

**ONTARIO ENERGY BOARD**

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

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

**AND IN THE MATTER OF** the Quarterly Rate  
Adjustment Mechanism.

**APPLICATION**

1. As part of the EB-2016-0190 Decision and Order dated June 23, 2016 the Board approved a PGCVA reference price of \$0.150838 per m<sup>3</sup> and a gas supply charge of \$0.155848 per m<sup>3</sup>, both effective July 1, 2016.
2. Based on actual and forecast natural gas prices for the October, 2015 through September, 2016 period the PGCVA balance is projected to be a charge of approximately \$10.76 per residential customer.
3. NRG hereby applies to the Board for further orders effective October 1, 2016 as follows:
  - a) an order changing the reference price authorized by the Board's EB-2016-0190 Decision and Order for use in determining the amounts to be recorded in the Purchased Gas Commodity Variance Account (Account No. 179-27) by \$0.014093 per m<sup>3</sup> from the Board approved level of \$0.150838 per m<sup>3</sup> to \$0.164931 per m<sup>3</sup>;
  - b) an order changing the rates and other charges from those authorized by the Board's EB-2016-0190 Decision and Order to reflect a projected

\$0.011002 per m<sup>3</sup> change in the gas supply charge from the Board approved level of \$0.155848 per m<sup>3</sup> to a projected cost of \$0.166850 per m<sup>3</sup>. This change is the sum of the change in the PGCVA reference price, the change required to prospectively clear the balance of the Gas Purchase Rebalancing Act and the continuation of the system gas supply cost approved in EB-2010-0018.

4. This application will be supported by written evidence that will be pre-filed with the Board and intervenors of record in EB-2015-0115.

5. Pursuant to the criteria established in the Board's EB-2008-0106 Decision, below is the Board's direction with respect to the timeline for processing the application:

- \* Parties to this proceeding wishing to make comments on the application may do so by filing such submissions with the Board Secretary (two hard copies plus an electronic copy by e-mail) and NRG no later than 4:45 p.m. five calendar days following the filing of the QRAM application;
- \* NRG shall reply to any comments received by filing such replies with the Board Secretary (two hard copies plus an electronic copy by e-mail) and serving a copy on all parties who make submissions no later than 4:45 p.m. three calendar days following receipt of comments;
- \* The Board issues its Decision and Order by the 25th of the month for implementation effective October 1, 2016.

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

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Dated at London, Ontario, this 9<sup>th</sup> day of September, 2016.

**NATURAL RESOURCE GAS LIMITED**

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Brian Lippold  
General Manager

# **NATURAL RESOURCE GAS LIMITED**

## **INTRODUCTION**

As part of the EB-2016-0190 Decision and Order dated June 23, 2016 the Board approved a Purchased Gas Commodity Variance Account (“PGCVA”) reference price of \$0.150838 per m<sup>3</sup> and a gas supply charge of \$0.155848 per m<sup>3</sup>, both effective July 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-2016-0190, the Board approved a GPRA rate of \$0.004647 per m<sup>3</sup>.

NRG is proposing to adjust the gas supply charge, the GPRA rate and the PGCVA reference price effective October 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 \$10.76 per average residential customer for the twelve month period ending September, 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 PGVA balance has been calculated using the most recent information available,  
2 including actual volumes and costs through July, 2016. The remaining months in the  
3 twelve-month period ending September, 2016 are calculated using estimated prices based  
4 on the best information available at the time of filing.

5  
6 Forecast prices have been used for the period October, 2016, through September, 2017  
7 period, except where actual contracted prices are available.

8  
9 EB-2014-0053/EB-2014-0361/EB-2015-044 Decision and Order

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

12  
13 In the EB-2014-0053/EB-2014-0361/EB-2015-044 Decision and Order, the OEB directed  
14 NRG to provide sufficient evidence in its next QRAM application to allow the OEB to  
15 determine that the credit amount was calculated and allocated appropriately.

16  
17 The credit of \$513,897, which is shown in the January, 2016 column on the Ontario  
18 Delivered Gas Line of the Total Gas Cost section of Schedule 3 represents the difference  
19 between the amount included based upon the interim order in EB-2014-0053 of \$695,429  
20 and the final amount approved for recovery from customers of \$181,531 noted in the  
21 January 14, 2016 decision.

22  
23 As shown in Schedule 3, the total cost of gas purchases in January, 2016, including the  
24 above noted credit, was a credit to gas costs of \$142,896. This figure has been reflected  
25 in the calculation of the PGVA balance shown in Schedule 2. The overall impact, taking  
26 into account the purchases in January, 2016 and interest on the balances in the account, is  
27 shown in Schedule 2 through the change from a debit in the PGVA at the end of  
28 December, 2015 of \$253,387.74 to a credit in the account at the end of January, 2016 of  
29 \$266,367.85.

30

1    Gas Supply Portfolio

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

4  
5    NRG's gas supply portfolio includes local production, deliveries of Western Canadian  
6    gas at the Alberta border (along with transportation on the TCPL mainline) and purchases  
7    at Dawn and Parkway on the Union Gas ("Union") system. NRG also purchases  
8    additional gas or sheds excess gas when required. The requirement for these purchases is  
9    discussed below. This gas may be Ontario Delivered gas, gas purchased/sold at Dawn or  
10    additional deliveries/curtailments at Parkway or at the Alberta border.

11  
12    NRG is currently a direct purchase customer on the Union Gas system. Under its  
13    bundled transportation contract, NRG is obligated to deliver a fixed amount of gas each  
14    day to Union. This amount is determined by Union and is based on the expected annual  
15    volume divided by 365 (366 in a leap year).

16  
17    NRG is required to balance its total supply with its total demand on the Union Gas  
18    system on an annual basis, at the time that the direct purchase contract with Union Gas is  
19    renewed. In particular, NRG is required to balance its supply with its demand on the  
20    Union system to within +/-4% at the end of the contract year. This may entail NRG  
21    purchasing additional gas or shedding excess gas.

22  
23    The bundled transportation contract year-end corresponds with the end of NRG's fiscal  
24    year (September 30). NRG purchases additional balancing gas or sells gas and/or reduces  
25    deliveries such that total demand on the Union system is offset by the supply provided to  
26    Union Gas to remain within the contract parameters.

27  
28    NRG has informed Union Gas that it intends to return to system gas purchases from  
29    Union Gas effective November 1, 2016. As such, the bundled transportation contract will  
30    be extended by one month to the end of October, 2016. This is required to accommodate

NRG's current gas purchase contracts, some of which extend to the end of October, 2016. NRG will be required to balance to 0 on the Union system when it becomes a system gas customer on the Union system at the beginning of November, 2016.

