7.785	7.773	7.806	7.754	7.703	7.813	7.813
Local Production (B) (\$/GJ)	5.664	5.657	5.633	5.005	5.027	5.018	5.120	5.142	5.108	5.068	5.140	5.140
<u>Dawn</u> (\$/GJ)	4.498	4.322	4.562	4.294	4.321	4.297	4.277	4.314	4.416	4.427	3.835	3.965
<u>Parkway</u> (\$/GJ)	4.540	4.540	4.540	4.540	4.540	4.540	4.540	4.540	4.540	4.402	3.967	4.509
<u>Western Deliveries</u> (\$/GJ)	3.800	3.790	3.790	3.754	3.764	3.749	3.751	3.765	3.767	3.748	3.892	4.087
Fuel Ratio (%)	5.43%	5.19%	5.19%	4.20%	4.20%	4.17%	3.79%	4.07%	4.10%	3.83%	4.00%	4.00%
<u>TCPL Transportation</u> (\$/GJ)												
TCPL Toll	1.9655	1.9655	1.9655	1.9655	1.9655	1.9655	1.9388	1.9388	1.9388	1.9388	1.9388	1.9388
GJ/day (TCPL)	366	366	366	366	366	369	369	369	366	366	374	374
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)	2,183	2,183	2,183	2,183	2,133	2,186	2,186	2,186	2,058	2,297	2,581	2,433
<u>Ontario Delivered Gas</u> (\$/GJ)	3.890	3.570	0.000	3.410	0.000	3.500	0.000	0.000	4.010	0.000	0.000	0.000
Heat Value (GJ/103m3)	38.64	38.69	38.86	38.79	38.62	38.69	38.75	38.59	38.84	39.10	38.55	38.55

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT

PROJECTED TWELVE MONTH FORWARD PERIOD - JANUARY, 2016 TO DECEMBER, 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>
January	382,182	2,156,498	0.177224	0.181486	0.004262	9,190.99	-122,703.36	-120.90	-69,829.87	9,070.09	-192,533.23	355.2	1.10%
February	365,085	2,030,272	0.179821	0.181486	0.001665	3,380.40	-119,322.96	-112.48	-69,942.35	3,267.92	-189,265.31	293.2	1.10%
March	388,122	2,156,498	0.179978	0.181486	0.001508	3,252.00	-116,070.96	-109.38	-70,051.73	3,142.62	-186,122.69	246.2	1.10%
April	376,768	2,093,385	0.179980	0.181486	0.001506	3,152.64	-112,918.32	-106.40	-70,158.13	3,046.24	-183,076.45	186.6	1.10%
May	388,122	2,156,498	0.179978	0.181486	0.001508	3,252.00	-109,666.32	-103.51	-70,261.64	3,148.49	-179,927.96	89.7	1.10%
June	376,303	2,093,385	0.179758	0.181486	0.001728	3,617.37	-106,048.95	-100.53	-70,362.17	3,516.84	-176,411.12	53.1	1.10%
July	388,122	2,156,498	0.179978	0.181486	0.001508	3,252.00	-102,796.95	-97.21	-70,459.38	3,154.79	-173,256.33	40.9	1.10%
August	388,122	2,156,498	0.179978	0.181486	0.001508	3,252.00	-99,544.95	-94.23	-70,553.61	3,157.77	-170,098.56	42.8	1.10%
September	463,186	2,743,912	0.168805	0.181486	0.012681	34,795.54	-64,749.41	-91.25	-70,644.86	34,704.29	-135,394.27	58.5	1.10%
October	388,122	2,156,498	0.179978	0.181486	0.001508	3,252.00	-61,497.41	-59.35	-70,704.21	3,192.65	-132,201.62	118.7	1.10%
November	315,293	2,095,720	0.150446	0.181486	0.031040	65,051.14	3,553.73	-56.37	-70,760.58	64,994.77	-67,206.85	202.7	1.10%
December	<u>324,597</u>	<u>2,158,911</u>	<u>0.150352</u>	0.181486	0.031134	<u>67,215.52</u>	<u>70,769.25</u>	<u>3.26</u>	<u>-70,757.32</u>	<u>67,218.78</u>	<u>11.93</u>	<u>321.8</u>	1.10%
Total	4,544,023	26,154,573	0.173737			202,663.60	70,769.25	-1,048.35	-70,757.32	201,615.25	11.93	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 Dec., 2015 year-to-date balance of (\$131,894.35) (See Schedule 2)
(2) Includes Dec., 2015 year-to-date balance of (\$69,708.97) (See Schedule 2)

