

ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF an Application by Natural Resource Gas Limited for an order or orders approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of gas as of July 1, 2016;

AND IN THE MATTER OF the Quarterly Rate Adjustment Mechanism.

APPLICATION

1. As part of the EB-2016-0049 Decision and Order dated March 23, 2016 the Board approved a PGCVA reference price of \$0.145120 per m³ and a gas supply charge of \$0.150229 per m³, both effective April 1, 2016.
2. Based on actual and forecast natural gas prices for the July, 2015 through June, 2016 period the PGCVA balance is projected to be a rebate of approximately \$1.86 per residential customer.
3. NRG hereby applies to the Board for further orders effective July 1, 2016 as follows:
 - a) an order changing the reference price authorized by the Board's EB-2016-0049 Decision and Order for use in determining the amounts to be recorded in the Purchased Gas Commodity Variance Account (Account No. 179-27) by \$0.005718 per m³ from the Board approved level of \$0.145120 per m³ to \$0.150838 per m³;
 - b) an order changing the rates and other charges from those authorized by the Board's EB-2016-0049 Decision and Order to reflect a projected

\$0.005619 per m³ change in the gas supply charge from the Board approved level of \$0.150229 per m³ to a projected cost of \$0.155848 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 July 1, 2016.

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

Mr. Brian Lippold
Natural Resource Gas Limited
39 Beech Street East
Aylmer, Ontario, N5H 3J6

Telephone: (519) 773-5321
Fax: (519) 773-5335

And

Mrs. Laurie O'Meara

Natural Resource Gas Limited
P.O. Box 3117, Terminal A
London, Ontario, N6A 4J4

Telephone: (519) 433-8126
Fax: (519) 433-6132
E-mail: lomeara@cpirentals.com

And

Mr. Randy Aiken
Aiken & Associates
578 McNaughton Ave. West
Chatham, Ontario, N7L 4J6

Telephone: (519) 351-8624
E-mail: randy.aiken@sympatico.ca

Dated at London, Ontario, this 10th day of June, 2016.

NATURAL RESOURCE GAS LIMITED

Brian Lippold
General Manager

NATURAL RESOURCE GAS LIMITED

INTRODUCTION

As part of the EB-2016-0049 Decision and Order dated March 23, 2016 the Board approved a Purchased Gas Commodity Variance Account (“PGCVA”) reference price of \$0.145120 per m³ and a gas supply charge of \$0.150229 per m³, both effective April 1, 2016.

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-2016-0049, the Board approved a GPRA rate of \$0.004746 per m³.

NRG is proposing to adjust the gas supply charge, the GPRA rate and the PGCVA reference price effective July 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 rebate of \$1.86 per average residential customer for the twelve month period ending June, 2016 (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 May, 2016. The remaining month in the
3 twelve-month period ending June, 2016 is calculated using estimated prices based on the
4 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, for a total cost of \$695,429.

10
11 Forecast prices have been used for the period July, 2016, through June, 2017 period,
12 except where actual contracted prices are available.

13
14 EB-2014-0053/EB-2014-0361/EB-2015-044 Decision and Order

15 As per the EB-2014-0053/EB-2014-0361/EB-2015-044 Decision and Order dated
16 January 14, 2016, NRG has credited the system gas customers an amount of \$513,897.

17
18 In the EB-2014-0053/EB-2014-0361/EB-2015-044 Decision and Order, the OEB directed
19 NRG to provide sufficient evidence in its next QRAM application to allow the OEB to
20 determine that the credit amount was calculated and allocated appropriately.

21
22 The credit of \$513,897, which is shown in the January, 2016 column on the Ontario
23 Delivered Gas Line of the Total Gas Cost section of Schedule 3 represents the difference
24 between the amount included based upon the interim order in EB-2014-0053 of \$695,429
25 (as noted above) and the final amount approved for recovery from customers of \$181,531
26 noted in the January 14, 2016 decision.

27
28 As shown in Schedule 3, the total cost of gas purchases in January, 2016, including the
29 above noted credit, was a credit to gas costs of \$142,896. This figure has been reflected
30 in the calculation of the PGVA balance shown in Schedule 2. The overall impact, taking

1 into account the purchases in January, 2016 and interest on the balances in the account, is
2 shown in Schedule 2 through the change from a debit in the PGVA at the end of
3 December, 2015 of \$253,387.74 to a credit in the account at the end of January, 2016 of
4 \$266,367.85.

5
6 Gas Supply Portfolio

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

9
10 NRG's gas supply portfolio includes local production, deliveries of Western Canadian
11 gas at the Alberta border (along with transportation on the TCPL mainline) and purchases
12 at Dawn and Parkway on the Union Gas ("Union") system. NRG also purchases
13 additional gas or sheds excess gas when required. The requirement for these purchases is
14 discussed below. This gas may be Ontario Delivered gas, gas purchased/sold at Dawn or
15 additional deliveries/curtailments at Parkway or at the Alberta border.

16
17 NRG is currently a direct purchase customer on the Union Gas system. Under its
18 bundled transportation contract, NRG is obligated to deliver a fixed amount of gas each
19 day to Union. This amount is determined by Union and is based on the expected annual
20 volume divided by 365 (366 in a leap year).

21
22 NRG is required to balance its total supply with its total demand on the Union Gas
23 system on an annual basis, at the time that the direct purchase contract with Union Gas is
24 renewed. In particular, NRG is required to balance its supply with its demand on the
25 Union system to within +/-4% at the end of the contract year. This may entail NRG
26 purchasing additional gas or shedding excess gas.

27
28 The bundled transportation contract year-end corresponds with the end of NRG's fiscal
29 year (September 30). NRG purchases additional balancing gas or sells gas and/or reduces

1 deliveries such that total demand on the Union system is offset by the supply provided to
2 Union Gas to remain within the contract parameters.

3
4 NRG has informed Union Gas that it intends to return to system gas purchases from
5 Union Gas effective November 1, 2016. As such, the bundled transportation contract will
6 be extended by one month to the end of October, 2016. This is required to accommodate
7 NRG's current gas purchase contracts, some of which extend to the end of October, 2016.

8
9 September, 2015 Balancing Gas

10 As shown in Schedule 3 on the Ontario Delivered Gas line, NRG purchased an additional
11 3,313 GJ (85,294 m³) in September, 2015 (Schedule 3). This was the amount shown on
12 the August, 2015 Direct Purchase status report from Union Gas being the projected deficit
13 at the time of contract renewal. The cost of this gas, also shown in Schedule 3, was
14 \$13,285. The price paid for this gas is shown in Schedule 4 on the Ontario Delivered Gas
15 line and was \$4.01/GJ.