#### October, 2016 Balancing Gas

As noted above, when NRG returns to system gas purchases from Union Gas on November 1, 2016, it will be required to balance the consumption and deliveries under the direct purchase contract that expires at the end of October, 2016.

NRG, in conjunction with Union, has forecast that it will require additional gas deliveries to Union in October in order to balance the consumption deliveries by the end of the direct purchase contract. This has been reflected in the obligated deliveries noted below.

#### Obligated Deliveries

Obligated deliveries to Union by NRG on behalf of both system gas customers and direct purchase customers has been set at 2,625 GJ/day effective October 1, 2015, an increase from the previous level of 2,380 GJ/day. The increase reflected historical consumption at NRG. This change was the result of discussions with Union Gas. This has been increased to 3,406 GJ/day for the month of October, 2016 in order for NRG to balance under its direct purchase contract with Union.

The direct purchase customer assignment for October, 2016 has been adjusted to 51 GJ/day to reflect expected consumption from these customers and their current purchase/consumption imbalances. This results in deliveries for system gas customers of 3,355 GJ/day in October, 2016.

The composition of these obligated system gas deliveries over this period is as follows. In October, 2016 Parkway deliveries are 2,012 GJ/day, at AECO are 515 GJ/day and the Dawn deliveries are forecast to be 828 GJ/day.

Once NRG returns to system gas purchases from Union Gas on November 1, 2016, obligated deliveries on behalf of system gas customers will cease.

The composition of the gas purchases for direct purchase and system gas customers for the October, 2016 through September, 2017 period is shown in the following table. This period illustrates the movement to system gas from Union Gas for system gas customers of NRG effective November 1, 2016. Please note that these figures do not include the direct purchase deliveries associated with a large ethanol plant served by NRG.

**GJ/s per Day**

Delivery Point	Oct.,2016	Nov., 2016 – Sept., 2017
Direct Purchase	51	51
AECO	515	0
Parkway	2,012	0
Dawn	<u>828</u>	<u>0</u>
Total	3,406	51

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

In addition to the obligated deliveries and system gas from Union Gas described above, NRG purchases gas from a local producer in its franchise area.

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



1    Gas Costs

2    NRG's actual and forecast gas costs for the October, 2015 through September, 2016  
3    period, by source of supply, are shown in Schedule 4 in \$/GJ. These prices are also  
4    shown in the middle section of Schedule 3 in \$/m<sup>3</sup>. The conversion factor used is based  
5    on the heat values used by Union Gas in their calculation of NRG's Banked Gas Account  
6    balances. The conversion factors used are also shown in Schedule 4. All prices shown  
7    are actual prices paid in October, 2015 through July, 2016, including the refund to system  
8    gas customers of \$513,898 as ordered in EB-2014-0053/EB-2014-0361/EB-2015-044.  
9    Prices for the remaining month in this period are based on estimated and contracted  
10   prices to be paid in those months.

11  
12   Forecast prices for October, 2016 are based on prices averaged over 10 days in the period  
13   August 18, 2016 through August 31, 2016. These prices, which have been sourced from  
14   the Shell Energy North America report entitled 'Daily Energy Market Update', are for  
15   October, 2016 purchases, and have been utilized in calculating the prices shown in  
16   Schedule 7 in \$/GJ and in the middle section of Schedule 6 in \$/m<sup>3</sup>. The source of the  
17   foreign exchange rates used in the calculations is the daily close exchange rates for the  
18   10-year lookup from the Bank of Canada that are available on their website at  
19   [www.bankofcanada.ca/rates/exchange](http://www.bankofcanada.ca/rates/exchange).

20  
21   Gas prices for each of the sources of supply are described below. In addition to the  
22   above, contracted prices have been used where purchase decisions have been made.

23  
24   NRG Corp. Pricing

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

28  
29   The Board issued a Decision and Order - Phase 2 for EB-2010-0018 dated May 17, 2012  
30   in which the Board indicated that NRG would be permitted to recover from ratepayers a

1 maximum annual quantity of 1.0 million cubic metres of natural gas at a rate of \$8.486  
2 per mcf (or \$0.3012/m<sup>3</sup>). This price, as set by the Board, can be seen in the line labeled  
3 "Local Production (A)" of the price section of Schedule 3.

4  
5 The remaining gas purchased from NRG Corp. is shown in the line labeled "Local  
6 Production (B)". This gas is priced at the approved Union Gas Ontario landed reference  
7 price for each quarter. The October, 2015 through December, 2015 price is \$0.198147,  
8 reflecting the Board's Decision and Order in EB-2015-0255 dated September 24, 2015.  
9 The January, 2016 through March, 2016 price is \$0.180838, reflecting the Board's  
10 Decision and Order in EB-2015-0340 dated December 22, 2015. The April, 2016  
11 through June, 2016 price is \$0.169949, reflecting the Board's Decision and Order in EB-  
12 2016-0040 dated March 23, 2016. The July, 2016 through September, 2016 price is  
13 \$0.175382, reflecting the Board's Decision and Order in EB-2016-0181 dated June 23,  
14 2016. These prices are shown in Schedule 3.

15  
16 The NRG Corp. prices over the October, 2016 through September, 2017 period shown in  
17 Schedule 6 reflect the Board approved price of \$0.301200 per m<sup>3</sup> for 1,000,000 m<sup>3</sup> as  
18 shown on the Local Production (A) line. The remaining gas forecast to be purchased  
19 from NRG Corp. is shown on the Local Production (B) line. The price forecast for this  
20 gas has been taken from the Union's QRAM application in EB-2016-0247 dated  
21 September 9, 2016, where the Ontario landed reference price has been forecast as  
22 \$0.189432 per m<sup>3</sup>.

23  
24 At the time this application was prepared the Union Gas QRAM price for October 1,  
25 2016 rates was not yet approved by the Board. Any differences between the applied for  
26 and Board approved Ontario landed reference price for Union will be reflected in NRG's  
27 next QRAM application and evidence.

28  
29 NRG also purchases gas for delivery at Empress, Parkway and Dawn. The pricing of this  
30 gas at these delivery points is discussed below.

Empress Pricing

The Empress price in October, 2016 period shown in Schedule 7 (Western Deliveries) is based on a combination of actual contracted prices and forecasted prices.

The average Empress delivery rate is \$2.870/GJ in October, 2016. Fuel costs of 4% are included in these rates.

