

ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF an Application by Natural Resource Gas Limited for an order or orders approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of gas as of January 1, 2017;

AND IN THE MATTER OF the Quarterly Rate Adjustment Mechanism.

APPLICATION

1. As part of the EB-2016-0266 Decision and Order dated September 22, 2016 the Board approved a PGCVA reference price of \$0.164931 per m³ and a gas supply charge of \$0.166850 per m³, both effective October 1, 2016.
2. Based on actual and forecast natural gas prices for the January, 2016 through December, 2016 period the PGCVA balance is projected to be a charge of approximately \$7.46 per residential customer.
3. NRG hereby applies to the Board for further orders effective January 1, 2017 as follows:
 - a) an order changing the reference price authorized by the Board's EB-2016-0266 Decision and Order for use in determining the amounts to be recorded in the Purchased Gas Commodity Variance Account (Account No. 179-27) by \$0.011073 per m³ from the Board approved level of \$0.164931 per m³ to \$0.176004 per m³;
 - b) an order changing the rates and other charges from those authorized by the Board's EB-2016-0266 Decision and Order to reflect a projected

\$0.007749 per m³ change in the gas supply charge from the Board approved level of \$0.166850 per m³ to a projected cost of \$0.174599 per m³. This change is the sum of the change in the PGCVA reference price, the change required to prospectively clear the balance of the Gas Purchase Rebalancing Act and the continuation of the system gas supply cost approved in EB-2010-0018.

4. This application will be supported by written evidence that will be pre-filed with the Board and intervenors of record in EB-2015-0115.
5. Pursuant to the criteria established in the Board's EB-2008-0106 Decision, below is the Board's direction with respect to the timeline for processing the application:
 - * Parties to this proceeding wishing to make comments on the application may do so by filing such submissions with the Board Secretary (two hard copies plus an electronic copy by e-mail) and NRG no later than 4:45 p.m. five calendar days following the filing of the QRAM application;
 - * NRG shall reply to any comments received by filing such replies with the Board Secretary (two hard copies plus an electronic copy by e-mail) and serving a copy on all parties who make submissions no later than 4:45 p.m. three calendar days following receipt of comments;
 - * The Board issues its Decision and Order by the 25th of the month for implementation effective January 1, 2017.
6. The address of service for Natural Resource Gas Limited is:

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Dated at London, Ontario, this 12th day of December, 2016.

NATURAL RESOURCE GAS LIMITED

Brian Lippold
General Manager

NATURAL RESOURCE GAS LIMITED

INTRODUCTION

As part of the EB-2016-02166 Decision and Order dated September 22, 2016 the Board approved a Purchased Gas Commodity Variance Account (“PGCVA”) reference price of \$0.164931 per m³ and a gas supply charge of \$0.166850 per m³, both effective October 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-2016-0266, the Board approved a GPRA rate of \$0.001556 per m³.

NRG is proposing to adjust the gas supply charge, the GPRA rate and the PGCVA reference price effective January 1, 2017 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 \$7.46 per average residential customer for the twelve month period ending December, 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 October, 2016. The remaining months in the
3 twelve-month period ending December, 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 January, 2017, through December, 2017
7 period, except where actual contracted prices are available.

8
9 EB-2014-0053/EB-2014-0361/EB-2015-0044 Decision and Order

10 As per the EB-2014-0053/EB-2014-0361/EB-2015-0044 Decision and Order dated
11 January 14, 2016, NRG has credited the system gas customers an amount of \$513,898.

12
13 In the EB-2014-0053/EB-2014-0361/EB-2015-0044 Decision and Order, the OEB
14 directed NRG to provide sufficient evidence in its next QRAM application to allow the
15 OEB to determine that the credit amount was calculated and allocated appropriately.

16
17 The credit of \$513,898, which is shown in the January, 2016 column on the Union Gas
18 line of the Total Gas Cost section of Schedule 3 represents the difference between the
19 amount included based upon the interim order in EB-2014-0053 of \$695,429 and the final
20 amount approved for recovery from customers of \$181,531 noted in the January 14, 2016
21 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.

26
27 Gas Supply Portfolio

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

30

1 Effective November 1, 2016, NRG's gas supply portfolio includes local production and
2 the purchase of system gas from Union Gas.

3
4 NRG was a direct purchase customer on the Union Gas system until the end of October,
5 2016. Under its bundled transportation contract, NRG was obligated to deliver a fixed
6 amount of gas each day to Union. This amount was determined by Union and was based
7 on the expected annual volume divided by 365 (366 in a leap year).

8
9 NRG was required to balance its total supply with its total demand on the Union Gas
10 system on an annual basis, at the time that the direct purchase contract with Union Gas is
11 renewed. In particular, NRG was required to balance its supply with its demand on the
12 Union system to within +/-4% at the end of the contract year. This entailed NRG
13 purchasing additional gas or shedding excess gas.

14
15 The bundled transportation contract year-end corresponded with the end of NRG's fiscal
16 year (September 30). NRG purchased additional balancing gas or sold gas and/or
17 reduced deliveries such that total demand on the Union system was offset by the supply
18 provided to Union Gas to remain within the contract parameters.

19
20 NRG returned to system gas purchases from Union Gas effective November 1, 2016. As
21 such, the bundled transportation contract was extended by one month to the end of
22 October, 2016. This was required to accommodate NRG's gas purchase contracts, some
23 of which extended to the end of October, 2016. NRG is required to balance to 0 on the
24 Union system when it became a system gas customer on the Union system at the
25 beginning of November, 2016. NRG sold some excess gas in October, 2016, as
26 described below. In addition, NRG will have further balancing requirements once it
27 receives the final banked gas account ("BGA") report from Union. At this time, NRG
28 has not received this report.

