



Delivered by Email

Ontario Energy Board
2300 Yonge Street,
Suite 2601
Toronto, ON M4P 1E4
Attention: Kristin Walli, Board Secretary

November 28, 2016

Dear Ms.Walli,

RE: EB-2016-0330 Natural Resource Gas Limited – 2017 Cap-and-Trade Compliance Plan

It has come to our attention that there was an error in the calculation of costs within table 10 of our earlier submission.

In the interest of time and for the approval of rates, please accept the corrected table.

NRG will make further changes to the original submission, to ensure corrections to language and content affected by the error. We will resubmit the fully corrected version of our 2017 Compliance Plan by the end of day on Wednesday, November 30, 2016.

If you should have any questions regarding this submission, please contact me at (519)773-5321, Ext. 205

Sincerely,

Brian Lippold,
General Manager,
Natural Resource Gas Ltd.

Risk Mitigation and Scenario Analysis

Scenario analysis for the duration of the compliance period that includes high, medium and low risk scenarios associated with price risk and volume variability highlighted

Table 10 – Cost Pass-through calculations for medium, high, and low risk scenarios as it pertains to NRG's Cap and Trade compliance plan

	Row	Scenarios		
		MEDIUM RISK	HIGH RISK	LOW RISK
Allowance Price (USD per allowance)	A	\$13.04	\$13.04	\$13.04
Exchange Rate (USD per CAD)	B	0.749	0.6854	0.7969
Allowance Price (CAD per allowance)	C = A ÷ B	\$17.41	\$19.03	\$16.36
Emission (t CO ₂ e): Customer-Related	D	59,069	64,976	53,162
Emission (t CO ₂ e): Facility-Related	E	1,650	1,815	1,485
Allowances required, Total	F	61,000	67,000	55,000
Compliance Costs (\$ CAD)				
Cost of allowance, Customer-related	G = C x D	\$1,028,391	\$1,236,493	\$869,730
Cost of allowance, Facility-related	H = C x E	\$28,727	\$34,539	\$24,295
Administrative Cost	I	\$100,000	\$100,000	\$100,000
Facility-Related Natural Gas Consumption (m3)	J	857,511	943,262	771,760
Customer-Related Natural Gas Consumption (m3)				
without LFE	K	30,701,120	33,771,232	27,631,008
with LFE	L	64,117,736	70,529,509	57,705,962
Compliance Costs (cents per m3)				
Allowance Cost pass-through, Customer-related (via Delivery Charge)	M = G ÷ K	3.3497	3.6610	3.1480
Allowance Cost pass-through, Facility-related (via Delivery Charge)	N = H ÷ L	0.0448	0.0539	0.0379
Administrative Cost pass-through (via Administrative Charge)	O = I ÷ L	0.1560	0.1420	0.1730

NRG has filed, in confidence, its 5-year Gas Distribution Rate Application under the file number EB-2016-0236. In that application under Exhibit 1, Paragraph 4 (d) NRG requests the establishment of a deferral account to capture all costs related to GHG emission allowance procurement and all cost associated with the delivery of the Ontario Cap and Trade Program.