16
17 February, 2016 Balancing Gas

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

23
24 NRG did not purchase any additional gas in order to meet its forecast banked gas account
25 winter balancing point in 2016. This is because of the significantly warmer than forecast
26 winter to date. The Direct Purchase Status Report received from Union Gas for January,
27 2016 showed that NRG was in a surplus position relative to the projected winter
28 balancing checkpoint and was not required to bring in any additional gas.

29

30

1 September, 2016 Balancing Gas

2 The January Direct Purchase Status Report from Union Gas indicated that based on
3 forecasts for the remainder of the contract term (to September, 2016), NRG would need
4 to shed more than 90,000 GJ's of gas in order to balance. NRG has taken steps to reduce
5 this imbalance by suspending obligated deliveries of 778 GJ/day for the months of
6 March, April and May (total reduction of 71,576 GJ). NRG has a further suspension of
7 548 GJ/day for 10 days in June (total reduction of 5,480 GJ). These suspensions, which
8 have been approved by Union Gas, are highlighted below. In addition, NRG has reduced
9 its purchases from NRG Corp. to assist in bringing it into balance with Union.

10

11 Obligated Deliveries

12 Obligated deliveries to Union by NRG on behalf of both system gas customers and direct
13 purchase customers has been set at 2,625 GJ/day effective October 1, 2015, an increase
14 from the previous level of 2,380 GJ/day. The increase reflected historical consumption at
15 NRG. This change was the result of discussions with Union Gas.

16

17 The direct purchase customer assignment, currently at 192 GJ/day in May, 2016 is
18 forecast to be 130 GJ/day in July, 2016, through September, 2016 and 192 GJ/day in
19 October, 2016 through June, 2017. This reduction will allow direct purchase customers
20 to bring their supplies in line with their actual and projected consumption. The reduction
21 of 62 GJ/day for direct purchase customers has been added to the purchases for system
22 gas customers over this period. This results in deliveries for system gas customers of
23 2,495 GJ/day in July, 2016 through September, 2016 and 2,433 GJ/day in October, 2016.
24 As noted earlier, NRG has suspended the delivery of 778 GJ/day in March, April and
25 May and 548 GJ/day for the first 10 days of June, in order to reduce the projected
26 imbalance at the end of the current contract year.

27

28 The composition of these obligated system gas deliveries over this period is as follows.
29 Parkway deliveries are 1,001 GJ/day in May, 2016 and 1,231 GJ/day in June, 2016
30 through October, 2016. Obligated deliveries for system gas customers at AECO are 374

1 GJ/day in May, 2016 and October, 2016, with deliveries at 436 GJ/day in June, 2016
 2 through September 2016, 2016, reflecting the movement of 62 GJ/day from direct
 3 purchase to system gas, as noted above.

4
 5 NRG has shifted a total of 828 GJ/day from Parkway obligated deliveries to Dawn
 6 obligated deliveries and is a result of the settlement agreement reached between Union
 7 Gas and intervenor groups in EB-2013-0365. NRG has taken advantage of this
 8 opportunity to the maximum extent possible. In May, 2016 obligated deliveries to Dawn
 9 on behalf of system gas customers was 280 GJ day and 828 GJ/day in July, 2016 through
 10 October, 2016. In June, the Dawn deliveries are forecast to be 280 GJ/day over the June
 11 1 to 10 period and 828 GJ/day for the remainder of the month.

12
 13 The composition of the gas purchases for direct purchase and system gas customers for
 14 the May, 2016 through June, 2017 period is shown in the following table. This period
 15 illustrates the suspensions in May and part of June, 2016, and the movement to system
 16 gas from Union Gas for system gas customers of NRG effective November 1, 2016.
 17 Please note that these figures do not include the direct purchase deliveries associated with
 18 a large ethanol plant served by NRG.

19
 20 **GJ/s per Day**

Delivery Point	May, 2016	June, 2016	July-Sept. 2016	Oct.,2016	Nov., 2016 - June, 2017
Direct Purchase	192	130	130	192	192
AECO	374	436	436	374	0
Parkway	1,001	1,231	1,231	1,231	0
Dawn	<u>280</u>	<u>828*</u>	<u>828</u>	<u>828</u>	<u>0</u>
Total	1,847	2,625	2,625	2,625	192

21 * 280 GJ/day for 10 days and 828 GJ/day for 20 days

22
 23 As shown in the above table, the suspension of 778 GJ/day of obligated gas purchases in
 24 May has been allocated as 230 GJ/day at Parkway and 548 GJ/day at Dawn. Both of
 25 these figures represent volumes that have not been contracted for at these delivery points.

26

1 As noted above, the table also reflects the elimination of the obligated deliveries at
2 AECO, Parkway and Dawn for NRG's system gas customers as of November 1, 2016
3 when NRG returns to system gas deliveries from Union Gas. NRG will continue to
4 ensure that the direct purchase customers continue to balance their supply and demand.

5
6 NRG notes that it may need to further adjust obligated deliveries in order to balance
7 consumption with purchases before the end of the contract term. This determination will
8 be made later in the year following the addition of more months of additional
9 consumption data.

10
11 In addition to the obligated deliveries described above, NRG purchases gas from a local
12 producer in its franchise area.

13
14 The composition of the gas supply portfolio volumes for the July, 2015 through June,
15 2016 period is shown on the top of Schedule 3. This schedule shows the monthly volume
16 of gas purchased or forecast to be purchased from local producers, obligated deliveries at
17 Parkway, at Dawn and the Alberta border (Western), and balancing gas (Ontario
18 Delivered Gas). Similarly, the composition of the gas supply portfolio volumes for the
19 July, 2016 through June, 2017 period is shown on the top of Schedule 6.

20 21 Gas Costs

22 NRG's actual and forecast gas costs for the July, 2015 through June, 2016 period, by
23 source of supply, are shown in Schedule 4 in \$/GJ. These prices are also shown in the
24 middle section of Schedule 3 in \$/m³. The conversion factor used is based on the heat
25 values used by Union Gas in their calculation of NRG's Banked Gas Account balances.
26 The conversion factors used are also shown in Schedule 4. All prices shown are actual
27 prices paid in July, 2015 through May, 2016, including the refund to system gas
28 customers of \$513,898 as ordered in EB-2014-0053/EB-2014-0361/EB-2015-044. Prices
29 for the remaining month in this period are based on estimated and contracted prices to be
30 paid in that month.