29
30

1 October, 2016 Balancing Gas

2 As noted above, when NRG returned to system gas purchases from Union Gas on
3 November 1, 2016, it was required to balance the consumption and deliveries under the
4 direct purchase contract that expired at the end of October, 2016.

5

6 NRG shed excess gas that had been delivered to Union over the course of the direct
7 purchase contract with Union in order to begin the required balancing to 0 on the Union
8 system. NRG sold 594,882 m³ at an average rate of \$0.157123 per m³ for total revenue
9 of \$93,470. These figures are shown on the Union Gas line in Schedule 3 in the October
10 column. The selling price is equivalent to \$4.064 per GJ, as shown in Schedule 4 in the
11 Union Gas line and in the October column.

12

13 As noted above, NRG will complete its balancing requirements with Union once it
14 receives the BGA report from Union.

15

16 System Gas Purchases

17 As noted above, NRG is now a system gas customer on the Union system on behalf of its
18 own system gas customers. NRG continues to have direct purchase customers on its
19 system and will continue to ensure that they continue to balance their supply and demand.

20

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

23

24 The composition of the gas supply portfolio volumes for the January, 2016 through
25 December, 2016 period is shown on the top of Schedule 3. This schedule shows the
26 monthly volume of gas purchased or forecast to be purchased from local producers,
27 obligated deliveries at Parkway, at Dawn and the Alberta border (Western), and from
28 Union Gas (including the sale of balancing gas in October noted above). Similarly, the
29 composition of the gas supply portfolio volumes for the January, 2017 through
30 December, 2017 period is shown on the top of Schedule 6.

1

2 Gas Costs

3 NRG's actual and forecast gas costs for the January, 2016 through December, 2016
4 period, by source of supply, are shown in Schedule 4 in \$/GJ. These prices are also
5 shown in the middle section of Schedule 3 in \$/m³. The conversion factor used is based
6 on the heat values used by Union Gas in their calculation of NRG's Banked Gas Account
7 balances. The conversion factors used are also shown in Schedule 4. All prices shown
8 are actual prices paid in January, 2016 through October, 2016, including the refund to
9 system gas customers of \$513,898 as ordered in EB-2014-0053/EB-2014-0361/EB-2015-
10 0044. Prices for the remaining months in this period are based on estimated prices to be
11 paid in those months.

12

13 Forecast gas prices for each of the sources of supply for the January, 2017 through
14 December, 2017 period are described below.

15

16 NRG Corp. Pricing

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

20

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

26

27 The remaining gas purchased from NRG Corp. is shown in the line labeled "Local
28 Production (B)". This gas was priced at the approved Union Gas Ontario landed
29 reference price for each quarter, as per the Board EB-2010-0018 Decision and Order
30 dated December 6, 2010. The January, 2016 through March, 2016 price was \$0.180838,

1 reflecting the Board's Decision and Order in EB-2015-0340 dated December 22, 2015.
2 The April, 2016 through June, 2016 price was \$0.169949, reflecting the Board's Decision
3 and Order in EB-2016-0040 dated March 23, 2016. The July, 2016 through September,
4 2016 price was \$0.175382, reflecting the Board's Decision and Order in EB-2016-0181
5 dated June 23, 2016. The October, 2016 through December, 2016 price was \$0.189432,
6 reflecting the Board's Decision and Order in EB-2016-0247 dated September 22, 2016.
7 These prices are shown in Schedule 3.

8
9 The NRG Corp. prices over the January, 2017 through December, 2017 period shown in
10 Schedule 6 reflect the Board approved price of \$0.301200 per m³ for 1,000,000 m³ as
11 shown on the Local Production (A) line. The remaining gas forecast to be purchased
12 from NRG Corp. is shown on the Local Production (B) line. As noted above, the Board
13 approved the price for this gas at the approved Union Gas Ontario landed reference price
14 for each quarter.

15
16 As explained in Union's current QRAM application (EB-2016-0334), Union no longer
17 calculates an Ontario landed reference price. This reference price has been replaced by
18 the Dawn reference price. This is described on pages 5-6 and 10-11 of Tab 1 of the
19 Union evidence, as well as in the table and notes that follow the table on page 2 of the
20 application. NRG has, therefore, used the Dawn reference price of \$0.161100 per m³ for
21 the gas in excess of 1,000,000 m³ per year forecast to be purchased from NRG Corp.
22 This figure can be found in Union's evidence at line 15 of page 1 in Tab 2.

23
24 At the time this application was prepared the Union Gas QRAM price for January 1, 2017
25 rates was not yet approved by the Board. Any differences between the applied for and
26 Board approved Dawn reference price for Union will be reflected in NRG's next QRAM
27 application and evidence.

28
29
30

1 Union Gas System Gas Pricing

2 As noted earlier, NRG returned to system gas purchases on the Union Gas system on
3 November 1, 2016.

4

5 The price forecast for this gas has been taken from the Union's QRAM application in EB-
6 2016-0334 dated December 9, 2016, where the gas supply commodity charge has been
7 forecast as \$0.167188 per m³ and is shown in the Union Gas line on NRG's Schedule 6
8 and in \$/GJ on Schedule 7. The \$0.167188 per m³ figure is taken from Union's
9 application on page 6 in Schedule A to EB-2016-0334. This is Union's Total Gas Supply
10 Commodity Charge for Utility Sales.

