

**ONTARIO ENERGY BOARD**

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

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

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

**APPLICATION**

1. As part of the EB-2017-0110 Decision and Interim Order dated March 23, 2017 the Ontario Energy Board (“Board”) approved a PGCVA reference price of \$0.181486 per m<sup>3</sup> and a gas supply charge of \$0.179472 per m<sup>3</sup>, both effective April 1, 2017.
2. Based on actual and forecast natural gas prices for the July, 2016 through June, 2017 period the PGCVA balance is projected to be a charge of approximately \$4.13 per residential customer.
3. NRG hereby applies to the Board for further orders effective July 1, 2017 as follows:
  - a) an order changing the reference price authorized by the Board’s EB-2017-0110 Decision and Interim Order for use in determining the amounts to be recorded in the Purchased Gas Commodity Variance Account (Account No. 179-27) by \$0.016238 per m<sup>3</sup> from the Board approved level of \$0.181486 per m<sup>3</sup> to \$0.197724 per m<sup>3</sup>;

- b) an order changing the rates and other charges from those authorized by the Board's EB-2017-0110 Decision and Order to reflect a projected \$0.012387 per m<sup>3</sup> change in the gas supply charge from the Board approved level of \$0.179472 per m<sup>3</sup> to a projected cost of \$0.191859 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 July 1, 2017.

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 June, 2017.

**NATURAL RESOURCE GAS LIMITED**

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Brian Lippold  
General Manager

# NATURAL RESOURCE GAS LIMITED

## INTRODUCTION

As part of the EB-2017-0110 Decision and Interim Order dated March 23, 2017 the Ontario Energy Board (“Board”) approved a Purchased Gas Commodity Variance Account (“PGCVA”) reference price of \$0.181486 per m<sup>3</sup> and a gas commodity charge of \$0.179472 per m<sup>3</sup>, both effective April 1, 2017.

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-2017-0110, the Board approved a GPRA rate of \$(0.002377) per m<sup>3</sup>.

NRG is proposing to adjust the gas supply charge, the GPRA rate and the PGCVA reference price effective July 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 \$4.63 per average residential customer for the twelve-month period ending June, 2017 (Schedule 2).

The current forecast reflects the forecast for natural gas prices over the relevant period. These gas prices reflect current market conditions, including alternative energy prices, demand for natural gas, the weather outlook and the impact of current storage levels.

1 The PGCVA balance has been calculated using the most recent information available,  
2 including actual volumes and costs through May, 2017. The remaining months in the  
3 twelve-month period ending June, 2017 are calculated using estimated prices based on  
4 the best information available at the time of filing.

5  
6 Forecast prices have been used for the period July, 2017, through June, 2018 period,  
7 except where actual contracted prices are available.

#### 8 9 Gas Supply Portfolio

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

12  
13 Effective November 1, 2016, NRG's gas supply portfolio includes local production and  
14 the purchase of system gas from Union Gas.

15  
16 NRG was a direct purchase customer on the Union Gas system until the end of October,  
17 2016. NRG returned to system gas purchases from Union Gas effective November 1,  
18 2016. As such, the bundled transportation contract was extended by one month to the  
19 end of October, 2016. This was required to accommodate NRG's gas purchase contracts,  
20 some of which extended to the end of October, 2016. NRG was required to balance to 0  
21 on the Union system when it became a system gas customer on the Union system at the  
22 beginning of November, 2016.

#### 23 24 October, 2016 Balancing Gas

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

28  
29 NRG was required to shed excess gas that had been delivered to Union over the course of  
30 the direct purchase contract with Union in order to balance to 0 on the Union system.

1 NRG sold 594,882 m<sup>3</sup> at an average rate of \$0.157123 per m<sup>3</sup> for total revenue of  
2 \$93,470. These figures are shown on the Union Gas line in Schedule 3 in the October  
3 column. The selling price is equivalent to \$4.064 per GJ, as shown in Schedule 4 in the  
4 Union Gas line and in the October column.

5

6 NRG also had to balance with its own direct purchase customers. NRG had effectively  
7 consumed an amount of gas purchased by its direct purchase customers. This meant that  
8 while NRG and its direct purchase customers balanced to 0 on the Union Gas system as  
9 of November 1, there was a further true up required by NRG to balance system gas with  
10 direct purchase gas.