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

PROJECTED TWELVE MONTH FORWARD PERIOD - JANUARY, 2016 TO DECEMBER, 2016

	<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>Oct-16</u>	<u>Nov-16</u>	<u>Dec-16</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Local Production (A)	84,932	76,708	84,932	82,192	84,932	82,192	84,932	84,932	82,192	84,932	82,192	84,932	1,000,000
Local Production (B)	115,068	123,292	115,068	117,808	115,068	117,808	115,068	115,068	117,808	115,068	117,808	115,068	1,400,000
Dawn Delivery	665,837	622,879	665,837	644,358	665,837	644,358	665,837	665,837	644,358	665,837	644,358	665,837	7,861,167
Parkway Delivery	989,909	926,044	989,909	957,977	989,909	957,977	989,909	989,909	957,977	989,909	960,311	992,322	11,692,062
Western Delivery	300,752	281,349	300,752	291,051	300,752	291,051	300,752	300,752	291,051	300,752	291,051	300,752	3,550,817
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>650,526</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>650,526</u>
Total	2,156,498	2,030,272	2,156,498	2,093,385	2,156,498	2,093,385	2,156,498	2,156,498	2,743,912	2,156,498	2,095,720	2,158,911	26,154,573
<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	0.301200
Local Production (B)	0.180838	0.180838	0.180838	0.180838	0.180838	0.180838	0.180838	0.180838	0.180838	0.180838	0.180838	0.180838	0.180838
Dawn Delivery	0.144177	0.150461	0.150461	0.150461	0.150461	0.150461	0.150461	0.150461	0.150461	0.150461	0.132843	0.132843	0.132843
Parkway Delivery	0.171663	0.173436	0.173436	0.173436	0.173436	0.173436	0.173436	0.173436	0.173436	0.173436	0.136698	0.136698	0.136698
Western Delivery	0.157554	0.157554	0.157554	0.157554	0.157554	0.157554	0.157554	0.157554	0.157554	0.157554	0.105164	0.105164	0.105164
Ontario Delivered Gas	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.132843	0.000000	0.000000	0.000000	0.000000
<u>Total Gas Cost (\$)</u>													
Local Production (A)	25,582	23,104	25,582	24,756	25,582	24,756	25,582	25,582	24,756	25,582	24,756	25,582	301,200
Local Production (B)	20,809	22,296	20,809	21,304	20,809	21,304	20,809	20,809	21,304	20,809	21,304	20,809	253,173
Dawn Delivery	95,998	93,719	100,182	96,951	100,182	96,951	100,182	100,182	96,951	100,182	85,598	88,452	1,155,532
Parkway Delivery	169,931	160,609	171,686	166,148	171,686	166,148	171,686	171,686	166,148	171,686	131,273	135,648	1,954,334
Western Delivery	47,385	44,328	47,385	45,856	47,385	45,856	47,385	47,385	45,856	47,385	30,608	31,628	528,441
Ontario Delivered Gas	0	0	0	0	0	0	0	0	86,418	0	0	0	86,418
TCPL Transportation	<u>22,478</u>	<u>21,028</u>	<u>22,478</u>	<u>21,753</u>	<u>22,478</u>	<u>21,288</u>	<u>22,478</u>	<u>22,478</u>	<u>21,753</u>	<u>22,478</u>	<u>21,753</u>	<u>22,478</u>	<u>264,925</u>
Total	382,182	365,085	388,122	376,768	388,122	376,303	388,122	388,122	463,186	388,122	315,293	324,597	4,544,023