11 At the time this application was prepared the Union gas supply commodity charge for
12 January 1, 2017 rates was not yet approved by the Board. Any differences between the
13 applied for and Board approved gas supply commodity charge Union will be reflected in
14 NRG's next QRAM application and evidence.

15

16 Other Forecast Assumptions

17 The heat value used to convert GJ to m³ is 38.81 GJ/10³ m³. This is consistent with the
18 figure used by Union Gas in their QRAM application. It is found on page 1 of Tab 2 in
19 EB-2016-0334, at lines 18 - 19. NRG uses this conversion factor to calculate the cost in
20 \$/GJ.

21

22 PGCVA Balance

23 The projected December, 2016 balance in the PGCVA is a debit of \$105,593.75
24 including a debit of \$68,850.04 in accumulated interest, based on the Board's prescribed
25 interest rate. This estimate is based on actual and forecasted purchases and the balance
26 brought forward from December, 2015. The PGCVA debit amounts to a charge of
27 approximately \$7.46 for a typical residential customer consuming approximately 1,865.8
28 m³ per year. These figures are shown on Schedule 2.

29

30

1 Proposed PGCVA Rate Changes

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

7

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

11

12 NRG proposes to change the reference price by \$0.011073 per m³ effective January 1,
13 2017, from \$0.164931 per m³ to \$0.176004 per m³. The derivation of this rate is shown
14 in Schedule 5. This is the reference price required to bring the PGCVA balance close to
15 zero on a twelve month forecast basis. This change will also be reflected in the gas
16 commodity charge.

17

18 **GAS PURCHASE REBALANCING ACCOUNT**

19 The impact on the GPRA of the proposed January 1, 2017 PGCVA reference price
20 change from \$0.164931 per m³ to \$0.176004 per m³ is a credit of \$66,568.97, as shown
21 on Schedule 8. This figure is shown in column (J) of Schedule 8 on the December, 2016
22 line. It is calculated as the change in the PGCVA reference price between December,
23 2016 and January, 2017, multiplied by the cumulative inventory balance at the end of
24 December. This cumulative inventory balance is the sum of the actual monthly inventory
25 balances for October, 2016 and forecasts for the subsequent months. These forecasts will
26 be replaced with actual balances for these months in subsequent QRAM applications as
27 this information becomes available. As well, the monthly inventory balances are based
28 on a deemed level of unaccounted for gas ("UFG") of the total throughput volume, as
29 shown in column (E) of Schedule 8. The 0.0% is the Board approved level of UFG from
30 EB-2010-0018.

1

2 NRG proposes to adjust the gas commodity charge effective January 1, 2017 based on the
3 projected accumulated balance in the GPRA. The adjustment to the gas commodity
4 charge will be set such that the projected GPRA balance at the end of December, 2017
5 will be close to zero. The rate required to achieve this is shown in column (K) on
6 Schedule 8. Column (P) shows the reduction of the inventory revaluation balance based
7 on this rate of \$(0.001768) per m³ over the January, 2017 through December, 2017
8 period.

9

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

14

15 **GAS COMMODITY CHARGE**

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

23

24 The change in the gas commodity charge proposed for January 1, 2017 is summarized
25 below. The change in the gas commodity charge reflects both the change in the PGCVA
26 reference price and the change in the recovery of the inventory revaluation amount in the
27 GPRA. The change in the gas commodity charge is as follows:

28

29

30

	EB-2016-0266 Oct1, 2016	Proposed Jan. 1, 2017	Difference	
1				
2				
3	PGCVA Reference Price	\$0.164931	\$0.176004	\$0.011073
4	GPRA Recovery	\$0.001556	\$(0.001768)	\$(0.003324)
5	System Gas Supply Cost	<u>\$0.000363</u>	<u>\$0.000363</u>	<u>\$0.000000</u>
6	Gas Commodity Charge	\$0.166850	\$0.174599	\$0.007749
7				

OTHER CHANGES TO PROPOSED RATE SCHEDULES

In addition to the changes noted above related to the PGCVA reference price, the GPRA recovery rate and the gas commodity charge, the proposed rate schedules provided in Appendix A reflect two additional changes.

First, the rate schedules include the interim rates approved by the Board in the Interim Rate Order dated November 25, 2016 in the EB-2016-0296/EB-2016-0300/EB-2016-0330 proceeding. The interim rates approved by the Board relate to the cost consequences of the cap and trade compliance plans. The rates specific to NRG are found in Appendix C to that Interim Rate Order.

In particular, NRG has added a line labelled 'Cap and Trade Customer Related Charge' to each of Rates 1 through 5 of 3.3497 cents per m³. This charge is only applicable to non-large final emitters and is not applicable to Rate 6 because the only customer served under Rate 6 is a large final emitter.

NRG has also added a line labelled 'Cap and Trade Facility Related Charge' to each of Rates 1 through 6 of 0.0448 cents per m³. This rate also applies to the Transmission Service rate.

The sum of these two cap and trade related charges is 3.3945 cents per m³ for non-large final emitters, as approved in Appendix C of the EB-2016-0296/EB-2016-0300/EB-2016-0330 Interim Rate Order.

1 NRG has included an explanation of these changes to the delivery rates in the proposed
2 customer notices provided in Appendix C.

3

4 The second change to the rate schedules is the removal of the rate riders in each rate class
5 that expired at the end of September, 2016.

6

7 **SUMMARY**

8 In summary, NRG proposes to change the reference price for amounts to be recorded in
9 the Purchased Gas Commodity Variance Account from \$0.164931 by \$0.011073 to
10 \$0.176004 per m³ effective January 1, 2017. Appendix B contains the accounting entries
11 related to the PGCVA.