11

12 NRG purchased 248,633 m<sup>3</sup> at an average rate of \$0.151758 per m<sup>3</sup> for a total cost of  
13 \$37,732 in February, 2017. These figures are shown on the Dawn Delivery line in  
14 Schedule 3 in the February column. The purchase price is equivalent to \$3.892 per GJ, as  
15 shown in Schedule 4 in the Dawn Delivery line and in the February column. As can be  
16 seen in both Schedules 3 and 4, this price for this gas was less than any of the other  
17 sources of gas purchased by NRG in February.

18

### 19 System Gas Purchases

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

23

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

26

27 The composition of the gas supply portfolio volumes for the July, 2016 through June,  
28 2017 period is shown on the top of Schedule 3. This schedule shows the monthly volume  
29 of gas purchased or forecast to be purchased from local producers, obligated deliveries at  
30 Parkway, at Dawn (including the February balancing gas noted above) and the Alberta

1 border (Western), and from Union Gas (including the sale of balancing gas in October  
2 noted above). Similarly, the composition of the gas supply portfolio volumes for the  
3 July, 2017 through June, 2018 period is shown on the top of Schedule 6.

#### 4 5 Gas Costs

6 NRG's actual and forecast gas costs for the July, 2016 through June, 2017 period, by  
7 source of supply, are shown in Schedule 4 in \$/GJ. These prices are also shown in the  
8 middle section of Schedule 3 in \$/m<sup>3</sup>. The conversion factor used is based on the heat  
9 values used by Union Gas in their calculation of NRG's Banked Gas Account balances.  
10 The conversion factors used are also shown in Schedule 4. All prices shown are actual  
11 prices paid in July, 2016 through May, 2017. Prices for the remaining months in this  
12 period are based on estimated prices to be paid in those months.

13  
14 Forecast gas prices for each of the sources of supply for the July, 2017 through June,  
15 2018 period are described below.

#### 16 17 NRG Corp. Pricing

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

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

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

1 dated December 6, 2010. The July, 2016 through September, 2016 price was \$0.175382,  
2 reflecting the Board's Decision and Order in EB-2016-0181 dated June 23, 2016. The  
3 October, 2016 through December, 2016 price was \$0.189432, reflecting the Board's  
4 Decision and Order in EB-2016-0247 dated September 22, 2016. The January, 2017  
5 through March, 2017 was \$0.161100, reflecting the Board's Decision and Interim Order  
6 in EB-2016-0334 dated December 21, 2016 and reflected a change to the use of the Dawn  
7 Reference Price for these volumes, as Union no longer uses an Ontario landed reference  
8 price. The April, 2017 through June, 2017 price was \$0.159500, reflecting the Board's  
9 Decision and Order in EB-2017-0089 dated March 23, 2016. These prices are shown in  
10 Schedule 3.

11

12 The NRG Corp. prices over the July, 2017 through June, 2018 period shown in Schedule  
13 6 reflect the Board approved price of \$0.301200 per m<sup>3</sup> for 1,000,000 m<sup>3</sup> as shown on the  
14 Local Production (A) line. The remaining gas forecast to be purchased from NRG Corp.  
15 is shown on the Local Production (B) line. As noted above, the Board approved the price  
16 for this gas at the approved Union Gas Ontario landed reference price for each quarter.

17

18 As explained in Union's EB-2016-0334 QRAM application, Union no longer calculates  
19 an Ontario landed reference price. This reference price has been replaced by the Dawn  
20 reference price. This is described on pages 5-6 and 10-11 of Tab 1 of the Union evidence  
21 in EB-2016-0334, as well as in the table and notes that follow the table on page 2 of the  
22 application.

23

24 The Board approved the use of the Dawn reference price, on an interim basis in EB-2016-  
25 0341 and indicated that this matter should be brought forward in NRG's 2017-2021 rates  
26 application.

27

28 NRG has used the Dawn reference price of \$0.163824 per m<sup>3</sup> for the gas in excess of  
29 1,000,000 m<sup>3</sup> per year forecast to be purchased from NRG Corp. This figure can be



1 found in Union's current QRAM (EB-2017-0185) application, dated June 9, 2017, at line  
2 15 of page 1 in Tab 2.

3

4 At the time this application was prepared the Union Gas QRAM price for July 1, 2017  
5 rates was not yet approved by the Board. Any differences between the applied for and  
6 Board approved Dawn reference price for Union will be reflected in NRG's next QRAM  
7 application and evidence.