1

2 Forecast prices for July, 2016 through October, 2016 are based on prices averaged over
3 10 days in the period May 17, 2016 through May 31, 2016 (information was not available
4 for May 30). These prices, which have been sourced from the Shell Energy North
5 America report entitled 'Daily Energy Market Update', are for the July, 2016 through
6 October, 2016 period, and have been utilized in calculating the prices shown in Schedule
7 7 in \$/GJ and in the middle section of Schedule 6 in $\$/m^3$. The source of the foreign
8 exchange rates used in the calculations is the daily close exchange rates for the 10-year
9 lookup from the Bank of Canada that are available on their website at
10 www.bankofcanada.ca/rates/exchange.

11

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

14

15 NRG Corp. Pricing

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

19

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

25

26 The remaining gas purchased from NRG Corp. is shown in the line labeled "Local
27 Production (B)". This gas is priced at the approved Union Gas Ontario landed reference
28 price for each quarter. The July, 2015 through September, 2015 price is \$0.198417,
29 reflecting the Board's Decision and Order in EB-2015-0187 dated June 23, 2015. The
30 October, 2015 through December, 2015 price is \$0.198147, reflecting the Board's

1 Decision and Order in EB-2015-0255 dated September 24, 2015. The January, 2016
2 through March, 2016 price is \$0.180838, reflecting the Board's Decision and Order in
3 EB-2015-0340 dated December 22, 2015. The April, 2016 through June, 2016 price is
4 \$0.169949, reflecting the Board's Decision and Order in EB-2016-0040 dated March 23,
5 2016. These prices are shown in Schedule 3. Schedule 3 also reflects a reduction in the
6 volumes taken from NRG Corp. This reflects the need to shed overall gas purchases in
7 order to balance on the Union system, as noted earlier.

8
9 The NRG Corp. prices over the July, 2016 through June, 2017 period shown in Schedule
10 6 reflect the Board approved price of \$0.301200 per m³ for 1,000,000 m³ as shown on the
11 Local Production (A) line. The remaining gas forecast to be purchased from NRG Corp.
12 is shown on the Local Production (B) line. The price forecast for this gas has been taken
13 from the Union's QRAM application in EB-2016-0181 dated June 10, 2016, where the
14 Ontario landed reference price has been forecast as \$0.175382 per m³.

15
16 At the time this application was prepared the Union Gas QRAM price for July 1, 2016
17 rates was not yet approved by the Board. Any differences between the applied for and
18 Board approved Ontario landed reference price for Union will be reflected in NRG's next
19 QRAM application and evidence.

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

23 24 Empress Pricing

25 The Empress price over the July, 2016 through October, 2016 period shown in Schedule
26 7 (Western Deliveries) is based on a combination of actual contracted prices.

27
28 The average Empress delivery rate is \$3.664/GJ in July, 2016 through September, 2016
29 and \$3.952/GJ in October, 2016. Fuel costs of 4% are included in these rates.

30

1 The average Empress delivery price is based on a fixed price contract over the July, 2016
 2 through October, 2016 period and a second fixed price contract over the July, 2016 to
 3 September, 2016 period. The following table shows the current mix of volumes and
 4 prices over the forecast period.

<u>Empress Deliveries</u>				
<u>Contracted?</u>	<u>July - Sept.</u>		<u>Oct.</u>	
	GJ/day	\$/GJ		
Yes	374	3.800	374	3.800
Yes	62	1.850	0	0.000
Total	436	3.523	374	3.800
with Fuel (4%)		3.664		3.952

5
 6 NRG has not forecast any Empress deliveries that have not been contracted for over the
 7 July, 2016 through October, 2016 period. As a result no price forecasts have been
 8 provided.

9

10 Parkway Pricing

11 The Parkway price over the July, 2016 through October, 2016 period shown in Schedule
 12 7 is based on a combination of actual contracted prices and forecasted prices. The
 13 average Parkway delivery rate forecast is \$4.319/GJ in July, 2016 through October, 2016.

14

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

<u>Parkway Deliveries</u>		
<u>Contracted?</u>	<u>July - Oct.</u>	
	GJ/day	\$/GJ
Yes	970	4.710
Yes	31	4.820
No	230	2.603
Total	1,231	4.319

18

19 The actual contract prices include 970 GJ/day at \$4.71/GJ in the July, 2016 through
 20 October, 2016 period. The price for the 31 GJ/day in July, 2016 through October, 2016
 21 reflects a transfer of deliveries from Empress to Parkway. This gas has been purchased

1 for Empress delivery at \$3.80/GJ (see previous section). This has been increased by a
2 locked in price to move the gas deliveries from Empress to Parkway of \$1.02/GJ, to
3 arrive at the forecasted price of \$4.82/GJ.

4
5 The price shown for the 230 GJ/day that has not been contracted for in July, 2016
6 through October, 2016 is based on the forecast methodology discussed below.

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

16
17 As noted in EB-2015-0191, as of the middle of February, 2015 the Daily Energy Market
18 Report no longer provided a Niagara, ON basis. As a result NRG is not able to provide a
19 forecast of the Parkway delivery price based on the methodology described above. As
20 noted in previous QRAM applications, NRG indicated that it would propose a
21 methodology to forecast this price based on information available to it at that time.

22
23 As it did in EB-2015-0345 and EB-2016-0049, NRG has forecast the Parkway prices to
24 be equal to the Dawn prices over the July, 2016 through October, 2016 period, based on
25 the most recent comparable information available to NRG. NRG has forecast the
26 Parkway price to be equal to the Dawn price, less \$0.205/GJ. The derivation of the Dawn
27 forecast prices is detailed in the section below.

28
29 In particular, NRG recently purchased gas for June delivery at both Dawn and Parkway.
30 The Dawn price is \$2.865/GJ and the Parkway price is \$2.66/GJ. Based on this

1 differential, NRG has forecast the Parkway price to be \$0.205/GJ lower than the Dawn
2 delivery price.

3

4 Dawn Pricing

5 The Dawn price over the July, 2016 through October, 2016 period shown in Schedule 7 is
6 based on a combination of actual contracted prices and forecasted prices. The average
7 Dawn delivery rate is \$3.480/GJ in July, 2016 through October, 2016.

8

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

12

<u>Dawn Deliveries</u>		
<u>Contracted?</u>	<u>July - Oct.</u>	
	GJ/day	\$/GJ
Yes	261	4.800
Yes	19	4.745
No	<u>548</u>	<u>2.808</u>
Total	828	3.480

13

14 The price for the 261 GJ/day in July, 2016 through October, 2016 reflects a transfer of
15 deliveries from Parkway to Dawn. This gas has been purchased for Parkway delivery at
16 \$4.71/GJ. This has been increased by a locked in price to move the gas deliveries from
17 Parkway to Dawn of \$0.09/GJ, to arrive at the forecasted price of \$4.80/GJ.