12

13 NRG also proposes to change the gas supply charge from \$0.166850 to \$0.174599 per m³
14 effective January 1, 2017. This change reflects the change in the PGCVA reference
15 price, as described above, the change related to the recovery of the GPRA balance, also
16 as described above, and the continuation of the system gas supply cost. These changes
17 apply to all system gas customers served under Rates 1, 2, 3, 4, 5 and 6.

18

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

21

22 Schedule 9 provides a bill comparison showing the impact of the proposed changes on a
23 year over year basis for the appropriate quarter as well as the annual bill impact of the
24 most recent quarterly change for an average residential customer. The annual bill impact
25 related to the change in the commodity charges on a customer consuming approximately
26 2,009 m³ is an increase of \$15.57.

27

28 Schedule 9 also provides the bill comparison showing the impact of the cap and trade
29 related charges on a year over year basis for the appropriate quarter as well as the annual
30 bill impact for an average residential customer. The annual bill impact related to the cap

1 and trade related charges on the delivery charges on a customer consuming
2 approximately 2,009 m³ is an increase of \$68.21.

3

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE

HISTORICAL TWELVE MONTH PERIOD - JANUARY, 2016 TO DECEMBER, 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)	Monthly Interest (\$'s)	Y-T-D Interest (\$'s)	Total PGCVA (\$'s)	Total Y-T-D PGCVA (\$'s)	Average Residential Consumption (M*3)	Monthly Interest Rate
								(1)		(2)				
Actual	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%
Actual	August	382,417	2,100,406	0.182068	0.150838	(0.031230)	-65,595.66	-15,933.81	45.52	-68,601.30	-65,550.14	-84,535.11	32.6	1.10%
Actual	September	391,450	2,201,984	0.177771	0.150838	(0.026933)	-59,306.04	-75,239.85	-14.61	-68,615.91	-59,320.65	-143,855.76	37.3	1.10%
Actual	October	406,695	2,248,523	0.180872	0.164931	(0.015941)	-35,843.70	-111,083.55	-68.97	-68,684.88	-35,912.67	-179,768.43	84.3	1.10%
Forecast	November	652,934	4,213,441	0.154965	0.164931	0.009966	41,991.15	-69,092.40	-101.83	-68,786.71	41,889.32	-137,879.11	202.7	1.10%
Forecast	December	<u>552,343</u>	<u>3,545,062</u>	<u>0.155806</u>	0.164931	0.009125	<u>32,348.69</u>	<u>-36,743.71</u>	<u>-63.33</u>	<u>-68,850.04</u>	<u>32,285.36</u>	<u>-105,593.75</u>	<u>321.8</u>	1.10%
	Total	4,116,866	26,393,319	0.155981			146,889.32	-36,743.71	904.67	-68,850.04	147,793.99	-105,593.75	1,865.8	

PGCVA Balance per M*3 Purchased (\$/M*3) (\$0.004001)
Forecast Average Residential Consumption per Customer 1,865.8 M*3
Estimated Impact on Average Residential Customer \$7.46 Customer Charge

(1) Includes balance of -183,633.03 as of December, 2015
(2) Includes balance of -69,754.71 as of December, 2015

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

HISTORICAL TWELVE MONTH PERIOD - JANUARY, 2016 TO DECEMBER, 2016

	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Total
<u>Volumes (m3)</u>													
Local Production (A)	84,931	138,833	145,691	142,194	71,066	0	0	123,655	41,576	84,932	82,192	84,932	1,000,002
Local Production (B)	64,540	0	0	0	0	0	0	0	142,817	74,855	117,808	115,068	515,089
Dawn Delivery	656,132	613,892	222,331	215,607	224,735	499,614	662,180	655,224	642,031	663,889	0	0	5,055,634
Parkway Delivery	975,481	912,682	794,833	770,795	803,429	953,035	986,871	976,505	956,844	1,614,020	0	0	9,744,494
Western Delivery	296,369	277,289	296,971	287,989	300,182	337,549	348,684	345,021	418,716	405,710	0	0	3,314,480
Union Gas (1)	0	0	0	0	0	0	0	0	0	-594,882	4,013,441	3,345,062	6,763,621
Total	2,077,452	1,942,696	1,459,826	1,416,585	1,399,412	1,790,198	1,997,735	2,100,406	2,201,984	2,248,523	4,213,441	3,545,062	26,393,319
<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)	0.180838	0.180838	0.180838	0.169949	0.169949	0.169949	0.175382	0.175382	0.175382	0.189432	0.189432	0.189432	
Dawn Delivery	0.146302	0.155600	0.187251	0.186862	0.185247	0.143489	0.147274	0.151431	0.153910	0.159945	0.000000	0.000000	
Parkway Delivery	0.174059	0.176444	0.184016	0.183633	0.182047	0.167777	0.172360	0.174782	0.173934	0.164481	0.000000	0.000000	
Western Delivery	0.153293	0.152446	0.150450	0.148900	0.149196	0.139523	0.140227	0.141844	0.136300	0.143398	0.000000	0.000000	
Union Gas (1)	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.157123	0.150958	0.150958	
<u>Total Gas Cost (\$)</u>													
Local Production (A)	25,581	41,817	43,882	42,829	21,405	0	0	37,245	12,523	25,581	24,756	25,582	301,201
Local Production (B)	11,671	0	0	0	0	0	0	0	25,048	14,180	22,317	21,798	95,013
Dawn Delivery	95,993	95,521	41,632	40,289	41,632	71,689	97,522	99,221	98,815	106,186	0	0	788,499
Parkway Delivery	169,791	161,038	146,262	141,544	146,262	159,898	170,097	170,675	166,428	265,475	0	0	1,697,468
Western Delivery	45,431	42,272	44,679	42,881	44,786	47,096	48,895	48,939	57,071	58,178	0	0	480,228
Union Gas (1)	(513,898)	0	0	0	0	0	0	0	0	-93,470	605,861	504,964	503,457
TCPL Transportation	22,534	21,133	22,591	21,862	22,591	25,486	26,336	26,336	31,566	30,564	0	0	251,000
Total	-142,896	361,780	299,046	289,405	276,675	304,169	342,850	382,417	391,450	406,695	652,934	552,343	4,116,866