The average Empress delivery price is based on a fixed price contract for October, 2016. The following table shows the current mix of volumes and prices over the forecast period.

<u>Empress Deliveries</u>		
<u>Contracted?</u>	<u>Oct.</u>	
	GJ/day	\$/GJ
Yes	374	3.800
No	141	2.587
Total	515	3.468
with Fuel (4%)		3.607

The calculations used to forecast the Empress delivery price are shown in the following table. The only calculation used in the table is the calculation of the 10 day average. The prices used are taken from the Daily Energy Market Update as the price at Empress, AB in Cdn\$/GJ over the period August 18 to August 31, 2016.

Empress Delivery Price Forecast

October - 2016

18-Aug-16	2.43
19-Aug-16	2.36
22-Aug-16	2.46
23-Aug-16	2.59
24-Aug-16	2.66
25-Aug-16	2.70
26-Aug-16	2.70
29-Aug-16	2.67

30-Aug-16	2.61
31-Aug-16	<u>2.69</u>
<b>10 Day Average</b>	<b><u>2.587</u></b>

### Parkway Pricing

The Parkway price in October, 2016 period shown in Schedule 7 is based on a combination of actual contracted prices and forecasted prices. The average Parkway delivery rate forecast is \$4.122/GJ in October, 2016.

The average Parkway delivery price includes a mix of actual contracted prices and forecasted prices for October, 2016. The following table shows the current mix of volumes and prices for October, 2016.

<u>Parkway Deliveries</u>		
<u>Contracted?</u>	<u>Oct.</u>	
	GJ/day	\$/GJ
Yes	970	4.710
Yes	31	4.820
No	<u>1,011</u>	<u>3.537</u>
Total	2,012	4.122

The actual contract prices include two contracts. The actual contracted prices include 970 GJ/day at \$4.71/GJ. The price for the 31 GJ/day reflects a transfer of deliveries from Empress to Parkway. This gas has been purchased for Empress delivery at \$3.80/GJ (see previous section). This has been increased by a locked in price to move the gas deliveries from Empress to Parkway of \$1.02/GJ, to arrive at the forecasted price of \$4.82/GJ.

The price shown for the 1,011 GJ/day that has not been contracted for in October, 2016 is based on the forecast methodology discussed below.

Historically, the calculations used to forecast the Parkway delivery prices were calculated as follows. The prices used were shown in the Daily Energy Market Report as prices at Henry Hub along with a Niagara, ON basis. These two prices are added together to

1 arrive at a proxy for the Parkway price. These prices from the Market Report were in  
2 US\$/MMBtu and as a result need to be converted to Cdn\$/GJ. This was accomplished  
3 through the use of a conversion factor of 1.054615 to convert MMBtu to GJ and through  
4 the use of the foreign exchange rate. The formula used was (Henry Hub Price + Niagara  
5 Basis) / 1.054615 x Foreign Exchange Rate.

6  
7 As noted in EB-2015-0191, as of the middle of February, 2015 the Daily Energy Market  
8 Report no longer provided a Niagara, ON basis. As a result NRG is not able to provide a  
9 forecast of the Parkway delivery price based on the methodology described above. As  
10 noted in previous QRAM applications, NRG indicated that it would propose a  
11 methodology to forecast this price based on information available to it at that time.

12  
13 As it did in EB-2015-0345 and EB-2016-0049, NRG has forecast the Parkway prices  
14 based on the Dawn prices in October, 2016 period, based on the most recent comparable  
15 information available to NRG. NRG has forecast the Parkway price to be equal to the  
16 Dawn price, less \$0.01/GJ. The derivation of the Dawn forecast prices is detailed in the  
17 section below.

18  
19 In particular, NRG recently purchased gas for August delivery at both Dawn and  
20 Parkway. The Dawn price was \$3.39/GJ and the Parkway price was \$3.38/GJ. Based on  
21 this differential, NRG has forecast the Parkway price to be \$0.01/GJ lower than the Dawn  
22 delivery price.

#### 23 24 Dawn Pricing

25 The Dawn price for October, 2016 period shown in Schedule 7 is based on a combination  
26 of actual contracted prices and forecasted prices. The average Dawn delivery rate is  
27 \$3.969/GJ in October, 2016.

28

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

<u>Dawn Deliveries</u>		
<u>Contracted?</u>	<u>Oct.</u>	
	GJ/day	\$/GJ
Yes	261	4.800
Yes	19	4.745
No	548	3.547
Total	828	3.969

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

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

The prices shown for the 548 GJ/day that has not been contracted for in October, 2016 period is based on the average price forecasts from the August 18, 2016 through August 31, 2016 Daily Energy Market Updates for October, 2016.

The calculations used to forecast the Dawn purchase price are shown in the following table. The relevant prices used are shown in the Daily Energy Market Update as prices at Henry Hub along with a Dawn, ON basis. These two prices are added together to arrive at a proxy for the Dawn price. These prices from the Market Update are in US\$/MMBtu and as a result need to be converted to Cdn\$/GJ. This is accomplished through the use of a conversion factor of 1.054615 to convert MMBtu to GJ and through the use of the

1 foreign exchange rate. The formula used is (Henry Hub Price + Dawn Basis) / 1.054615  
 2 x Foreign Exchange Rate.

**Dawn Delivery Price Forecast**

	Henry Hub (US\$/MMBtu)	Dawn Basis	MMBtu -GJ	F/X	\$/ GJ (Cdn)
<b><u>October-2016</u></b>					
18-Aug-16	2.710	0.06	1.054615	1.2767	3.35
19-Aug-16	2.620	0.07	1.054615	1.2857	3.28
22-Aug-16	2.700	0.07	1.054615	1.2950	3.40
23-Aug-16	2.790	0.06	1.054615	1.2910	3.49
24-Aug-16	2.840	0.07	1.054615	1.2930	3.57
25-Aug-16	2.890	0.08	1.054615	1.2926	3.64
26-Aug-16	2.910	0.07	1.054615	1.3000	3.67
29-Aug-16	2.900	0.08	1.054615	1.3022	3.68
30-Aug-16	2.830	0.10	1.054615	1.3096	3.64
31-Aug-16	2.890	0.12	1.054615	1.3116	3.74
<b>10 Day Average</b>					<b><u>3.547</u></b>

3

4 **Union Gas System Gas Pricing**

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

7

8 The price forecast for this gas has been taken from the Union's QRAM application in EB-  
 9 2016-0247 dated September 9, 2016, where the gas supply commodity charge has been  
 10 forecast as \$0.150958 per m<sup>3</sup> and is shown in the Union Gas line on Schedules 6 and 7.