18

19 The price for the 19 GJ/day in July, 2016 through October, 2016 also reflects a transfer of
20 deliveries from Parkway to Dawn. This gas has also been purchased for Parkway
21 delivery at \$4.71/GJ. This has been increased by a locked in price to move the gas
22 deliveries from Parkway to Dawn of \$0.035/GJ, to arrive at the forecasted price of
23 \$4.745/GJ.

24

25 The prices shown for the 548 GJ/day that has not been contracted for in July, 2016
26 through October, 2016 period is based on the average price forecasts from the May 17,

1 2016 through May 31, 2016 Daily Energy Market Updates for the July, 2016 through
2 October, 2016 period.

3

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

Dawn Delivery Price Forecast

	Henry Hub (US\$/MMBtu)	Dawn Basis	MMBtu -GJ	F/X	\$/ GJ (Cdn)
<u>July -16 - October - 16</u>					
17-May-16	2.230	0.00	1.054615	1.2903	2.73
18-May-16	2.180	-0.02	1.054615	1.3023	2.67
19-May-16	2.250	-0.02	1.054615	1.3105	2.77
20-May-16	2.260	-0.02	1.054615	1.3124	2.79
23-May-16	2.250	-0.01	1.054615	1.3124	2.79
24-May-16	2.260	0.00	1.054615	1.3164	2.82
25-May-16	2.310	0.00	1.054615	1.3022	2.85
26-May-16	2.290	0.01	1.054615	1.2970	2.83
27-May-16	2.310	0.00	1.054615	1.3038	2.86
31-May-16	2.410	-0.01	1.054615	1.3110	<u>2.98</u>
10 Day Average					<u>2.808</u>

12

13 **Union Gas System Gas Pricing**

14 As noted earlier, NRG will be returning to system gas purchases on the Union Gas
15 system in November, 2016.

16

1 The price forecast for this gas has been taken from the Union's QRAM application in EB-
2 2016-0181 dated June 10, 2016, where the gas supply commodity charge has been
3 forecast as \$0.138229 per m³ and is shown in the Union Gas line on Schedules 6 and 7.

4
5 At the time this application was prepared the Union gas supply commodity charge for
6 July 1, 2016 rates was not yet approved by the Board. Any differences between the
7 applied for and Board approved gas supply commodity charge Union will be reflected in
8 NRG's next QRAM application and evidence.

9
10 Other Forecast Assumptions

11 A number of other assumptions have been used to calculate the projected balance in the
12 PGCVA. As shown on Schedules 4 and 7, the fuel ratio for Western deliveries has been
13 forecast at 4.0% through October, 2016. This ratio has been reflected in the forecast
14 prices shown in the schedules for Western deliveries. It is not required beyond October,
15 2016 when NRG returns to system gas on the Union gas system.

16
17 TCPL tolls have been forecast at a rate of \$1.9485/GJ through October, 2016. This rate
18 reflects the tolls currently being charged as a result of the TCPL settlement agreement in
19 RH-001-2014. It is not required beyond October, 2016 when NRG returns to system gas
20 on the Union gas system.

21
22 The heat value used to convert GJ to m³ is 38.55 GJ/10³ m³. This is consistent with the
23 figure used by Union Gas in their calculation of NRG's Banked Gas Account balances.

24
25 PGCVA Balance

26 The projected June, 2016 balance in the PGCVA is a credit of \$22,954.06 including a
27 debit of \$68,730.40 in accumulated interest, based on the Board's prescribed interest rate.
28 This estimate is based on actual and forecasted purchases and the balance brought
29 forward from June, 2015. The PGCVA credit amounts to a rebate of approximately

1 \$1.86 for a typical residential customer consuming approximately 1,761.1 m³ per year.

2 These figures are shown on Schedule 2.

3

4 Proposed PGCVA Rate Changes

5 NRG proposes to adjust the reference price effective July 1, 2016 based on the projected
6 accumulated balance in the PGCVA as of the end of June, 2016 and the forecasted cost of
7 gas over the 12 month period beginning July, 2016 and ending June, 2017. The reference
8 price is set such that the projected PGCVA balance at the end of June, 2017 is close to
9 zero.

10

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

14

15 NRG proposes to change the reference price by \$0.005718 per m³ effective July 1, 2016,
16 from \$0.145120 per m³ to \$0.150838 per m³. The derivation of this rate is shown in
17 Schedule 5. This is the reference price required to bring the PGCVA balance close to
18 zero on a twelve month forecast basis. This change will also be reflected in the gas
19 commodity charge.

20

21 **GAS PURCHASE REBALANCING ACCOUNT**

22 The impact on the GPRA of the proposed July 1, 2016 PGCVA reference price change
23 from \$0.145120 per m³ to \$0.150838 per m³ is a credit of \$8,715.72, as shown on
24 Schedule 8. This figure is shown in column (J) of Schedule 8 on the June, 2016 line. It
25 is calculated as the change in the PGCVA reference price between June and July,
26 multiplied by the cumulative inventory balance at the end of June. This cumulative
27 inventory balance is the sum of the actual monthly inventory balances for April, 2016 and
28 forecasts for the subsequent months. These forecasts will be replaced with actual
29 balances for these months in subsequent QRAM applications as this information becomes
30 available. As well, the monthly inventory balances are based on a deemed level of

1 unaccounted for gas (“UFG”) of the total throughput volume, as shown in column (E) of
2 Schedule 8. The 0.0% is the Board approved level of UFG from EB-2010-0018.

3
4 NRG proposes to adjust the gas commodity charge effective July 1, 2016 based on the
5 projected accumulated balance in the GPRA. The adjustment to the gas commodity
6 charge will be set such that the projected GPRA balance at the end of June, 2017 will be
7 close to zero. The rate required to achieve this is shown in column (K) on Schedule 8.
8 Column (P) shows the reduction of the inventory revaluation balance based on this rate of
9 \$0.004647 per m³ over the July, 2016 through June, 2017 period.

10
11 NRG’s proposal will clear the GPRA balance on a prospective basis, eliminating the need
12 for retroactive adjustments. This is consistent with NRG’s proposal for the continued
13 prospective clearance of the PGCVA. This change will also be reflected in the gas
14 commodity charge.