(1) Ontario Delivered Gas in October, 2016 - balancing for end of direct purchase contract with Union Gas

Credit to system gas customers of \$513,898 in January, 2016 as per EB-2014-0053/EB2014-0361/EB-2015-0044 Decision and Order

NATURAL RESOURCE GAS LIMITED

ACTUAL AND FORECAST GAS PRICES

HISTORICAL TWELVE MONTH PERIOD - JANUARY, 2016 TO DECEMBER, 2016

	<u>Jan-16</u>	<u>Feb-16</u>	<u>Mar-16</u>	<u>Apr-16</u>	<u>May-16</u>	<u>Jun-16</u>	<u>Jul-16</u>	<u>Aug-16</u>	<u>Sep-16</u>	<u>Oct-16</u>	<u>Nov-16</u>	<u>Dec-16</u>
<u>Local Production</u>												
Local Production (A) (\$/GJ)	7.699	7.700	7.715	7.731	7.798	7.773	7.770	7.689	7.785	7.790	7.761	7.761
Local Production (B) (\$/GJ)	4.623	4.623	4.632	4.362	4.400	4.386	4.524	4.477	4.533	4.900	4.881	4.881
<u>Dawn</u> (\$/GJ)	3.740	3.978	4.796	4.796	4.796	3.703	3.799	3.866	3.978	4.137	0.000	0.000
<u>Parkway</u> (\$/GJ)	4.449	4.511	4.713	4.713	4.713	4.330	4.447	4.462	4.496	4.254	0.000	0.000
<u>Western Deliveries</u> (\$/GJ)	3.919	3.897	3.854	3.822	3.863	3.601	3.618	3.621	3.523	3.709	0.000	0.000
Fuel Ratio (%)	5.08%	5.61%	4.01%	1.87%	3.46%	4.13%	4.13%	5.05%	5.08%	4.74%	0.00%	0.00%
<u>TCPL Transportation</u> (\$/GJ)												
TCPL Toll	1.9436	1.9485	1.9485	1.9485	1.9485	1.9485	1.9485	1.9485	1.9485	1.9485	0.0000	0.0000
GJ/day (TCPL)	374	374	374	374	374	436	436	436	540	506	0	0
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)	2,433	2,433	1,655	1,655	1,655	2,312	2,498	2,498	2,602	3,347	0	0
<u>Union Gas (1)</u> (\$/GJ)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.064	3.890	3.890
Heat Value (GJ/103m3)	39.12	39.11	39.04	38.96	38.62	38.75	38.76	39.17	38.69	38.66	38.81	38.81

(1) Ontario Delivered Gas in October, 2016 - balancing for end of direct purchase contract with Union Gas

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT

PROJECTED TWELVE MONTH FORWARD PERIOD - JANUARY, 2017 TO DECEMBER, 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
January	692,681	4,079,235	0.169806	0.176004	0.006198	25,283.10	-11,460.61	-33.68	-68,883.72	25,249.42	-80,344.33	355.2	1.10%
February	686,729	4,050,527	0.169541	0.176004	0.006463	26,178.56	14,717.95	-10.51	-68,894.23	26,168.05	-54,176.28	293.2	1.10%
March	411,765	2,398,995	0.171640	0.176004	0.004364	10,469.21	25,187.16	13.49	-68,880.74	10,482.70	-43,693.58	246.2	1.10%
April	307,025	1,774,815	0.172990	0.176004	0.003014	5,349.29	30,536.45	23.09	-68,857.65	5,372.38	-38,321.20	186.6	1.10%
May	139,793	772,255	0.181019	0.176004	(0.005015)	-3,872.86	26,663.59	27.99	-68,829.66	-3,844.87	-42,166.07	89.7	1.10%
June	83,507	434,247	0.192303	0.176004	(0.016299)	-7,077.79	19,585.80	24.44	-68,805.22	-7,053.35	-49,219.42	53.1	1.10%
July	70,772	355,777	0.198922	0.176004	(0.022918)	-8,153.70	11,432.10	17.95	-68,787.27	-8,135.75	-57,355.17	40.9	1.10%
August	171,218	958,033	0.178719	0.176004	(0.002715)	-2,601.06	8,831.04	10.48	-68,776.79	-2,590.58	-59,945.75	42.8	1.10%
September	255,138	1,464,460	0.174220	0.176004	0.001784	2,612.60	11,443.64	8.10	-68,768.69	2,620.70	-57,325.05	58.5	1.10%
October	404,483	2,353,984	0.171829	0.176004	0.004175	9,827.88	21,271.52	10.49	-68,758.20	9,838.37	-47,486.68	118.7	1.10%
November	714,734	4,213,441	0.169632	0.176004	0.006372	26,848.05	48,119.57	19.50	-68,738.70	26,867.55	-20,619.13	202.7	1.10%
December	<u>603,373</u>	<u>3,545,062</u>	<u>0.170201</u>	0.176004	0.005803	<u>20,571.99</u>	<u>68,691.56</u>	<u>44.11</u>	<u>-68,694.59</u>	<u>20,616.10</u>	<u>-3.03</u>	<u>321.8</u>	1.10%
Total	4,541,217	26,400,831	0.172010			105,435.27	68,691.56	155.45	-68,694.59	105,590.72	-3.03	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 Charge