11

12 At the time this application was prepared the Union gas supply commodity charge for  
 13 October 1, 2016 rates was not yet approved by the Board. Any differences between the  
 14 applied for and Board approved gas supply commodity charge Union will be reflected in  
 15 NRG's next QRAM application and evidence.

16

17

18

1 Other Forecast Assumptions

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

7  
8 TCPL tolls have been forecast at a rate of \$1.9485/GJ in October, 2016. This rate reflects  
9 the tolls currently being charged as a result of the TCPL settlement agreement in RH-  
10 001-2014. It is not required beyond October, 2016 when NRG returns to system gas on  
11 the Union Gas system.

12  
13 The heat value used to convert GJ to m<sup>3</sup> is 38.55 GJ/10<sup>3</sup> m<sup>3</sup> for October, 2016. This is  
14 consistent with the figure used by Union Gas in their calculation of NRG's Banked Gas  
15 Account balances. For the period beyond October, 2016 NRG has continued to use the  
16 38.55 conversion factor to calculate the cost in \$/GJ.

17  
18 PGCVA Balance

19 The projected September, 2016 balance in the PGCVA is a debit of \$135,974.22  
20 including a debit of \$68,594.99 in accumulated interest, based on the Board's prescribed  
21 interest rate. This estimate is based on actual and forecasted purchases and the balance  
22 brought forward from September, 2015. The PGCVA debit amounts to a charge of  
23 approximately \$10.76 for a typical residential customer consuming approximately  
24 1,770.5 m<sup>3</sup> per year. These figures are shown on Schedule 2.

25  
26 Proposed PGCVA Rate Changes

27 NRG proposes to adjust the reference price effective October 1, 2016 based on the  
28 projected accumulated balance in the PGCVA as of the end of September, 2016 and the  
29 forecasted cost of gas over the 12 month period beginning October, 2016 and ending



1 September, 2017. The reference price is set such that the projected PGCVA balance at  
2 the end of September, 2017 is close to zero.

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

7  
8 NRG proposes to change the reference price by \$0.014093 per m<sup>3</sup> effective October 1,  
9 2016, from \$0.150838 per m<sup>3</sup> to \$0.164931 per m<sup>3</sup>. The derivation of this rate is shown  
10 in Schedule 5. This is the reference price required to bring the PGCVA balance close to  
11 zero on a twelve month forecast basis. This change will also be reflected in the gas  
12 commodity charge.

### 13 14 **GAS PURCHASE REBALANCING ACCOUNT**

15 The impact on the GPRA of the proposed October 1, 2016 PGCVA reference price  
16 change from \$0.150838 per m<sup>3</sup> to \$0.164931 per m<sup>3</sup> is a credit of \$68,244.34, as shown  
17 on Schedule 8. This figure is shown in column (J) of Schedule 8 on the September, 2016  
18 line. It is calculated as the change in the PGCVA reference price between September and  
19 October, multiplied by the cumulative inventory balance at the end of September. This  
20 cumulative inventory balance is the sum of the actual monthly inventory balances for  
21 July, 2016 and forecasts for the subsequent months. These forecasts will be replaced  
22 with actual balances for these months in subsequent QRAM applications as this  
23 information becomes available. As well, the monthly inventory balances are based on a  
24 deemed level of unaccounted for gas ("UFG") of the total throughput volume, as shown  
25 in column (E) of Schedule 8. The 0.0% is the Board approved level of UFG from EB-  
26 2010-0018.

27  
28 NRG proposes to adjust the gas commodity charge effective October 1, 2016 based on  
29 the projected accumulated balance in the GPRA. The adjustment to the gas commodity  
30 charge will be set such that the projected GPRA balance at the end of September, 2017

will be close to zero. The rate required to achieve this is shown in column (K) on Schedule 8. Column (P) shows the reduction of the inventory revaluation balance based on this rate of \$0.001556 per m<sup>3</sup> over the October, 2016 through September, 2017 period.

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

### **GAS COMMODITY CHARGE**

The system gas supply cost of \$0.000363 per m<sup>3</sup> will be maintained at the level approved in EB-2010-0018. This figure represents the incremental costs over and above the commodity and transportation costs that form the PGCVA reference price to the gas supply function. These incremental costs are portions of administrative and general expenses, regulatory and consulting fees associated with the QRAM applications, return on rate base (working cash allowance related to gas commodity) and income taxes. This functionalization is unchanged from that approved in EB-2010-0018.

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

	EB-2016-0190 July 1, 2016	Proposed Oct. 1, 2016	Difference
PGCVA Reference Price	\$0.150838	\$0.164931	\$0.014093
GPRA Recovery	\$0.004647	\$0.001556	\$(0.003091)
System Gas Supply Cost	<u>\$0.000363</u>	<u>\$0.000363</u>	<u>\$0.000000</u>
Gas Commodity Charge	\$0.155848	\$0.166850	\$0.011002

## SUMMARY

In summary, NRG proposes to change the reference price for amounts to be recorded in the Purchased Gas Commodity Variance Account from \$0.150838 by \$0.014093 to \$0.164931 per m<sup>3</sup> effective October 1, 2016. Appendix B contains the accounting entries related to the PGCVA.

NRG also proposes to change the gas supply charge from \$0.155848 to \$0.166850 per m<sup>3</sup> effective October 1, 2016. This change reflects the change in the PGCVA reference price, as described above, the change related to the recovery of the GPRA balance, also as described above, and the continuation of the system gas supply cost. These changes apply to all system gas customers served under Rates 1, 2, 3, 4, 5 and 6.

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

Schedule 9 provides a bill comparison showing the impact of the proposed changes on a year over year basis for the appropriate quarter as well as the annual bill impact of the most recent quarterly change for an average residential customer. The annual bill impact related to the change in the commodity charges on a customer consuming approximately 2,009 m<sup>3</sup> is an increase of \$22.11.