15 16 **GAS COMMODITY CHARGE**

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

24
25 The change in the gas commodity charge proposed for July 1, 2016 is summarized below.
26 The change in the gas commodity charge reflects both the change in the PGCVA
27 reference price and the change in the recovery of the inventory revaluation amount in the
28 GPRA. The change in the gas commodity charge is as follows:

29
30

	EB-2016-0049 Apr. 1, 2016	Proposed July 1, 2016	Difference
PGCVA Reference Price	\$0.145120	\$0.150838	\$0.005718
GPRA Recovery	\$0.004746	\$0.004647	\$(0.000099)
System Gas Supply Cost	<u>\$0.000363</u>	<u>\$0.000363</u>	<u>\$0.000000</u>
Gas Commodity Charge	\$0.150229	\$0.155848	\$0.005619

7

8 SUMMARY

9 In summary, NRG proposes to change the reference price for amounts to be recorded in
10 the Purchased Gas Commodity Variance Account from \$0.145120 by \$0.005718 to
11 \$0.150838 per m³ effective July 1, 2016. Appendix B contains the accounting entries
12 related to the PGCVA.

13

14 NRG also proposes to change the gas supply charge from \$0.150229 to \$0.155848 per m³
15 effective July 1, 2016. This change reflects the change in the PGCVA reference price, as
16 described above, the change related to the recovery of the GPRA balance, also as
17 described above, and the continuation of the system gas supply cost. These changes
18 apply to all system gas customers served under Rates 1, 2, 3, 4, 5 and 6.

19

20 The proposed rate schedules are attached as Appendix A. The proposed customer notices
21 are attached as Appendix C.

22

23 Schedule 9 provides a bill comparison showing the impact of the proposed changes on a
24 year over year basis for the appropriate quarter as well as the annual bill impact of the
25 most recent quarterly change for an average residential customer. The annual bill impact
26 related to the change in the commodity charges on a customer consuming approximately
27 2,009 m³ is an increase of \$11.29.

28

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE

HISTORICAL TWELVE MONTH PERIOD - JULY, 2015 TO JUNE, 2016

<u>Act/Fcst</u>	<u>Month</u>	<u>Purchase Cost (\$'s)</u>	<u>M*3</u>	<u>Actual/Forecast Price (\$/M*3)</u>	<u>Reference Price (\$/M*3)</u>	<u>Unit Rate Difference (\$/M*3)</u>	<u>Monthly PGCVA (\$'s)</u>	<u>Y-T-D PGCVA (\$'s)</u> (1)	<u>Monthly Interest (\$'s)</u>	<u>Y-T-D Interest (\$'s)</u> (2)	<u>Total PGCVA (\$'s)</u>	<u>Total Y-T-D PGCVA (\$'s)</u>	<u>Average Residential Consumption (M*3)</u>	<u>Monthly Interest Rate</u>
Actual	July	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%
Actual	November	379,997	1,985,610	0.191376	0.192687	0.001311	2,603.13	-205,234.20	-190.52	-69,566.58	2,412.61	-274,800.78	153.2	1.10%
Actual	December	381,641	2,092,731	0.182365	0.192687	0.010322	21,601.17	-183,633.03	-188.13	-69,754.71	21,413.04	-253,387.74	238.7	1.10%
Actual	January	(142,896)	2,077,452	(0.068784)	0.181486	0.250270	519,923.92	336,290.89	-168.33	-69,923.04	519,755.59	266,367.85	313.8	1.10%
Actual	February	361,780	1,942,696	0.186226	0.181486	(0.004740)	-9,208.38	327,082.51	308.27	-69,614.77	-8,900.11	257,467.74	289.0	1.10%
Actual	March	299,046	1,459,826	0.204850	0.181486	(0.023364)	-34,107.37	292,975.14	299.83	-69,314.94	-33,807.54	223,660.20	243.9	1.10%
Actual	April	289,405	1,416,585	0.204298	0.145120	(0.059178)	-83,830.64	209,144.50	268.56	-69,046.38	-83,562.08	140,098.12	178.4	1.10%
Actual	May	276,675	1,399,412	0.197708	0.145120	(0.052588)	-73,592.29	135,552.21	191.72	-68,854.66	-73,400.57	66,697.55	89.7	1.10%
Forecast	June	<u>305,009</u>	<u>1,799,481</u>	<u>0.169498</u>	0.145120	(0.024378)	<u>-43,867.75</u>	<u>91,684.46</u>	<u>124.26</u>	<u>-68,730.40</u>	<u>-43,743.49</u>	<u>22,954.06</u>	<u>53.1</u>	1.10%
	Total	3,568,177	21,785,789	0.163785			396,576.58	91,684.46	-313.64	-68,730.40	396,262.94	22,954.06	1,761.1	

PGCVA Balance per M*3 Purchased (\$/M*3) \$0.001054
Forecast Average Residential Consumption per Customer 1,761.1 M*3
Estimated Impact on Average Residential Customer \$1.86 Customer Rebate

(1) Includes balance of -304,892.12 as of June, 2015
(2) Includes balance of -68,416.76 as of June, 2015