(1) Includes Dec., 2016 year-to-date balance of (\$36,743.71) (See Schedule 2)
(2) Includes Dec., 2016 year-to-date balance of (\$68,850.04) (See Schedule 2)

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

PROJECTED TWELVE MONTH FORWARD PERIOD - JANUARY, 2017 TO DECEMBER, 2017

	<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>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Local Production (A)	84,932	76,708	84,932	82,192	84,932	82,192	84,932	84,932	82,193	84,932	82,192	84,932	1,000,000
Local Production (B)	115,068	123,292	115,068	117,808	115,068	17,808	15,068	55,068	117,808	75,069	117,808	115,068	1,100,000
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Western Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Union Gas	<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>2,193,984</u>	<u>4,013,441</u>	<u>3,345,062</u>	<u>24,300,831</u>
Total	4,079,235	4,050,527	2,398,995	1,774,815	772,255	434,247	355,777	958,033	1,464,460	2,353,984	4,213,441	3,545,062	26,400,831
<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)	0.161100	0.161100	0.161100	0.161100	0.161100	0.161100	0.161100	0.161100	0.161100	0.161100	0.161100	0.161100	
Dawn Delivery	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Parkway Delivery	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Western Delivery	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Union Gas	0.167188	0.167188	0.167188	0.167188	0.167188	0.167188	0.167188	0.167188	0.167188	0.167188	0.167188	0.167188	
<u>Total Gas Cost (\$)</u>													
Local Production (A)	25,582	23,104	25,582	24,756	25,582	24,756	25,582	25,582	24,756	25,581	24,756	25,582	301,200
Local Production (B)	18,537	19,862	18,537	18,979	18,537	2,869	2,427	8,871	18,979	12,094	18,979	18,537	177,210
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Western Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Union Gas	648,562	643,762	367,646	263,290	95,674	55,882	42,763	136,765	211,403	366,808	670,999	559,254	4,062,807
TCPL Transportation	<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>0</u>	<u>0</u>
Total	692,681	686,729	411,765	307,025	139,793	83,507	70,772	171,218	255,138	404,483	714,734	603,373	4,541,217

NATURAL RESOURCE GAS LIMITED

GAS PURCHASE REBALANCING ACCOUNT

JANUARY, 2016 THROUGH DECEMBER, 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
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	1,437,551	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	-8,214.88	0.005152	13,763.48	-143,237.49	-136.39	-2,370.67	-145,608.16	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	-133,664.43	-131.30	-2,501.97	-136,166.40	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	-128,833.12	-122.53	-2,624.50	-131,457.62	1.10%
June	1,790,198	3,845,242	3,338,004	507,238	0	507,238	1,282,960	1,289,796	0.145120	7,375.05	0.004746	2,407.35	-119,050.72	-118.10	-2,742.60	-121,793.32	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	-117,187.51	-109.13	-2,851.73	-120,039.24	1.10%
August	2,100,406	4,073,817	3,404,384	669,433	0	669,433	1,430,973	4,317,554	0.150838	0.00	0.004647	3,110.86	-114,076.65	-107.42	-2,959.15	-117,035.80	1.10%
September	2,201,984	3,852,963	2,832,534	1,020,429	0	1,020,429	1,181,555	5,499,109	0.150838	77,498.95	0.004647	4,741.93	-31,835.77	-104.57	-3,063.72	-34,899.49	1.10%
October	2,248,523	5,601,777	3,865,973	1,735,804	0	1,735,804	512,719	6,011,828	0.164931	0.00	0.001556	2,700.91	-29,134.86	-29.18	-3,092.90	-32,227.76	1.10%
November	4,213,441	8,031,699	3,818,258	4,213,441	0	4,213,441	0	6,011,828	0.164931	0.00	0.001556	6,556.11	-22,578.75	-26.71	-3,119.61	-25,698.36	1.10%
December	3,545,062	7,547,799	4,002,737	3,545,062	0	3,545,062	0	6,011,828	0.164931	66,568.97	0.001556	5,516.12	49,506.34	-20.70	-3,140.31	46,366.03	1.10%
January	4,079,235	8,145,577	4,066,342	4,079,235	0	4,079,235	0	6,011,828	0.176004	0.00	(0.001768)	-7,212.09	42,294.25	45.38	-3,094.93	39,199.32	1.10%
February	4,050,527	7,698,962	3,648,435	4,050,527	0	4,050,527	0	6,011,828	0.176004	0.00	(0.001768)	-7,161.33	35,132.92	38.77	-3,056.16	32,076.76	1.10%
March	2,398,995	6,317,069	3,918,074	2,398,995	0	2,398,995	0	6,011,828	0.176004	0.00	(0.001768)	-4,241.42	30,891.50	32.21	-3,023.95	27,867.55	1.10%
April	1,774,815	4,949,806	3,174,991	1,774,815	0	1,774,815	0	6,011,828	0.176004	0.00	(0.001768)	-3,137.87	27,753.63	28.32	-2,995.63	24,758.00	1.10%
May	772,255	4,337,042	3,564,787	772,255	0	772,255	0	6,011,828	0.176004	0.00	(0.001768)	-1,365.35	26,388.28	25.44	-2,970.19	23,418.09	1.10%
June	434,247	3,789,961	3,355,714	434,247	0	434,247	0	6,011,828	0.176004	0.00	(0.001768)	-767.75	25,620.53	24.19	-2,946.00	22,674.53	1.10%
July	355,777	3,270,949	2,915,172	355,777	0	355,777	0	6,011,828	0.176004	0.00	(0.001768)	-629.01	24,991.52	23.49	-2,922.51	22,069.01	1.10%
August	958,033	3,921,486	2,963,453	958,033	0	958,033	0	6,011,828	0.176004	0.00	(0.001768)	-1,693.80	23,297.72	22.91	-2,899.60	20,398.12	1.10%
September	1,464,460	4,581,850	3,117,390	1,464,460	0	1,464,460	0	6,011,828	0.176004	0.00	(0.001768)	-2,589.17	20,708.55	21.36	-2,878.24	17,830.31	1.10%
October	2,353,984	5,307,058	2,953,074	2,353,984	0	2,353,984	0	6,011,828	0.176004	0.00	(0.001768)	-4,161.84	16,546.71	18.98	-2,859.26	13,687.45	1.10%
November	4,213,441	8,031,699	3,818,258	4,213,441	0	4,213,441	0	6,011,828	0.176004	0.00	(0.001768)	-7,449.36	9,097.35	15.17	-2,844.09	6,253.26	1.10%
December	3,545,062	7,547,799	4,002,737	3,545,062	0	3,545,062	0	6,011,828	0.176004	0.00	(0.001768)	-6,267.67	2,829.68	8.34	-2,835.75	-6.07	1.10%