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE

HISTORICAL TWELVE MONTH PERIOD - OCTOBER, 2015 TO SEPTEMBER, 2016

Act/Fcst	Month	Purchase Cost (\$'s)	M*3	Actual/ Forecast Price (\$/M*3)	Reference Price (\$/M*3)	Unit Rate Difference (\$/M*3)	Monthly PGCVA (\$'s)	Y-T-D PGCVA (\$'s) (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
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	87.8	1.10%
Actual	June	304,169	1,790,198	0.169908	0.145120	(0.024788)	-44,375.43	91,176.78	124.26	-68,730.40	-44,251.17	22,446.38	41.6	1.10%
Actual	July	342,850	1,997,735	0.171619	0.150838	(0.020781)	-41,514.93	49,661.85	83.58	-68,646.82	-41,431.35	-18,984.97	32.6	1.10%
Forecast	August	345,780	2,008,768	0.172135	0.150838	(0.021297)	-42,780.73	6,881.12	45.52	-68,601.30	-42,735.21	-61,720.18	42.8	1.10%
Forecast	September	<u>410,564</u>	<u>2,229,572</u>	<u>0.184145</u>	0.150838	(0.033307)	<u>-74,260.35</u>	<u>-67,379.23</u>	<u>6.31</u>	<u>-68,594.99</u>	<u>-74,254.04</u>	<u>-135,974.22</u>	<u>58.5</u>	1.10%
	Total	3,616,671	22,374,692	0.161641			153,183.20	-67,379.23	578.89	-68,594.99	153,762.09	-135,974.22	1,770.5	

PGCVA Balance per M\*3 Purchased (\$/M\*3) (\$0.006077)  
Forecast Average Residential Consumption per Customer 1,770.5 M\*3  
Estimated Impact on Average Residential Customer \$10.76 Customer Charge

- (1) Includes balance of -220,562.43 as of September, 2015  
(2) Includes balance of -69,173.88 as of September, 2015

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

HISTORICAL TWELVE MONTH PERIOD - OCTOBER, 2015 TO SEPTEMBER, 2016

	<u>Oct-15</u>	<u>Nov-15</u>	<u>Dec-15</u>	<u>Jan-16</u>	<u>Feb-16</u>	<u>Mar-16</u>	<u>Apr-16</u>	<u>May-16</u>	<u>Jun-16</u>	<u>Jul-16</u>	<u>Aug-16</u>	<u>Sep-16</u>	<u>Total</u>
<b><u>Volumes (m3)</u></b>													
Local Production (A)	84,931	82,192	84,931	84,931	138,833	145,691	142,194	71,066	0	0	0	165,231	1,000,000
Local Production (B)	68,087	71,522	73,227	64,540	0	0	0	0	0	0	0	34,769	312,144
Dawn Delivery	554,969	603,232	658,375	656,132	613,892	222,331	215,607	224,735	499,614	662,180	665,837	644,358	6,221,260
Parkway Delivery	975,952	942,359	978,816	975,481	912,682	794,833	770,795	803,429	953,035	986,871	992,322	960,311	11,046,885
Western Delivery	290,169	286,306	297,382	296,369	277,289	296,971	287,989	300,182	337,549	348,684	350,610	424,903	3,794,402
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	1,974,108	1,985,610	2,092,731	2,077,452	1,942,696	1,459,826	1,416,585	1,399,412	1,790,198	1,997,735	2,008,768	2,229,572	22,374,692

**Price (\$/m3)**

Local Production (A)	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	
Local Production (B)	0.198147	0.198147	0.198147	0.180838	0.180838	0.180838	0.169949	0.169949	0.169949	0.175382	0.175382	0.175382	
Dawn Delivery	0.173094	0.177011	0.154576	0.146302	0.155600	0.187251	0.186862	0.185247	0.143489	0.147274	0.149034	0.153352	
Parkway Delivery	0.172139	0.179197	0.175651	0.174059	0.176444	0.184016	0.183633	0.182047	0.167777	0.172360	0.172010	0.173321	
Western Delivery	0.146564	0.152528	0.152575	0.153293	0.152446	0.150450	0.148900	0.149196	0.139523	0.140227	0.141247	0.135388	
Ontario Delivered Gas	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	

**Total Gas Cost (\$)**

Local Production (A)	25,581	24,756	25,581	25,581	41,817	43,882	42,829	21,405	0	0	0	49,768	301,200
Local Production (B)	13,491	14,172	14,510	11,671	0	0	0	0	0	0	0	6,098	59,942
Dawn Delivery	96,062	106,779	101,769	95,993	95,521	41,632	40,289	41,632	71,689	97,522	99,232	98,814	986,933
Parkway Delivery	168,000	168,868	171,930	169,791	161,038	146,262	141,544	146,262	159,898	170,097	170,689	166,442	1,940,818
Western Delivery	42,528	43,670	45,373	45,431	42,272	44,679	42,881	44,786	47,096	48,895	49,523	57,527	554,661
Ontario Delivered Gas	0	0	0	(513,898)	0	0	0	0	0	0	0	0	(513,898)
TCPL Transportation	<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>26,336</u>	<u>26,336</u>	<u>31,916</u>	<u>287,016</u>
Total	367,660	379,997	381,641	-142,896	361,780	299,046	289,405	276,675	304,169	342,850	345,780	410,564	3,616,671

NATURAL RESOURCE GAS LIMITED

ACTUAL AND FORECAST GAS PRICES

HISTORICAL TWELVE MONTH PERIOD - OCTOBER, 2015 TO SEPTEMBER, 2016

	<u>Oct-15</u>	<u>Nov-15</u>	<u>Dec-15</u>	<u>Jan-16</u>	<u>Feb-16</u>	<u>Mar-16</u>	<u>Apr-16</u>	<u>May-16</u>	<u>Jun-16</u>	<u>Jul-16</u>	<u>Aug-16</u>	<u>Sep-16</u>
<u>Local Production</u>												
Local Production (A) (\$/GJ)	7.703	7.686	7.726	7.699	7.700	7.715	7.731	7.798	7.773	7.770	7.813	7.813
Local Production (B) (\$/GJ)	5.068	5.056	5.082	4.623	4.623	4.632	4.362	4.400	4.386	4.524	4.549	4.549
<u>Dawn</u> (\$/GJ)	4.427	4.517	3.965	3.740	3.978	4.796	4.796	4.796	3.703	3.799	3.866	3.978
<u>Parkway</u> (\$/GJ)	4.402	4.573	4.505	4.449	4.511	4.713	4.713	4.713	4.330	4.447	4.462	4.496
<u>Western Deliveries</u> (\$/GJ)	3.748	3.892	3.913	3.919	3.897	3.854	3.822	3.863	3.601	3.618	3.664	3.512
Fuel Ratio (%)	3.83%	3.74%	5.08%	5.08%	5.61%	4.01%	1.87%	3.46%	4.13%	4.13%	4.00%	4.00%
<u>TCPL Transportation</u> (\$/GJ)												
TCPL Toll	1.9388	1.9388	1.9388	1.9436	1.9485	1.9485	1.9485	1.9485	1.9485	1.9485	1.9485	1.9485
GJ/day (TCPL)	366	374	374	374	374	374	374	374	436	436	436	546
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)	2,297	2,393	2,433	2,433	2,433	1,655	1,655	1,655	2,312	2,498	2,498	2,608
<u>Ontario Delivered Gas</u> (\$/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
Heat Value (GJ/103m3)	39.10	39.19	38.99	39.12	39.11	39.04	38.96	38.62	38.75	38.76	38.55	38.55