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

HISTORICAL TWELVE MONTH PERIOD - JULY, 2015 TO JUNE, 2016

	<u>Jul-15</u>	<u>Aug-15</u>	<u>Sep-15</u>	<u>Oct-15</u>	<u>Nov-15</u>	<u>Dec-15</u>	<u>Jan-16</u>	<u>Feb-16</u>	<u>Mar-16</u>	<u>Apr-16</u>	<u>May-16</u>	<u>Jun-16</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Local Production (A)	84,931	84,931	82,192	84,931	82,192	84,931	84,931	138,833	145,691	142,194	71,066	0	1,086,823
Local Production (B)	75,789	68,007	64,567	68,087	71,522	73,227	64,540	0	0	0	0	0	485,738
Dawn Delivery	662,378	665,217	540,652	554,969	603,232	658,375	656,132	613,892	222,331	215,607	224,735	502,205	6,119,724
Parkway Delivery	791,173	794,565	763,864	975,952	942,359	978,816	975,481	912,682	794,833	770,795	803,429	957,977	10,461,925
Western Delivery	295,190	296,455	282,684	290,169	286,306	297,382	296,369	277,289	296,971	287,989	300,182	339,300	3,546,286
Ontario Delivered Gas	<u>0</u>	<u>0</u>	<u>85,294</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>85,294</u>
Total	1,909,461	1,909,176	1,819,252	1,974,108	1,985,610	2,092,731	2,077,452	1,942,696	1,459,826	1,416,585	1,399,412	1,799,481	21,785,789
<u>Price (\$/m3)</u>													
Local Production (A)	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	
Local Production (B)	0.198417	0.198417	0.198417	0.198147	0.198147	0.198147	0.180838	0.180838	0.180838	0.169949	0.169949	0.169949	
Dawn Delivery	0.165746	0.166470	0.171511	0.173094	0.177011	0.154576	0.146302	0.155600	0.187251	0.186862	0.185247	0.142751	
Parkway Delivery	0.175931	0.175180	0.176343	0.172139	0.179197	0.175651	0.174059	0.176444	0.184016	0.183633	0.182047	0.166922	
Western Delivery	0.145347	0.145263	0.146321	0.146564	0.152528	0.152575	0.153293	0.152446	0.150450	0.148900	0.149196	0.141247	
Ontario Delivered Gas	0.000000	0.000000	0.155756	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
<u>Total Gas Cost (\$)</u>													
Local Production (A)	25,581	25,581	24,756	25,581	24,756	25,581	25,581	41,817	43,882	42,829	21,405	0	327,351
Local Production (B)	15,038	13,494	12,811	13,491	14,172	14,510	11,671	0	0	0	0	0	95,187
Dawn Delivery	109,786	110,739	92,728	96,062	106,779	101,769	95,993	95,521	41,632	40,289	41,632	71,690	1,004,619
Parkway Delivery	139,192	139,192	134,702	168,000	168,868	171,930	169,791	161,038	146,262	141,544	146,262	159,907	1,846,685
Western Delivery	42,905	43,064	41,362	42,528	43,670	45,373	45,431	42,272	44,679	42,881	44,786	47,925	526,877
Ontario Delivered Gas	0	0	13,285	0	0	0	(513,898)	0	0	0	0	0	(500,613)
TCPL Transportation	<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>22,534</u>	<u>21,133</u>	<u>22,591</u>	<u>21,862</u>	<u>22,591</u>	<u>25,486</u>	<u>268,071</u>
Total	354,680	354,247	340,933	367,660	379,997	381,641	-142,896	361,780	299,046	289,405	276,675	305,009	3,568,177

NATURAL RESOURCE GAS LIMITED

ACTUAL AND FORECAST GAS PRICES

HISTORICAL TWELVE MONTH PERIOD - JULY, 2015 TO JUNE, 2016

	<u>Jul-15</u>	<u>Aug-15</u>	<u>Sep-15</u>	<u>Oct-15</u>	<u>Nov-15</u>	<u>Dec-15</u>	<u>Jan-16</u>	<u>Feb-16</u>	<u>Mar-16</u>	<u>Apr-16</u>	<u>May-16</u>	<u>Jun-16</u>
<u>Local Production</u>												
Local Production (A) (\$/GJ)	7.773	7.806	7.754	7.703	7.686	7.726	7.699	7.700	7.715	7.731	7.798	7.813
Local Production (B) (\$/GJ)	5.120	5.142	5.108	5.068	5.056	5.082	4.623	4.623	4.632	4.362	4.400	4.409
<u>Dawn</u> (\$/GJ)	4.277	4.314	4.416	4.427	4.517	3.965	3.740	3.978	4.796	4.796	4.796	3.703
<u>Parkway</u> (\$/GJ)	4.540	4.540	4.540	4.402	4.573	4.505	4.449	4.511	4.713	4.713	4.713	4.330
<u>Western Deliveries</u> (\$/GJ)	3.751	3.765	3.767	3.748	3.892	3.913	3.919	3.897	3.854	3.822	3.863	3.664
Fuel Ratio (%)	3.79%	4.07%	4.10%	3.83%	3.74%	5.08%	5.08%	5.61%	4.01%	1.87%	3.46%	4.00%
<u>TCPL Transportation</u> (\$/GJ)												
TCPL Toll	1.9388	1.9388	1.9388	1.9388	1.9388	1.9388	1.9436	1.9485	1.9485	1.9485	1.9485	1.9485
GJ/day (TCPL)	369	369	366	366	374	374	374	374	374	374	374	436
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)	2,186	2,186	2,058	2,297	2,393	2,433	2,433	2,433	1,655	1,655	1,655	2,312
<u>Ontario Delivered Gas</u> (\$/GJ)	0.000	0.000	4.010	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Heat Value (GJ/103m3)	38.75	38.59	38.84	39.10	39.19	38.99	39.12	39.11	39.04	38.96	38.62	38.55

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT

PROJECTED TWELVE MONTH FORWARD PERIOD - JULY, 2016 TO JUNE, 2017
(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
July	330,000	2,006,355	0.164477	0.150838	(0.013639)	-27,364.68	64,319.78	84.04	-68,646.36	-27,280.64	-4,326.58	40.9	1.10%
August	330,000	2,006,355	0.164477	0.150838	(0.013639)	-27,364.68	36,955.10	58.96	-68,587.40	-27,305.72	-31,632.30	42.8	1.10%
September	375,220	2,141,634	0.175203	0.150838	(0.024365)	-52,180.92	-15,225.82	33.88	-68,553.52	-52,147.04	-83,779.34	58.5	1.10%
October	368,314	2,156,498	0.170793	0.150838	(0.019955)	-43,032.92	-58,258.74	-13.96	-68,567.48	-43,046.88	-126,826.22	118.7	1.10%
November	600,192	4,213,441	0.142447	0.150838	0.008391	35,354.98	-22,903.76	-53.40	-68,620.88	35,301.58	-91,524.64	202.7	1.10%
December	508,147	3,545,062	0.143339	0.150838	0.007499	26,584.42	3,680.66	-21.00	-68,641.88	26,563.42	-64,961.22	321.8	1.10%
January	581,985	4,079,235	0.142670	0.150838	0.008168	33,319.19	36,999.85	3.37	-68,638.51	33,322.56	-31,638.66	355.2	1.10%
February	576,982	4,050,527	0.142446	0.150838	0.008392	33,992.02	70,991.87	33.92	-68,604.59	34,025.94	2,387.28	293.2	1.10%
March	349,727	2,398,995	0.145781	0.150838	0.005057	12,131.72	83,123.59	65.08	-68,539.51	12,196.80	14,584.08	246.2	1.10%
April	263,103	1,774,815	0.148242	0.150838	0.002596	4,607.42	87,731.01	76.20	-68,463.31	4,683.62	19,267.70	186.6	1.10%
May	124,865	772,255	0.161688	0.150838	(0.010850)	-8,378.97	79,352.04	80.42	-68,382.89	-8,298.55	10,969.15	89.7	1.10%
June	<u>91,620</u>	<u>534,247</u>	<u>0.171494</u>	0.150838	(0.020656)	<u>-11,035.41</u>	<u>68,316.63</u>	<u>72.74</u>	<u>-68,310.15</u>	<u>-10,962.67</u>	<u>6.48</u>	<u>53.1</u>	1.10%
Total	4,500,156	29,679,420	0.151625			-23,367.83	68,316.63	420.25	-68,310.15	-22,947.58	6.48	2,009.4	