(1) Includes balance of 3,996,239 as of Dec., 2015
(2) Includes balance of -182,680.25 as of Dec., 2015
(3) Includes balance of -1,915.50 as of Dec., 2015

NATURAL RESOURCE GAS LIMITED

RESIDENTIAL BILL COMPARISONS

QUARTERLY BILL IMPACT

	Quarter Starting 01-Jan-16 <u>EB-2015-0345</u>	Quarter Starting 01-Jan-17 <u>EB-2016-0341</u>	\$ Change	Percent Change
Average Residential Consumption for Quarter	894.6	894.6		
Monthly Charges	\$40.50	\$40.50	\$0.00	0.0%
Delivery Charges	\$145.20	\$175.57	\$30.37	20.9%
Total Commodity Charges	<u>\$167.29</u>	<u>\$156.20</u>	<u>(\$11.09)</u>	<u>-6.6%</u>
Total Customer Charges	\$353.00	\$372.27	\$19.27	5.5%

ANNUAL BILL IMPACT

	01-Oct-16 <u>EB-2016-0266</u>	01-Jan-17 <u>EB-2016-0341</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	\$394.36	\$68.21	20.9%
Total Commodity Charges	<u>\$335.27</u>	<u>\$350.84</u>	<u>\$15.57</u>	<u>4.6%</u>
Total Customer Charges	\$823.42	\$907.20	\$83.78	10.2%

RATES USED

	01-Jan-16 <u>EB-2015-0345</u>	01-Oct-16 <u>EB-2016-0266</u>	01-Jan-17 <u>EB-2016-0341</u>
Monthly charge	13.50	13.50	13.50
Delivery Charge	0.162312	0.162312	0.196257
Total Commodity Charge	0.187001	0.166850	0.174599

**APPENDIX "A" TO
DECISION AND INTERIM RATE ORDER
BOARD FILE No. EB-2016-0341
DATED DECEMBER 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
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)	Cap and Trade Customer Related Charge	3.3497 cents per m ³
	Cap and Trade Facility Related Charge	0.0448 cents per m ³
d)	Gas Supply Charge and System Gas Refund Rate Rider (if applicable)	Schedule A

Meter Readings

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

Delayed Payment Penalty

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

Bundled Direct Purchase Delivery

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

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

Effective: January 01, 2017

Implementation: All bills rendered on or after January 01, 2017

EB-2016-0330 (Interim)

EB-2016-0341

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
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) Cap and Trade Customer Related Charge	3.3497 cents per m ³	3.3497 cents per m ³
Cap and Trade Facility Related Charge	0.0448 cents per m ³	0.0448 cents per m ³
d) Gas Supply Charge and System Gas Refund Rate Rider (if applicable)		Schedule A

Meter Readings

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

Delayed Payment Penalty

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

Bundled Direct Purchase Delivery

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

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

Effective: January 01, 2017

Implementation: All bills rendered on or after January 01, 2017

EB-2016-0330 (Interim)

EB-2016-0341

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.
- 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) Cap and Trade Customer Related Charge 3.3497 cents per m³
Cap and Trade Facility Related Charge 0.0448 cents per m³
- e) Gas Supply Charge and System Gas Refund Rate Rider (if applicable) Schedule A
- f) 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, the Cap and Trade Customer Related Charge and the Cap and Trade Facility Related 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, the Cap and Trade Customer Related Charge and the Cap and Trade Facility Related 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. The Cap and Trade Customer Related Charge and the Cap and Trade Facility Related Charge will continue to apply. Gas purchased under this clause will not contribute to the minimum volume.