NATURAL RESOURCE GAS LIMITED

GAS PURCHASE REBALANCING ACCOUNT

JANUARY, 2015 THROUGH DECEMBER, 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 Balance (\$'s) P=M+O	Monthly Interest Rate
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	-171,590.78	-328.07	-571.52	-172,162.30	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	-158,706.85	-157.29	-728.81	-159,435.66	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	-152,504.49	-145.48	-874.29	-153,378.78	1.10%
June	2,146,678	3,387,526	2,861,441	526,085	0	526,085	1,620,593	1,426,944	0.208718	-10,766.29	0.006929	3,645.24	-159,625.55	-139.80	-1,014.09	-160,639.64	1.10%
July	1,909,461	3,334,364	2,909,523	424,841	0	424,841	1,484,620	2,911,564	0.201173	0.00	0.006337	2,692.22	-156,933.33	-146.32	-1,160.41	-158,093.74	1.10%
August	1,909,176	3,700,737	2,986,905	713,832	0	713,832	1,195,344	4,106,908	0.201173	0.00	0.006337	4,523.55	-152,409.78	-143.86	-1,304.27	-153,714.05	1.10%
September	1,819,252	4,207,983	3,094,358	1,113,625	0	1,113,625	705,627	4,812,535	0.201173	-40,839.18	0.006337	7,057.04	-186,191.91	-139.71	-1,443.98	-187,635.89	1.10%
October	1,974,108	5,060,019	3,068,720	1,991,299	0	1,991,299	-17,191	4,795,344	0.192687	0.00	0.007028	13,994.85	-172,197.06	-170.68	-1,614.66	-173,811.72	1.10%
November	2,208,560	7,951,699	3,818,258	4,133,441	0	4,133,441	-1,924,881	2,870,464	0.192687	0.00	0.007028	29,049.82	-143,147.24	-157.85	-1,772.51	-144,919.75	1.10%
December	2,156,498	7,544,799	4,002,737	3,542,062	0	3,542,062	-1,385,564	1,484,900	0.192687	-16,632.36	0.007028	24,893.61	-134,886.00	-131.22	-1,903.73	-136,789.73	1.10%
January	2,156,498	8,145,577	4,066,342	4,079,235	0	4,079,235	-1,922,737	-437,837	0.181486	0.00	0.005152	21,016.22	-113,869.78	-123.65	-2,027.38	-115,897.16	1.10%
February	2,030,272	7,698,962	3,648,435	4,050,527	0	4,050,527	-2,020,255	-2,458,092	0.181486	0.00	0.005152	20,868.32	-93,001.46	-104.38	-2,131.76	-95,133.22	1.10%
March	2,156,498	6,317,069	3,918,074	2,398,995	0	2,398,995	-242,497	-2,700,589	0.181486	0.00	0.005152	12,359.62	-80,641.84	-85.25	-2,217.01	-82,858.85	1.10%
April	2,093,385	4,949,806	3,174,991	1,774,815	0	1,774,815	318,570	-2,382,019	0.181486	0.00	0.005152	9,143.85	-71,497.99	-73.92	-2,290.93	-73,788.92	1.10%
May	2,156,498	4,337,042	3,564,787	772,255	0	772,255	1,384,243	-997,775	0.181486	0.00	0.005152	3,978.66	-67,519.33	-65.54	-2,356.47	-69,875.80	1.10%
June	2,093,385	3,889,961	3,355,714	534,247	0	534,247	1,559,138	561,363	0.181486	0.00	0.005152	2,752.44	-64,766.89	-61.89	-2,418.36	-67,185.25	1.10%
July	2,156,498	3,370,949	2,915,172	455,777	0	455,777	1,700,721	2,262,084	0.181486	0.00	0.005152	2,348.16	-62,418.73	-59.37	-2,477.73	-64,896.46	1.10%
August	2,156,498	3,981,486	2,963,453	1,018,033	0	1,018,033	1,138,465	3,400,549	0.181486	0.00	0.005152	5,244.91	-57,173.82	-57.22	-2,534.95	-59,708.77	1.10%
September	2,743,912	4,581,850	3,117,390	1,464,460	0	1,464,460	1,279,452	4,680,000	0.181486	0.00	0.005152	7,544.90	-49,628.92	-52.41	-2,587.36	-52,216.28	1.10%
October	2,156,498	5,347,058	2,953,074	2,393,984	0	2,393,984	-237,486	4,442,515	0.181486	0.00	0.005152	12,333.81	-37,295.11	-45.49	-2,632.85	-39,927.96	1.10%
November	2,095,720	8,031,699	3,818,258	4,213,441	0	4,213,441	-2,117,721	2,324,793	0.181486	0.00	0.005152	21,707.65	-15,587.46	-34.19	-2,667.04	-18,254.50	1.10%
December	2,158,911	7,547,799	4,002,737	3,545,062	0	3,545,062	-1,386,151	938,642	0.181486	0.00	0.005152	18,264.16	2,676.70	-14.29	-2,681.33	-4.63	1.10%