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

(1) Includes June, 2016 year-to-date balance of \$91,684.46 (See Schedule 2)
(2) Includes June, 2016 year-to-date balance of (\$68,730.40) (See Schedule 2)

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

PROJECTED TWELVE MONTH FORWARD PERIOD - JULY, 2016 TO JUNE, 2017

	<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>Jan-17</u>	<u>Feb-17</u>	<u>Mar-17</u>	<u>Apr-17</u>	<u>May-17</u>	<u>Jun-17</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Local Production (A)	0	0	165,231	84,932	82,192	84,932	84,932	76,708	84,932	82,192	84,932	82,192	913,175
Local Production (B)	0	0	34,769	115,068	117,808	115,068	115,068	123,292	115,068	117,808	115,068	117,808	1,086,825
Dawn Delivery	665,837	665,837	644,358	665,837	0	0	0	0	0	0	0	0	2,641,868
Parkway Delivery	989,909	989,909	957,977	989,909	0	0	0	0	0	0	0	0	3,927,704
Western Delivery	350,610	350,610	339,300	300,752	0	0	0	0	0	0	0	0	1,341,271
Union Gas	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,013,441</u>	<u>3,345,062</u>	<u>3,879,235</u>	<u>3,850,527</u>	<u>2,198,995</u>	<u>1,574,815</u>	<u>572,255</u>	<u>334,247</u>	<u>19,768,577</u>
Total	2,006,355	2,006,355	2,141,634	2,156,498	4,213,441	3,545,062	4,079,235	4,050,527	2,398,995	1,774,815	772,255	534,247	29,679,420
<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)	0.175382	0.175382	0.175382	0.175382	0.175382	0.175382	0.175382	0.175382	0.175382	0.175382	0.175382	0.175382	
Dawn Delivery	0.134154	0.134154	0.134154	0.134154	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Parkway Delivery	0.166497	0.166497	0.166497	0.166497	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Western Delivery	0.141247	0.141247	0.141247	0.152350	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Union Gas	0.000000	0.000000	0.000000	0.000000	0.138229	0.138229	0.138229	0.138229	0.138229	0.138229	0.138229	0.138229	
<u>Total Gas Cost (\$)</u>													
Local Production (A)	0	0	49,768	25,582	24,756	25,582	25,582	23,104	25,582	24,756	25,582	24,756	275,048
Local Production (B)	0	0	6,098	20,181	20,661	20,181	20,181	21,623	20,181	20,661	20,181	20,661	190,609
Dawn Delivery	89,325	89,325	86,443	89,325	0	0	0	0	0	0	0	0	354,417
Parkway Delivery	164,817	164,817	159,500	164,817	0	0	0	0	0	0	0	0	653,951
Western Delivery	49,523	49,523	47,925	45,820	0	0	0	0	0	0	0	0	192,790
Union Gas	0	0	0	0	554,774	462,385	536,223	532,254	303,965	217,685	79,102	46,203	2,732,591
TCPL Transportation	<u>26,336</u>	<u>26,336</u>	<u>25,486</u>	<u>22,591</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>100,749</u>
Total	330,000	330,000	375,220	368,314	600,192	508,147	581,985	576,982	349,727	263,103	124,865	91,620	4,500,156

NATURAL RESOURCE GAS LIMITED

GAS PURCHASE REBALANCING ACCOUNT

JULY, 2015 THROUGH JUNE, 2017

Month	Purchase Volume (M ³) A	Throughput Volume (M ³) B	Direct Purchase Volume (M ³) C	System Sales Volume (M ³) D=B-C	Deemed U.F.G. (M ³) E	System Sales + U.F.G. (M ³) F=D+E	Monthly Inventory Balance (M ³) G=A-F	Cumulative Inventory (M ³) H (1)	Reference Price (\$/M ³) I	Inventory Revaluation (\$s) J	Inventory Rate (\$/M ³) K	Inventory Recovery (\$s) L=KxD	Y-T-D GPRA Balance (\$s) M (2)	Monthly Interest (\$s) N	Y-T-D Interest (\$s) O (3)	Total Y-T-D GPRA (\$s) P=M+O	Monthly Interest Rate
July	1,909,461	3,334,364	2,909,523	424,841	0	424,841	1,484,620	2,911,565	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	4,106,909	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	4,812,536	0.201173	-40,839.18	0.006337	7,057.04	-186,191.92	-139.71	-1,443.98	-187,635.90	1.10%
October	1,974,108	5,060,019	3,068,720	1,991,299	0	1,991,299	-17,191	4,795,345	0.192687	0.00	0.007028	13,994.85	-172,197.07	-170.68	-1,614.66	-173,811.73	1.10%
November	1,985,610	5,578,844	3,272,950	2,305,894	0	2,305,894	-320,284	4,475,061	0.192687	0.00	0.007028	16,205.82	-155,991.25	-157.85	-1,772.51	-157,763.76	1.10%
December	2,092,731	6,292,126	3,720,573	2,571,553	0	2,571,553	-478,822	3,996,239	0.192687	-44,761.87	0.007028	18,072.87	-182,680.25	-142.99	-1,915.50	-184,595.75	1.10%
January	2,077,452	7,116,213	3,699,701	3,416,512	0	3,416,512	-1,339,060	2,657,179	0.181486	0.00	0.005152	17,601.87	-165,078.38	-167.46	-2,082.96	-167,161.34	1.10%
February	1,942,696	6,347,627	3,185,303	3,162,324	0	3,162,324	-1,219,628	1,437,550	0.181486	0.00	0.005152	16,292.29	-148,786.09	-151.32	-2,234.28	-151,020.37	1.10%
March	1,459,826	6,204,785	3,533,303	2,671,482	0	2,671,482	-1,211,656	225,894	0.181486	-8,214.87	0.005152	13,763.48	-143,237.48	-136.39	-2,370.67	-145,608.15	1.10%
April	1,416,585	5,377,710	3,360,630	2,017,080	0	2,017,080	-600,495	-374,601	0.145120	0.00	0.004746	9,573.06	-133,664.42	-131.30	-2,501.97	-136,166.39	1.10%
May	1,399,412	4,421,443	3,455,659	965,784	0	965,784	433,628	59,027	0.145120	0.00	0.004746	4,583.61	-129,080.81	-122.53	-2,624.50	-131,705.31	1.10%
June	1,799,481	3,689,961	3,355,714	334,247	0	334,247	1,465,234	1,524,261	0.145120	8,715.72	0.004746	1,586.34	-118,778.75	-118.32	-2,742.82	-121,521.57	1.10%
July	2,006,355	3,170,949	2,915,172	255,777	0	255,777	1,750,578	3,274,839	0.150838	0.00	0.004647	1,188.60	-117,590.15	-108.88	-2,851.70	-120,441.85	1.10%
August	2,006,355	3,781,486	2,963,453	818,033	0	818,033	1,188,322	4,463,162	0.150838	0.00	0.004647	3,801.40	-113,788.75	-107.79	-2,959.49	-116,748.24	1.10%
September	2,141,634	4,581,850	3,117,390	1,464,460	0	1,464,460	677,174	5,140,336	0.150838	0.00	0.004647	6,805.35	-106,983.40	-104.31	-3,063.80	-110,047.20	1.10%
October	2,156,498	5,347,058	2,953,074	2,393,984	0	2,393,984	-237,486	4,902,850	0.150838	0.00	0.004647	11,124.84	-95,858.56	-98.07	-3,161.87	-99,020.43	1.10%
November	4,213,441	8,031,699	3,818,258	4,213,441	0	4,213,441	0	4,902,850	0.150838	0.00	0.004647	19,579.86	-76,278.70	-87.87	-3,249.74	-79,528.44	1.10%
December	3,545,062	7,547,799	4,002,737	3,545,062	0	3,545,062	0	4,902,850	0.150838	0.00	0.004647	16,473.90	-59,804.80	-69.92	-3,319.66	-63,124.46	1.10%
January	4,079,235	8,145,577	4,066,342	4,079,235	0	4,079,235	0	4,902,850	0.150838	0.00	0.004647	18,956.21	-40,848.59	-54.82	-3,374.48	-44,223.07	1.10%
February	4,050,527	7,698,962	3,648,435	4,050,527	0	4,050,527	0	4,902,850	0.150838	0.00	0.004647	18,822.80	-22,025.79	-37.44	-3,411.92	-25,437.71	1.10%
March	2,398,995	6,317,069	3,918,074	2,398,995	0	2,398,995	0	4,902,850	0.150838	0.00	0.004647	11,148.13	-10,877.66	-20.19	-3,432.11	-14,309.77	1.10%
April	1,774,815	4,949,806	3,174,991	1,774,815	0	1,774,815	0	4,902,850	0.150838	0.00	0.004647	8,247.57	-2,630.09	-9.97	-3,442.08	-6,072.17	1.10%
May	772,255	4,337,042	3,564,787	772,255	0	772,255	0	4,902,850	0.150838	0.00	0.004647	3,588.67	958.58	-2.41	-3,444.49	-2,485.91	1.10%
June	534,247	3,889,961	3,355,714	534,247	0	534,247	0	4,902,850	0.150838	0.00	0.004647	2,482.65	3,441.23	0.88	-3,443.61	-2.38	1.10%