8

#### 9 Union Gas System Gas Pricing

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

12

13 The price forecast for this gas has been taken from the Union's QRAM application in EB-  
14 2017-0185 dated June 9, 2017, where the gas supply commodity charge has been forecast  
15 as \$0.192334 per m<sup>3</sup> and is shown in the Union Gas line on NRG's Schedule 6 and in  
16 \$/GJ on Schedule 7. The \$0.192334 per m<sup>3</sup> figure is taken from Union's application on  
17 line 4 on page 6 in Appendix A to EB-2017-0185. This is Union's Total Gas Supply  
18 Commodity Charge for Utility Sales.

19

20 At the time this application was prepared the Union gas supply commodity charge for  
21 July 1, 2017 rates was not yet approved by the Board. Any differences between the  
22 applied for and Board approved gas supply commodity charge Union will be reflected in  
23 NRG's next QRAM application and evidence.

24

#### 25 Other Forecast Assumptions

26 The heat value used to convert GJ to m<sup>3</sup> is 38.95 GJ/10<sup>3</sup> m<sup>3</sup>. This is consistent with the  
27 figure used by Union Gas in their QRAM application. It is found on page 1 of Tab 2 in  
28 EB-2017-0185, at line 19. NRG uses this conversion factor to calculate the cost in \$/GJ.

29

#### 30 PGCVA Balance

1 The projected June, 2017 balance in the PGCVA is a debit of \$65,145.00 including a  
2 debit of \$68,933.18 in accumulated interest, based on the Board's prescribed interest rate.  
3 This estimate is based on actual and forecasted purchases and the balance brought  
4 forward from June, 2016. The PGCVA debit amounts to a charge of approximately  
5 \$4.13 for a typical residential customer consuming approximately 1,815.9 m<sup>3</sup> per year.  
6 These figures are shown on Schedule 2.

7

### 8 Proposed PGCVA Rate Changes

9 NRG proposes to adjust the reference price effective July 1, 2017 based on the projected  
10 accumulated balance in the PGCVA as of the end of June, 2017 and the forecasted cost of  
11 gas over the twelve-month period beginning July, 2017 and ending June, 2018. The  
12 reference price is set such that the projected PGCVA balance at the end of June, 2018 is  
13 close to zero.

14

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

18

19 NRG proposes to change the reference price by \$0.016238 per m<sup>3</sup> effective July 1, 2017,  
20 from \$0.181486 per m<sup>3</sup> to \$0.197724 per m<sup>3</sup>. The derivation of this rate is shown in  
21 Schedule 5. This is the reference price required to bring the PGCVA balance close to  
22 zero on a twelve-month forecast basis. This change will also be reflected in the gas  
23 commodity charge.

24

## 25 **GAS PURCHASE REBALANCING ACCOUNT**

26 The impact on the GPRA of the proposed July 1, 2017 PGCVA reference price change  
27 from \$0.181486 per m<sup>3</sup> to \$0.197724 per m<sup>3</sup> is a credit of \$107962.02, as shown on  
28 Schedule 8. This figure is shown in column (J) of Schedule 8 on the June, 2017 line. It  
29 is calculated as the change in the PGCVA reference price between June, 2017 and July,  
30 2017, multiplied by the cumulative inventory balance at the end of June. This cumulative

1 inventory balance is the sum of the actual monthly inventory balances for April, 2017 and  
2 forecasts for the subsequent months. These forecasts will be replaced with actual  
3 balances for these months in subsequent QRAM applications as this information becomes  
4 available. As well, the monthly inventory balances are based on a deemed level of  
5 unaccounted for gas (“UFG”) of the total throughput volume, as shown in column (E) of  
6 Schedule 8. The 0.0% is the Board approved level of UFG from EB-2010-0018.

7  
8 NRG proposes to adjust the gas commodity charge effective July 1, 2017 based on the  
9 projected accumulated balance in the GPRA. The adjustment to the gas commodity  
10 charge will be set such that the projected GPRA balance at the end of June, 2018 will be  
11 close to zero. The rate required to achieve this is shown in column (K) on Schedule 8.  
12 Column (P) shows the reduction of the inventory revaluation balance based on this rate of  
13 \$(0.006228) per m<sup>3</sup> over the July, 2017 through June, 2018 period.

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

## 19 20 **GAS COMMODITY CHARGE**

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

28  
29 The change in the gas commodity charge proposed for July 1, 2017 is summarized below.