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT

PROJECTED TWELVE MONTH FORWARD PERIOD - OCTOBER, 2016 TO SEPTEMBER, 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
October	495,046	2,897,925	0.170828	0.164931	(0.005897)	-17,089.06	-84,468.29	-61.76	-68,656.75	-17,150.82	-153,125.04	118.7	1.10%
November	652,934	4,213,441	0.154965	0.164931	0.009966	41,991.15	-42,477.14	-77.43	-68,734.18	41,913.72	-111,211.32	202.7	1.10%
December	552,343	3,545,062	0.155806	0.164931	0.009125	32,348.69	-10,128.45	-38.94	-68,773.12	32,309.75	-78,901.57	321.8	1.10%
January	632,981	4,079,235	0.155171	0.164931	0.009760	39,813.33	29,684.88	-9.28	-68,782.40	39,804.05	-39,097.52	355.2	1.10%
February	627,728	4,050,527	0.154974	0.164931	0.009957	40,331.10	70,015.98	27.21	-68,755.19	40,358.31	1,260.79	293.2	1.10%
March	379,335	2,398,995	0.158122	0.164931	0.006809	16,334.76	86,350.74	64.18	-68,691.01	16,398.94	17,659.73	246.2	1.10%
April	284,804	1,774,815	0.160470	0.164931	0.004461	7,917.45	94,268.19	79.15	-68,611.86	7,996.60	25,656.33	186.6	1.10%
May	133,766	772,255	0.173214	0.164931	(0.008283)	-6,396.59	87,871.60	86.41	-68,525.45	-6,310.18	19,346.15	89.7	1.10%
June	97,530	534,247	0.182556	0.164931	(0.017625)	-9,416.10	78,455.50	80.55	-68,444.90	-9,335.55	10,010.60	53.1	1.10%
July	85,991	455,777	0.188668	0.164931	(0.023737)	-10,818.78	67,636.72	71.92	-68,372.98	-10,746.86	-736.26	40.9	1.10%
August	170,868	1,018,033	0.167841	0.164931	(0.002910)	-2,962.48	64,674.24	62.00	-68,310.98	-2,900.48	-3,636.74	42.8	1.10%
September	<u>237,953</u>	<u>1,464,460</u>	<u>0.162485</u>	0.164931	0.002446	<u>3,582.07</u>	<u>68,256.31</u>	<u>59.28</u>	<u>-68,251.70</u>	<u>3,641.35</u>	<u>4.61</u>	<u>58.5</u>	1.10%
Total	4,351,277	27,204,772	0.159945			135,635.54	68,256.31	343.29	-68,251.70	135,978.83	4.61	2,009.4	

PGCVA Balance per M\*3 Purchased (\$/M\*3)

\$0.000000

Forecast Average Residential Consumption per Customer

2,009.4 M\*3

Estimated Impact on Average Residential Customer

\$0.00 Customer Rebate

(1) Includes Sept., 2016 year-to-date balance of (\$67,379.23) (See Schedule 2)

(2) Includes Sept., 2016 year-to-date balance of (\$68,594.99) (See Schedule 2)

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

PROJECTED TWELVE MONTH FORWARD PERIOD - OCTOBER, 2016 TO SEPTEMBER, 2017

	<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>Jul-17</u>	<u>Aug-17</u>	<u>Sep-17</u>	<u>Total</u>
<b><u>Volumes (m3)</u></b>													
Local Production (A)	84,932	82,192	84,932	84,932	76,708	84,932	82,192	84,932	82,192	84,932	84,932	82,192	1,000,000
Local Production (B)	115,068	117,808	115,068	115,068	123,292	115,068	117,808	115,068	117,808	115,068	115,068	117,808	1,400,000
Dawn Delivery	665,837	0	0	0	0	0	0	0	0	0	0	0	665,837
Parkway Delivery	1,617,951	0	0	0	0	0	0	0	0	0	0	0	1,617,951
Western Delivery	414,137	0	0	0	0	0	0	0	0	0	0	0	414,137
Union Gas	<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>255,777</u>	<u>818,033</u>	<u>1,264,460</u>	<u>22,106,847</u>
Total	2,897,925	4,213,441	3,545,062	4,079,235	4,050,527	2,398,995	1,774,815	772,255	534,247	455,777	1,018,033	1,464,460	27,204,772
<b><u>Price (\$/m3)</u></b>													
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)	0.189432	0.189432	0.189432	0.189432	0.189432	0.189432	0.189432	0.189432	0.189432	0.189432	0.189432	0.189432	
Dawn Delivery	0.153005	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Parkway Delivery	0.158903	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Western Delivery	0.139050	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Union Gas	0.000000	0.150958	0.150958	0.150958	0.150958	0.150958	0.150958	0.150958	0.150958	0.150958	0.150958	0.150958	
<b><u>Total Gas Cost (\$)</u></b>													
Local Production (A)	25,582	24,756	25,582	25,582	23,104	25,582	24,756	25,582	24,756	25,582	25,582	24,756	301,200
Local Production (B)	21,798	22,317	21,798	21,798	23,355	21,798	22,317	21,798	22,317	21,798	21,798	22,317	265,205
Dawn Delivery	101,876	0	0	0	0	0	0	0	0	0	0	0	101,876
Parkway Delivery	257,097	0	0	0	0	0	0	0	0	0	0	0	257,097
Western Delivery	57,586	0	0	0	0	0	0	0	0	0	0	0	57,586
Union Gas	0	605,861	504,964	585,602	581,268	331,956	237,731	86,386	50,457	38,612	123,489	190,880	3,337,205
TCPL Transportation	<u>31,108</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>31,108</u>
Total	495,046	652,934	552,343	632,981	627,728	379,335	284,804	133,766	97,530	85,991	170,868	237,953	4,351,277



[illegible]