(1) Includes balance of 1,426,945 as of June, 2015
(2) Includes balance of -159,625.55 as of June, 2015
(3) Includes balance of -1,014.09 as of June, 2015

NATURAL RESOURCE GAS LIMITED

RESIDENTIAL BILL COMPARISONS

QUARTERLY BILL IMPACT

	Quarter Starting 01-Jul-15 <u>EB-2015-0191</u>	Quarter Starting 01-Jul-16 <u>EB-2016-0190</u>	\$ Change	Percent Change
Average Residential Consumption for Quarter	142.2	142.2		
Monthly Charges	\$40.50	\$40.50	\$0.00	0.0%
Delivery Charges	\$22.67	\$23.08	\$0.41	1.8%
Total Commodity Charges	<u>\$29.56</u>	<u>\$22.16</u>	<u>(\$7.40)</u>	<u>-25.0%</u>
Total Customer Charges	\$92.73	\$85.74	(\$6.99)	-7.5%

ANNUAL BILL IMPACT

	01-Apr-16 <u>EB-2016-0049</u>	01-Jul-16 <u>EB-2016-0190</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>\$301.87</u>	<u>\$313.16</u>	<u>\$11.29</u>	<u>3.7%</u>
Total Customer Charges	\$790.02	\$801.31	\$11.29	1.4%

RATES USED

	01-Jul-15 <u>EB-2015-0191</u>	01-Apr-16 <u>EB-2016-0049</u>	01-Jul-16 <u>EB-2016-0190</u>
Monthly charge	13.50	13.50	13.50
Delivery Charge	0.159437	0.162312	0.162312
Total Commodity Charge	0.207873	0.150229	0.155848

**APPENDIX "A" TO
DECISION AND INTERIM ORDER
BOARD FILE No. EB-2016-0190
DATED JUNE XX, 2016**

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: July 01, 2016

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

EB-2016-0190

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: July 01, 2016

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

EB-2016-0190

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: July 01, 2016

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

EB-2016-0190

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: July 01, 2016

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

EB-2016-0190

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: July 01, 2016

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

EB-2016-0190

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: July 01, 2016

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

EB-2016-0190

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-2016-0190)	15.0838 cents per m ³
GPRA Recovery Rate	(EB-2016-0190)	0.4647 cents per m ³
System Gas Fee	(EB-2010-0018)	<u>0.0363</u> cents per m ³
Total Gas Supply Charge		<u>15.5848</u> cents per m ³

Note:

PGCVA means Purchased Gas Commodity Variance Account

GPRA means Gas Purchase Rebalancing Account

Effective: July 01, 2016

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

EB-2016-0190

NATURAL RESOURCE GAS LIMITED

RATE BT1 – Bundled Direct Purchase Contract Rate

Availability

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

Eligibility

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

Rate

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

Note:

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

Effective: July 01, 2016

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

EB-2016-0190

NATURAL RESOURCE GAS LIMITED

Transmission Service

Availability

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

Eligibility

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

Rate

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

Effective: July 01, 2016

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

EB-2016-0190

**APPENDIX "B" TO
DECISION AND INTERIM ORDER
BOARD FILE No. EB-2016-0190
DATED JUNE XX, 2016**

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-2016-0190
DATED JUNE XX, 2016**

IMPORTANT INFORMATION ABOUT YOUR GAS BILL

Gas Commodity:

On all bills rendered by Natural Resource Gas Limited (“NRG”) on or after July 1, 2016, the price we charge for the gas commodity and transportation portion of your bill will be increasing by \$0.005619 per cubic meter to \$0.155848 per cubic meter. The Ontario Energy Board (“OEB”) has approved this change to reflect the prices that NRG expects that it will be paying to its gas suppliers through to the end of June 2017. 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 increase by approximately \$11 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.