30 The change in the gas commodity charge reflects both the change in the PGCVA

1 reference price and the change in the recovery of the inventory revaluation amount in the  
2 GPRA. The change in the gas commodity charge is as follows:

	EB-2017-0110 <u>Apr. 1, 2017</u>	Proposed <u>July 1, 2017</u>	<u>Difference</u>
6 PGCVA Reference Price	\$0.181486	\$0.197724	\$0.016238
7 GPRA Recovery	\$(0.002377)	\$(0.006228)	\$(0.003851)
8 System Gas Supply Cost	<u>\$0.000363</u>	<u>\$0.000363</u>	<u>\$0.000000</u>
9 Gas Commodity Charge	\$0.179472	\$0.191859	\$0.012387

### 11 SUMMARY

12 In summary, NRG proposes to change the reference price for amounts to be recorded in  
13 the Purchased Gas Commodity Variance Account from \$.181486 by \$0.016238 to  
14 \$0.197724 per m<sup>3</sup> effective July 1, 2017. Appendix B contains the accounting entries  
15 related to the PGCVA.

16  
17 NRG also proposes to change the gas supply charge from \$0.179472 to \$0.191859 per m<sup>3</sup>  
18 effective July 1, 2017. This change reflects the change in the PGCVA reference price, as  
19 described above, the change related to the recovery of the GPRA balance, also as  
20 described above, and the continuation of the system gas supply cost. These changes  
21 apply to all system gas customers served under Rates 1, 2, 3, 4, 5 and 6.

22  
23 The proposed rate schedules are attached as Appendix A. The proposed customer notices  
24 are attached as Appendix C.

25  
26 Schedule 9 provides a bill comparison showing the impact of the proposed changes on a  
27 year over year basis for the appropriate quarter as well as the annual bill impact of the  
28 most recent quarterly change for an average residential customer. The annual bill impact  
29 related to the change in the commodity charges on a customer consuming approximately  
30 2,009 m<sup>3</sup> is an increase of \$24.89.

31

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE

HISTORICAL TWELVE MONTH PERIOD - JULY, 2016 TO JUNE, 2017

<u>Act/Fcst</u>	<u>Month</u>	<u>Purchase Cost (\$'s)</u>	<u>M*3</u>	<u>Actual/Forecast Price (\$/M*3)</u>	<u>Reference Price (\$/M*3)</u>	<u>Unit Rate Difference (\$/M*3)</u>	<u>Monthly PGCVA (\$'s)</u>	<u>Y-T-D PGCVA (\$'s)</u>	<u>Monthly Interest (\$'s)</u>	<u>Y-T-D Interest (\$'s)</u>	<u>Total PGCVA (\$'s)</u>	<u>Total Y-T-D PGCVA (\$'s)</u>	<u>Average Residential Consumption (M*3)</u>	<u>Monthly Interest Rate</u>
								(1)		(2)				
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%
Actual	November	407,648	2,603,147	0.156598	0.164931	0.008333	21,692.02	-89,391.53	-101.83	-68,786.71	21,590.19	-158,178.24	177.8	1.10%
Actual	December	560,247	3,610,484	0.155172	0.164931	0.009759	35,234.72	-54,156.81	-81.94	-68,868.65	35,152.78	-123,025.46	299.3	1.10%
Actual	January	628,331	3,692,517	0.170163	0.176004	0.005841	21,566.79	-32,590.02	-49.64	-68,918.29	21,517.15	-101,508.31	323.6	1.10%
Actual	February	527,045	3,115,274	0.169181	0.176004	0.006823	21,255.30	-11,334.72	-29.87	-68,948.16	21,225.43	-80,282.88	269.2	1.10%
Actual	March	566,091	3,320,526	0.170482	0.176004	0.005522	18,335.25	7,000.53	-10.39	-68,958.55	18,324.86	-61,958.02	261.1	1.10%
Actual	April	317,102	1,762,653	0.179900	0.181486	0.001586	2,795.17	9,795.70	6.42	-68,952.13	2,801.59	-59,156.43	155.3	1.10%
Actual	May	280,719	1,552,748	0.180788	0.181486	0.000698	1,083.38	10,879.08	8.98	-68,943.15	1,092.36	-58,064.07	89.7	1.10%
Forecast	June	<u>85,901</u>	<u>434,247</u>	<u>0.197815</u>	0.181486	(0.016329)	<u>-7,090.90</u>	<u>3,788.18</u>	<u>9.97</u>	<u>-68,933.18</u>	<u>-7,080.93</u>	<u>-65,145.00</u>	<u>53.1</u>	1.10%
	Total	4,896,494	28,640,243	0.170966			-87,388.60	3,788.18	-202.78	-68,933.18	-87,591.38	-65,145.00	1,815.9	