NATURAL RESOURCE GAS LIMITED

GAS PURCHASE REBALANCING ACCOUNT

OCTOBER, 2015 THROUGH SEPTEMBER, 2017

Month	Purchase Volume (M <sup>3</sup> ) A	Throughput Volume (M <sup>3</sup> ) B	Direct Purchase Volume (M <sup>3</sup> ) C	System Sales Volume (M <sup>3</sup> ) D=B-C	Deemed U.F.G. (M <sup>3</sup> ) E	System Sales + U.F.G. (M <sup>3</sup> ) F=D+E	Monthly Inventory Balance (M <sup>3</sup> ) G=A-F	Cumulative Inventory (M <sup>3</sup> ) H (1)	Reference Price (\$/M <sup>3</sup> ) I	Inventory Revaluation (\$'s) J	Inventory Rate (\$/M <sup>3</sup> ) K	Inventory Recovery (\$'s) L=KxD	Y-T-D GPRA Balance (\$'s) M (2)	Monthly Interest (\$'s) N	Y-T-D Interest (\$'s) O (3)	Total Y-T-D GPRA (\$'s) P=M+O	Monthly Interest Rate
October	1,974,108	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	-8,214.86	0.005152	13,763.48	-143,237.47	-136.39	-2,370.67	-145,608.14	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	-133,664.41	-131.30	-2,501.97	-136,166.38	1.10%
May	1,399,412	4,488,764	3,470,788	1,017,976	0	1,017,976	381,436	6,835	0.145120	0.00	0.004746	4,831.31	-128,833.10	-122.53	-2,624.50	-131,457.60	1.10%
June	1,790,198	3,845,242	3,338,004	507,238	0	507,238	1,282,960	1,289,795	0.145120	7,375.05	0.004746	2,407.35	-119,050.70	-118.10	-2,742.60	-121,793.30	1.10%
July	1,997,735	3,861,385	3,460,436	400,949	0	400,949	1,596,786	2,886,581	0.150838	0.00	0.004647	1,863.21	-117,187.49	-109.13	-2,851.73	-120,039.22	1.10%
August	2,008,768	3,781,486	2,963,453	818,033	0	818,033	1,190,735	4,077,316	0.150838	0.00	0.004647	3,801.40	-113,386.09	-107.42	-2,959.15	-116,345.24	1.10%
September	2,229,572	4,581,850	3,117,390	1,464,460	0	1,464,460	765,112	4,842,428	0.150838	68,244.34	0.004647	6,805.35	-38,336.41	-103.94	-3,063.09	-41,399.50	1.10%
October	2,897,925	5,347,058	2,953,074	2,393,984	0	2,393,984	503,941	5,346,369	0.164931	0.00	0.001556	3,725.04	-34,611.37	-35.14	-3,098.23	-37,709.60	1.10%
November	4,213,441	8,031,699	3,818,258	4,213,441	0	4,213,441	0	5,346,369	0.164931	0.00	0.001556	6,556.11	-28,055.26	-31.73	-3,129.96	-31,185.22	1.10%
December	3,545,062	7,547,799	4,002,737	3,545,062	0	3,545,062	0	5,346,369	0.164931	0.00	0.001556	5,516.12	-22,539.14	-25.72	-3,155.68	-25,694.82	1.10%
January	4,079,235	8,145,577	4,066,342	4,079,235	0	4,079,235	0	5,346,369	0.164931	0.00	0.001556	6,347.29	-16,191.85	-20.66	-3,176.34	-19,368.19	1.10%
February	4,050,527	7,698,962	3,648,435	4,050,527	0	4,050,527	0	5,346,369	0.164931	0.00	0.001556	6,302.62	-9,889.23	-14.84	-3,191.18	-13,080.41	1.10%
March	2,398,995	6,317,069	3,918,074	2,398,995	0	2,398,995	0	5,346,369	0.164931	0.00	0.001556	3,732.84	-6,156.39	-9.07	-3,200.25	-9,356.64	1.10%
April	1,774,815	4,949,806	3,174,991	1,774,815	0	1,774,815	0	5,346,369	0.164931	0.00	0.001556	2,761.61	-3,394.78	-5.64	-3,205.89	-6,600.67	1.10%
May	772,255	4,337,042	3,564,787	772,255	0	772,255	0	5,346,369	0.164931	0.00	0.001556	1,201.63	-2,193.15	-3.11	-3,209.00	-5,402.15	1.10%
June	534,247	3,889,961	3,355,714	534,247	0	534,247	0	5,346,369	0.164931	0.00	0.001556	831.29	-1,361.86	-2.01	-3,211.01	-4,572.87	1.10%
July	455,777	3,370,949	2,915,172	455,777	0	455,777	0	5,346,369	0.164931	0.00	0.001556	709.19	-652.67	-1.25	-3,212.26	-3,864.93	1.10%
August	1,018,033	3,981,486	2,963,453	1,018,033	0	1,018,033	0	5,346,369	0.164931	0.00	0.001556	1,584.06	931.39	-0.60	-3,212.86	-2,281.47	1.10%
September	1,464,460	4,581,850	3,117,390	1,464,460	0	1,464,460	0	5,346,369	0.164931	0.00	0.001556	2,278.70	3,210.09	0.85	-3,212.01	-1.92	1.10%

(1) Includes balance of 4,812,536 as of Sept., 2015  
(2) Includes balance of -186,191.92 as of Sept., 2015  
(3) Includes balance of -1,443.98 as of Sept., 2015

**NATURAL RESOURCE GAS LIMITED**

**RESIDENTIAL BILL COMPARISONS**

**QUARTERLY BILL IMPACT**

	Quarter Starting 01-Oct-15 <u>EB-2015-0261</u>	Quarter Starting 01-Oct-16 <u>EB-2016-0266</u>	\$ <u>Change</u>	Percent <u>Change</u>
Average Residential Consumption for Quarter	643.2	643.2		
Monthly Charges	\$40.50	\$40.50	\$0.00	0.0%
Delivery Charges	\$104.40	\$104.40	\$0.00	0.0%
Total Commodity Charges	<u>\$128.69</u>	<u>\$107.32</u>	<u>(\$21.37)</u>	<u>-16.6%</u>
Total Customer Charges	\$273.59	\$252.22	(\$21.37)	-7.8%

**ANNUAL BILL IMPACT**

	01-Jul-16 <u>EB-2016-0190</u>	01-Oct-16 <u>EB-2016-0266</u>	\$ <u>Change</u>	Percent <u>Change</u>
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>\$313.16</u>	<u>\$335.27</u>	<u>\$22.11</u>	<u>7.1%</u>
Total Customer Charges	\$801.31	\$823.42	\$22.11	2.8%