(1) Includes balance of 1,065,739 as of December, 2014
(2) Includes balance of -385,033.36 as of December, 2014
(3) Includes balance of 628.23 as of December, 2014

NATURAL RESOURCE GAS LIMITED

RESIDENTIAL BILL COMPARISONS

QUARTERLY BILL IMPACT

	Quarter Starting 01-Jan-15 <u>EB-2014-0358</u>	Quarter Starting 01-Jan-16 <u>EB-2015-0345</u>	\$ Change	Percent Change
Average Residential Consumption for Quarter	894.6	894.6		
Monthly Charges	\$40.50	\$40.50	\$0.00	0.0%
Delivery Charges	\$140.10	\$145.20	\$5.11	3.6%
Total Commodity Charges	<u>\$212.32</u>	<u>\$167.29</u>	<u>(\$45.03)</u>	<u>-21.2%</u>
Total Customer Charges	\$392.92	\$353.00	(\$39.92)	-10.2%

ANNUAL BILL IMPACT

	01-Oct-15 <u>EB-2015-0261</u>	01-Jan-16 <u>EB-2015-0345</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	\$326.15	\$326.15	\$0.00	0.0%
Total Commodity Charges	<u>\$402.04</u>	<u>\$375.76</u>	<u>(\$26.28)</u>	<u>-6.5%</u>
Total Customer Charges	\$890.19	\$863.91	(\$26.28)	-3.0%

RATES USED

	01-Jan-15 <u>EB-2014-0358</u>	01-Oct-15 <u>EB-2015-0261</u>	01-Jan-16 <u>EB-2015-0345</u>
Monthly charge	13.50	13.50	13.50
Delivery Charge	0.156601	0.162312	0.162312
Total Commodity Charge	0.237336	0.200078	0.187001

**APPENDIX "A" TO
DECISION AND INTERIM ORDER
BOARD FILE No. EB-2015-0345
DATED DECEMBER 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: January 01, 2016

Implementation: All bills rendered on or after January 01, 2016

EB-2015-0345

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: January 01, 2016

Implementation: All bills rendered on or after January 01, 2016

EB-2015-0345

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: January 01, 2016

Implementation: All bills rendered on or after January 01, 2016

EB-2015-0345

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: January 01, 2016

Implementation: All bills rendered on or after January 01, 2016

EB-2015-0345

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: January 01, 2016

Implementation: All bills rendered on or after January 01, 2016

EB-2015-0345

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: January 01, 2016

Implementation: All bills rendered on or after January 01, 2016

EB-2015-0345

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-2015-0345)	18.1486 cents per m ³
GPRA Recovery Rate	(EB-2015-0345)	0.5152 cents per m ³
System Gas Fee	(EB-2010-0018)	<u>0.0363</u> cents per m ³
Total Gas Supply Charge		<u>18.7001</u> cents per m ³

Note:

PGCVA means Purchased Gas Commodity Variance Account

GPRA means Gas Purchase Rebalancing Account

Effective: January 01, 2016

Implementation: All bills rendered on or after January 01, 2016

EB-2015-0345

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: January 01, 2016

Implementation: All bills rendered on or after January 01, 2016

EB-2015-0345

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: January 01, 2016

Implementation: All bills rendered on or after January 01, 2016

EB-2015-0345

**APPENDIX "B" TO
DECISION AND INTERIM ORDER
BOARD FILE No. EB-2015-0345
DATED DECEMBER 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-2015-0345
DATED DECEMBER XX, 2015**

IMPORTANT INFORMATION ABOUT YOUR GAS BILL

Gas Commodity:

On all bills rendered by Natural Resource Gas Limited (“NRG”) on or after January 1, 2016, the price we charge for the gas commodity and transportation portion of your bill will be decreasing by \$0.013077 per cubic meter to \$0.187001 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.

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, this price change will cause your annual heating costs to decrease by approximately \$26 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 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.