PGCVA Balance per M\*3 Purchased (\$/M\*3) (\$0.002275)  
Forecast Average Residential Consumption per Customer 1,815.9 M\*3  
Estimated Impact on Average Residential Customer \$4.13 Customer Charge

(1) Includes balance of 91,176.78 as of June, 2016  
(2) Includes balance of -68,730.40 as of June, 2016

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

HISTORICAL TWELVE MONTH PERIOD - JULY, 2016 TO JUNE, 2017

	<u>Jul-16</u>	<u>Aug-16</u>	<u>Sep-16</u>	<u>Oct-16</u>	<u>Nov-16</u>	<u>Dec-16</u>	<u>Jan-17</u>	<u>Feb-17</u>	<u>Mar-17</u>	<u>Apr-17</u>	<u>May-17</u>	<u>Jun-17</u>	<u>Total</u>
<b><u>Volumes (m3)</u></b>													
Local Production (A)	0	123,655	41,576	84,932	82,192	84,932	84,932	76,712	84,931	82,192	84,932	82,192	913,176
Local Production (B)	0	0	142,817	74,855	60,647	63,827	64,948	38,615	72,812	52,503	60,254	17,808	649,085
Dawn Delivery	662,180	655,224	642,031	663,889	0	0	0	248,633	0	0	0	0	2,871,956
Parkway Delivery	986,871	976,505	956,844	1,614,020	0	0	0	0	0	0	0	0	4,534,240
Western Delivery	348,684	345,021	418,716	405,710	0	0	0	0	0	0	0	0	1,518,131
Union Gas (1)	<u>0</u>	<u>0</u>	<u>0</u>	<u>-594,882</u>	<u>2,460,308</u>	<u>3,461,726</u>	<u>3,542,638</u>	<u>2,751,314</u>	<u>3,162,783</u>	<u>1,627,958</u>	<u>1,407,562</u>	<u>334,247</u>	<u>18,153,654</u>
Total	1,997,735	2,100,406	2,201,984	2,248,523	2,603,147	3,610,484	3,692,517	3,115,274	3,320,526	1,762,653	1,552,748	434,247	28,640,243
<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)	0.175382	0.175382	0.175382	0.189432	0.189432	0.189432	0.161100	0.161100	0.161100	0.159500	0.159500	0.159500	
Dawn Delivery	0.147274	0.151431	0.153910	0.159945	0.000000	0.000000	0.000000	0.151758	0.000000	0.000000	0.000000	0.000000	
Parkway Delivery	0.172360	0.174782	0.173934	0.164481	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Western Delivery	0.140227	0.141844	0.136300	0.143398	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Union Gas (1)	0.000000	0.000000	0.000000	0.157123	0.150958	0.150958	0.167188	0.167188	0.167188	0.174434	0.174434	0.174434	
<b><u>Total Gas Cost (\$)</u></b>													
Local Production (A)	0	37,245	12,523	25,581	24,756	25,581	25,581	23,106	25,581	24,756	25,581	24,756	275,049
Local Production (B)	0	0	25,048	14,180	11,488	12,091	10,463	6,221	11,730	8,374	9,611	2,840	112,046
Dawn Delivery	97,522	99,221	98,815	106,186	0	0	0	37,732	0	0	0	0	439,476
Parkway Delivery	170,097	170,675	166,428	265,475	0	0	0	0	0	0	0	0	772,675
Western Delivery	48,895	48,939	57,071	58,178	0	0	0	0	0	0	0	0	213,083
Union Gas (1)	0	0	0	-93,470	371,403	522,575	592,287	459,987	528,779	283,971	245,527	58,304	2,969,363
TCPL Transportation	<u>26,336</u>	<u>26,336</u>	<u>31,566</u>	<u>30,564</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>114,802</u>
Total	342,850	382,417	391,450	406,695	407,648	560,247	628,331	527,045	566,091	317,102	280,719	85,901	4,896,494