**RATES USED**

	01-Oct-15 <u>EB-2015-0261</u>	01-Jul-16 <u>EB-2016-0190</u>	01-Oct-16 <u>EB-2016-0266</u>
Monthly charge	13.50	13.50	13.50
Delivery Charge	0.162312	0.162312	0.162312
Total Commodity Charge	0.200078	0.155848	0.166850

**APPENDIX “A” TO  
DECISION AND INTERIM ORDER  
BOARD FILE No. EB-2016-0266  
DATED SEPTEMBER 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 <sup>3</sup> per month	16.2312 cents per m <sup>3</sup>
	All over 1,000 m <sup>3</sup> per month	10.9099 cents per m <sup>3</sup>
c)	Gas Supply Charge and System Gas Refund Rate Rider (if applicable)	Schedule A

#### Meter Readings

Gas consumption by each customer under this rate schedule shall be determined by monthly meter reading, provided that in circumstances beyond the control of the company such as strikes or non-access to a meter, the company may estimate the consumption each month as of the scheduled date of the regular monthly meter reading and render a monthly bill to the customer thereof.

#### Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

#### Bundled Direct Purchase Delivery

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Effective: October 01, 2016

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

EB-2016-0266

## 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 <sup>3</sup> per month	15.8212 cents per m <sup>3</sup>	19.9424 cents per m <sup>3</sup>
Next 24,000 m <sup>3</sup> per month	9.4826 cents per m <sup>3</sup>	15.6960 cents per m <sup>3</sup>
All over 25,000 m <sup>3</sup> per month	6.1698 cents per m <sup>3</sup>	15.2899 cents per m <sup>3</sup>
c) Gas Supply Charge and System Gas Refund Rate Rider (if applicable)		Schedule A

#### Meter Readings

Gas consumption by each customer under this rate schedule shall be determined by monthly meter reading, provided that in circumstances beyond the control of the company such as strikes or non-access to a meter, the company may estimate the consumption each month as of the scheduled date of the regular monthly meter reading and render a monthly bill to the customer thereof.

#### Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

#### Bundled Direct Purchase Delivery

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Effective: October 01, 2016

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

EB-2016-0266

## 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 m<sup>3</sup>; and
- c) a qualifying annual volume of at least 113,000 m<sup>3</sup>.

#### 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 m<sup>3</sup> for each m<sup>3</sup> 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 m<sup>3</sup>,
- (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 m<sup>3</sup> and not to be less than 7.9412 per m<sup>3</sup>.

- 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 m<sup>3</sup> for firm gas and 5.4412 cents per m<sup>3</sup> 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 m<sup>3</sup> and a gas supply commodity charge as set out in Schedule A, if applicable. Gas purchased under this clause will not contribute to the minimum volume.

#### **Bundled Direct Purchase Delivery**

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

#### **Delayed Payment Penalty**

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Effective: October 01, 2016

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

EB-2016-0266



## 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 <sup>3</sup> per month	15.8149 cents per m <sup>3</sup>	20.1755 cents per m <sup>3</sup>
All over 1,000 m <sup>3</sup> per month	10.5218 cents per m <sup>3</sup>	16.9052 cents per m <sup>3</sup>
c) Gas Supply Charge and System Gas Refund Rate Rider (if applicable)		Schedule A

#### Meter Readings

Gas consumption by each customer under this rate schedule shall be determined by monthly meter reading provided that in circumstances beyond the control of the company such as strikes or non-access to a meter, the company may estimate the consumption each month as of the scheduled date of the regular monthly meter reading and render a monthly bill to the customer thereof.

#### Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

#### Bundled Direct Purchase Delivery

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Effective: October 01, 2016

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

EB-2016-0266

## 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 m<sup>3</sup>; and
- c) a qualifying annual volume of at least 50,000 m<sup>3</sup>.

#### 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 m<sup>3</sup> and not to be less than 5.4612 per m<sup>3</sup>.

- 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 m<sup>3</sup>. 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 m<sup>3</sup> for interruptible gas.

**Bundled Direct Purchase Delivery**

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

**Delayed Payment Penalty**

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Effective: October 01, 2016

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

EB-2016-0266

## 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 m<sup>3</sup> for each m<sup>3</sup> 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 m<sup>3</sup>,

(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 m<sup>3</sup> and not to be less than 7.9412 per m<sup>3</sup>.

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 m<sup>3</sup> for firm gas and 5.4412 cents per m<sup>3</sup> 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 m<sup>3</sup> and a gas supply commodity charge as set out in Schedule A, if applicable. Gas purchased under this clause will not contribute to the minimum volume.

#### **Bundled Direct Purchase Delivery**

Where IGPC elects under this rate schedule to directly purchase its gas from a supplier other than NRG, IGPC or its agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to IGPC if it elects said Bundled T transportation service.

Unless otherwise authorized by NRG, IGPC, when delivering gas to NRG under direct purchase arrangements, must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

#### **Delayed Payment Penalty**

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Effective: October 01, 2016

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

EB-2016-0266

## 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-2016-0266)	16.4931 cents per m <sup>3</sup>
GPRA Recovery Rate	(EB-2016-0266)	0.1556 cents per m <sup>3</sup>
System Gas Fee	(EB-2010-0018)	<u>0.0363</u> cents per m <sup>3</sup>
Total Gas Supply Charge		<u>16.6850</u> cents per m <sup>3</sup>

Note:

PGCVA means Purchased Gas Commodity Variance Account

GPRA means Gas Purchase Rebalancing Account

Effective: October 01, 2016

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

EB-2016-0266

## NATURAL RESOURCE GAS LIMITED

### **RATE BT1 – Bundled Direct Purchase Contract Rate**

#### **Availability**

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

#### **Eligibility**

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

#### **Rate**

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

Note:

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

Effective: October 01, 2016

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

EB-2016-0266

## **NATURAL RESOURCE GAS LIMITED**

### **Transmission Service**

#### **Availability**

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

#### **Eligibility**

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

#### **Rate**

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

Effective: October 01, 2016

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

EB-2016-0266



**APPENDIX “B” TO  
DECISION AND INTERIM ORDER  
BOARD FILE No. EB-2016-0266  
DATED SEPTEMBER 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-2016-0266  
DATED SEPTEMBER XX, 2016**

## **IMPORTANT INFORMATION ABOUT YOUR GAS BILL**

### **Gas Commodity:**

On all bills rendered by Natural Resource Gas Limited ("NRG") on or after October 1, 2016, the price we charge for the gas commodity and transportation portion of your bill will be increasing by \$0.011002 per cubic meter to \$0.166850 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 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 \$22 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.

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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.