Bundled Direct Purchase Delivery

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

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

Delayed Payment Penalty

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

Effective: January 01, 2017

Implementation: All bills rendered on or after January 01, 2017

EB-2016-0330 (Interim)

EB-2016-0341

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
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) Cap and Trade Customer Related Charge	3.3497 cents per m ³	3.3497 cents per m ³
Cap and Trade Facility Related Charge	0.0448 cents per m ³	0.0448 cents per m ³
d) Gas Supply Charge and System Gas Refund Rate Rider (if applicable)		Schedule A

Meter Readings

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

Delayed Payment Penalty

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

Bundled Direct Purchase Delivery

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

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

Effective: January 01, 2017

Implementation: All bills rendered on or after January 01, 2017

EB-2016-0330 (Interim)

EB-2016-0341

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.

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) Cap and Trade Customer Related Charge 3.3497 cents per m³
Cap and Trade Facility Related Charge 0.0448 cents per m³

d) Gas Supply Charge and System Gas Refund Rate Rider (if applicable) Schedule A

e) 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, the Cap and Trade Customer Related Charge and the Cap and Trade Facility Related Charge in effect at the time the overrun occurs plus any applicable Gas Supply Charge.

For any unauthorized overrun gas taken, the customer shall, in addition, indemnify the company in respect of any penalties or additional costs imposed on the company by the company's suppliers, any additional gas cost incurred or any sales margins lost as a consequence of the customer taking the unauthorized overrun volume.

2. In negotiating the Monthly Interruptible Commodity Charge referred to in 1(c) above, the matters to be considered include:

a) The volume of gas for which the customer is willing to contract;

- b) The load factor of the customer's anticipated gas consumption and the pattern of annual use and the minimum annual quantity of gas which the customer is willing to contract to take or in any event pay for;
- c) Interruptible or curtailment provisions;
- d) Competition.

3. In each contract year, the customer shall take delivery from the company, or in any event pay for it if available and not accepted by the customer, a minimum volume of gas of 50,000 m³. Overrun volumes will not contribute to the minimum volume. The rate applicable to the shortfall from this annual minimum shall be 7.1995 cents per m³ for interruptible gas.

Bundled Direct Purchase Delivery

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

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

Delayed Payment Penalty

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

Effective: January 01, 2017

Implementation: All bills rendered on or after January 01, 2017

EB-2016-0330 (Interim)

EB-2016-0341

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
- 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 cents per m³.
- d) Cap and Trade Facility Related Charge 0.0448 cents per m³
- e) Gas Supply Charge and System Gas Refund Rate Rider (if applicable) Schedule A
- f) 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 and Cap and Trade Facility Related 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 and Cap and Trade Facility Related 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. The Cap and Trade Facility Related Charge will continue to apply. Gas purchased under this clause will not contribute to the minimum volume.

Bundled Direct Purchase Delivery

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

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

Delayed Payment Penalty

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

Effective: January 01, 2017

Implementation: All bills rendered on or after January 01, 2017

EB-2016-0330 (Interim)

EB-2016-0341

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-2016-0341)	17.6004 cents per m ³
GPRA Recovery Rate	(EB-2016-0341)	(0.1768) cents per m ³
System Gas Fee	(EB-2010-0018)	<u>0.0363</u> cents per m ³
Total Gas Supply Charge		<u>17.4599</u> cents per m ³

Note:

PGCVA means Purchased Gas Commodity Variance Account

GPRA means Gas Purchase Rebalancing Account

Effective: January 01, 2017

Implementation: All bills rendered on or after January 01, 2017

EB-2016-0330 (Interim)

EB-2016-0341

NATURAL RESOURCE GAS LIMITED

RATE BT1 – Bundled Direct Purchase Contract Rate

Availability

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

Eligibility

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

Rate

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

Note:

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

Effective: January 01, 2017

Implementation: All bills rendered on or after January 01, 2017

EB-2016-0330 (Interim)

EB-2016-0341

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
Cap and Trade Facility Related Charge	0.0448 cents per m ³

Effective: January 01, 2017

Implementation: All bills rendered on or after January 01, 2017

EB-2016-0330 (Interim)

EB-2016-0341

**APPENDIX "B" TO
DECISION AND INTERIM ORDER
BOARD FILE No. EB-2016-0341
DATED DECEMBER 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-2016-0341
DATED DECEMBER XX, 2016**

IMPORTANT INFORMATION ABOUT YOUR GAS BILL

Gas Delivery

On all bills rendered by Natural Resource Gas Limited (“NRG”) on or after January 1, 2017, the price we charge for the delivery portion of your bill will be increasing by \$0.033945 per cubic meter. This increase, which has been approved by Ontario Energy Board (“OEB”) on an interim basis, is to recover the costs associated with the Government of Ontario mandated cap and trade compliance plans.

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 \$68 per year or about \$5.68 per month on average.

Under the Government of Ontario’s new greenhouse gas emissions regulation each of Enbridge Gas Distribution Inc., Union Gas Limited and Natural Resource Gas Limited are required to develop plans to meet their cap and trade compliance obligations. New costs will be incurred by each of the natural gas utilities to comply with the regulations. The Ontario Energy Board will assess the cost effectiveness of each of the cap and trade compliance plans filed by the natural gas utilities to determine whether the gas utilities can recover those costs in the rates they charge customers.

Further information is available from the OEB’s Consumer Relations Centre at 1-877-632-2727.

Gas Commodity:

On all bills rendered by Natural Resource Gas Limited on or after January 1, 2017, the price we charge for the gas commodity and transportation portion of your bill will be increasing by \$0.007749 per cubic meter to \$0.174599 per cubic meter. The Ontario Energy Board 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 December 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 \$16 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.