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

NATURAL RESOURCE GAS LIMITED

ACTUAL AND FORECAST GAS PRICES

HISTORICAL TWELVE MONTH PERIOD - JULY, 2016 TO JUNE, 2017

	<u>Jul-16</u>	<u>Aug-16</u>	<u>Sep-16</u>	<u>Oct-16</u>	<u>Nov-16</u>	<u>Dec-16</u>	<u>Jan-17</u>	<u>Feb-17</u>	<u>Mar-17</u>	<u>Apr-17</u>	<u>May-17</u>	<u>Jun-17</u>
<u>Local Production</u>												
Local Production (A) (\$/GJ)	7.770	7.689	7.785	7.790	7.726	7.712	7.711	7.724	7.724	7.738	7.764	7.733
Local Production (B) (\$/GJ)	4.524	4.477	4.533	4.900	4.859	4.850	4.125	4.131	4.131	4.097	4.112	4.095
<u>Dawn</u> (\$/GJ)	3.799	3.866	3.978	4.137	0.000	0.000	0.000	3.892	0.000	0.000	0.000	0.000
<u>Parkway</u> (\$/GJ)	4.447	4.462	4.496	4.254	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<u>Western Deliveries</u> (\$/GJ)	3.618	3.621	3.523	3.709	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Fuel Ratio (%)	4.13%	5.05%	5.08%	4.74%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>TCPL Transportation</u> (\$/GJ)												
TCPL Toll	1.9485	1.9485	1.9485	1.9485	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
GJ/day (TCPL)	436	436	540	506	0	0	0	0	0	0	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)	2,498	2,498	2,602	3,347	0	0	0	346	0	0	0	0
<u>Union Gas (1)</u> (\$/GJ)	0.000	0.000	0.000	4.064	3.872	3.865	4.280	4.287	4.287	4.481	4.497	4.478
Heat Value (GJ/103m3)	38.76	39.17	38.69	38.66	38.98	39.06	39.06	39.00	39.00	38.93	38.79	38.95

(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 - JULY, 2017 TO JUNE, 2018  
(WITH CHANGE IN REFERENCE PRICE)

Month	Purchase Cost (\$'s)	M*3	Forecast Price (\$/M*3)	Reference Price (\$/M*3)	Unit Rate Difference (\$/M*3)	Monthly PGCVA (\$'s)	Y-T-D PGCVA (\$'s) (1)	Monthly Interest (\$'s)	Y-T-D Interest (\$'s) (2)	Total PGCVA (\$'s)	Total Y-T-D PGCVA (\$'s)	Average Residential Consumption (M*3)	Monthly Interest Rate
July	77,245	355,777	0.217115	0.197724	(0.019391)	-6,898.98	-3,110.80	3.47	-68,929.71	-6,895.51	-72,040.51	40.9	1.10%
August	191,939	958,033	0.200346	0.197724	(0.002622)	-2,512.42	-5,623.22	-2.85	-68,932.56	-2,515.27	-74,555.78	42.8	1.10%
September	287,255	1,464,460	0.196151	0.197724	0.001573	2,304.16	-3,319.06	-5.15	-68,937.71	2,299.01	-72,256.77	58.5	1.10%
October	459,857	2,353,984	0.195353	0.197724	0.002371	5,581.30	2,262.24	-3.04	-68,940.75	5,578.26	-66,678.51	118.7	1.10%
November	815,977	4,213,441	0.193661	0.197724	0.004063	17,119.21	19,381.45	2.07	-68,938.68	17,121.28	-49,557.23	202.7	1.10%
December	687,802	3,545,062	0.194017	0.197724	0.003707	13,141.54	32,522.99	17.77	-68,920.91	13,159.31	-36,397.92	321.8	1.10%
January	790,541	4,079,235	0.193796	0.197724	0.003928	16,023.24	48,546.23	29.81	-68,891.10	16,053.05	-20,344.87	355.2	1.10%
February	783,890	4,050,527	0.193528	0.197724	0.004196	16,996.01	65,542.24	44.50	-68,846.60	17,040.51	-3,304.36	293.2	1.10%
March	467,374	2,398,995	0.194821	0.197724	0.002903	6,964.28	72,506.52	60.08	-68,786.52	7,024.36	3,720.00	246.2	1.10%
April	346,946	1,774,815	0.195483	0.197724	0.002241	3,977.36	76,483.88	66.46	-68,720.06	4,043.82	7,763.82	186.6	1.10%
May	154,497	772,255	0.200059	0.197724	(0.002335)	-1,803.22	74,680.66	70.11	-68,649.95	-1,733.11	6,030.71	89.7	1.10%
June	<u>91,961</u>	<u>434,247</u>	<u>0.211770</u>	0.197724	(0.014046)	<u>-6,099.43</u>	<u>68,581.23</u>	<u>68.46</u>	<u>-68,581.49</u>	<u>-6,030.97</u>	<u>-0.26</u>	53.1	1.10%
Total	5,155,282	26,400,831	0.195270			64,793.05	68,581.23	351.69	-68,581.49	65,144.74	-0.26	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 June, 2017 year-to-date balance of \$3,788.18 (See Schedule 2)  
(2) Includes June, 2017 year-to-date balance of (\$68,933.18) (See Schedule 2)



NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

PROJECTED TWELVE MONTH FORWARD PERIOD - JULY, 2017 TO JUNE, 2018

	<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>Jan-18</u>	<u>Feb-18</u>	<u>Mar-18</u>	<u>Apr-18</u>	<u>May-18</u>	<u>Jun-18</u>	<u>Total</u>
<b><u>Volumes (m3)</u></b>													
Local Production (A)	84,932	84,932	82,193	84,932	82,192	84,932	84,932	76,708	84,932	82,192	84,932	82,192	1,000,000
Local Production (B)	15,068	55,068	117,808	75,069	117,808	115,068	115,068	123,292	115,068	117,808	115,068	17,808	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>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>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>24,300,831</u>
Total	355,777	958,033	1,464,460	2,353,984	4,213,441	3,545,062	4,079,235	4,050,527	2,398,995	1,774,815	772,255	434,247	26,400,831
<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)	0.163824	0.163824	0.163824	0.163824	0.163824	0.163824	0.163824	0.163824	0.163824	0.163824	0.163824	0.163824	
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	0.192334	0.192334	0.192334	0.192334	0.192334	0.192334	0.192334	0.192334	0.192334	0.192334	0.192334	0.192334	
<b><u>Total Gas Cost (\$)</u></b>													
Local Production (A)	25,582	25,582	24,756	25,581	24,756	25,582	25,582	23,104	25,582	24,756	25,582	24,756	301,200
Local Production (B)	2,469	9,021	19,300	12,298	19,300	18,851	18,851	20,198	18,851	19,300	18,851	2,917	180,206
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	49,195	157,336	243,199	421,978	771,921	643,369	746,109	740,587	422,942	302,890	110,064	64,287	4,673,876
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	77,245	191,939	287,255	459,857	815,977	687,802	790,541	783,890	467,374	346,946	154,497	91,961	5,155,282



NATURAL RESOURCE GAS LIMITED

GAS PURCHASE REBALANCING ACCOUNT

JULY, 2016 THROUGH JUNE, 2018

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
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	4,317,553	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	2,788,645	1,064,318	0	1,064,318	1,137,666	5,455,220	0.150838	76,880.41	0.004647	4,945.89	-32,250.35	-104.57	-3,063.72	-35,314.07	1.10%
October	2,248,523	5,601,777	3,683,561	1,918,216	0	1,918,216	330,307	5,785,526	0.164931	0.00	0.001556	2,984.74	-29,265.61	-29.56	-3,093.28	-32,358.89	1.10%
November	2,603,147	6,470,410	3,888,715	2,581,695	0	2,581,695	21,452	5,806,978	0.164931	0.00	0.001556	4,017.12	-25,248.49	-26.83	-3,120.11	-28,368.60	1.10%
December	3,610,484	7,184,115	3,832,159	3,351,956	0	3,351,956	258,528	6,065,506	0.164931	67,163.35	0.001556	5,215.64	47,130.50	-23.14	-3,143.25	43,987.25	1.10%
January	3,692,517	7,348,143	3,806,957	3,541,186	0	3,541,186	151,331	6,216,837	0.176004	0.00	(0.001768)	-6,260.82	40,869.68	43.20	-3,100.05	37,769.63	1.10%
February	3,115,274	5,937,103	2,969,818	2,967,285	0	2,967,285	147,989	6,364,827	0.176004	0.00	(0.001768)	-5,246.16	35,623.52	37.46	-3,062.59	32,560.93	1.10%
March	3,320,526	6,087,441	3,157,442	2,929,999	0	2,929,999	390,527	6,755,353	0.176004	37,032.85	(0.001768)	-5,180.24	67,476.13	32.65	-3,029.94	64,446.19	1.10%
April	1,762,653	5,094,956	3,270,318	1,824,638	0	1,824,638	-61,985	6,693,368	0.181486	0.00	(0.002377)	-4,337.16	63,138.97	61.85	-2,968.09	60,170.88	1.10%
May	1,552,748	5,009,914	3,412,524	1,597,390	0	1,597,390	-44,642	6,648,726	0.181486	0.00	(0.002377)	-3,797.00	59,341.97	57.88	-2,910.21	56,431.76	1.10%
June	434,247	3,789,961	3,355,714	434,247	0	434,247	0	6,648,726	0.181486	107,962.02	(0.002377)	-1,032.21	166,271.78	54.40	-2,855.81	163,415.97	1.10%
July	355,777	3,270,949	2,915,172	355,777	0	355,777	0	6,648,726	0.197724	0.00	(0.006228)	-2,215.78	164,056.00	152.42	-2,703.39	161,352.61	1.10%
August	958,033	3,921,486	2,963,453	958,033	0	958,033	0	6,648,726	0.197724	0.00	(0.006228)	-5,966.63	158,089.37	150.38	-2,553.01	155,536.36	1.10%
September	1,464,460	4,581,850	3,117,390	1,464,460	0	1,464,460	0	6,648,726	0.197724	0.00	(0.006228)	-9,120.66	148,968.71	144.92	-2,408.09	146,560.62	1.10%
October	2,353,984	5,307,058	2,953,074	2,353,984	0	2,353,984	0	6,648,726	0.197724	0.00	(0.006228)	-14,660.61	134,308.10	136.55	-2,271.54	132,036.56	1.10%
November	4,213,441	8,031,699	3,818,258	4,213,441	0	4,213,441	0	6,648,726	0.197724	0.00	(0.006228)	-26,241.31	108,066.79	123.12	-2,148.42	105,918.37	1.10%
December	3,545,062	7,547,799	4,002,737	3,545,062	0	3,545,062	0	6,648,726	0.197724	0.00	(0.006228)	-22,078.65	85,988.14	99.06	-2,049.36	83,938.78	1.10%
January	4,079,235	8,145,577	4,066,342	4,079,235	0	4,079,235	0	6,648,726	0.197724	0.00	(0.006228)	-25,405.48	60,582.66	78.82	-1,970.54	58,612.12	1.10%
February	4,050,527	7,698,962	3,648,435	4,050,527	0	4,050,527	0	6,648,726	0.197724	0.00	(0.006228)	-25,226.68	35,355.98	55.53	-1,915.01	33,440.97	1.10%
March	2,398,995	6,317,069	3,918,074	2,398,995	0	2,398,995	0	6,648,726	0.197724	0.00	(0.006228)	-14,940.94	20,415.04	32.41	-1,882.60	18,532.44	1.10%
April	1,774,815	4,949,806	3,174,991	1,774,815	0	1,774,815	0	6,648,726	0.197724	0.00	(0.006228)	-11,053.55	9,361.49	18.71	-1,863.89	7,497.60	1.10%
May	772,255	4,337,042	3,564,787	772,255	0	772,255	0	6,648,726	0.197724	0.00	(0.006228)	-4,809.60	4,551.89	8.58	-1,855.31	2,696.58	1.10%
June	434,247	3,789,961	3,355,714	434,247	0	434,247	0	6,648,726	0.197724	0.00	(0.006228)	-2,704.49	1,847.40	4.17	-1,851.14	-3.74	1.10%

(1) Includes balance of 1,289,795 as of June, 2016  
(2) Includes balance of -119,050.72 as of June, 2016  
(3) Includes balance of -2,742.60 as of June, 2016

**NATURAL RESOURCE GAS LIMITED**

**RESIDENTIAL BILL COMPARISONS**

**QUARTERLY BILL IMPACT**

	Quarter Starting 01-Jul-16 <u>EB-2016-0190</u>	Quarter Starting 01-Jul-17 <u>EB-2017-0221</u>	\$ Change	Percent Change
Average Residential Consumption for Quarter	142.2	142.2		
Monthly Charges	\$40.50	\$40.50	\$0.00	0.0%
Delivery Charges	\$23.08	\$27.91	\$4.83	20.9%
Total Commodity Charges	<u>\$22.16</u>	<u>\$27.28</u>	<u>\$5.12</u>	<u>23.1%</u>
Total Customer Charges	\$85.74	\$95.69	\$9.95	11.6%

**ANNUAL BILL IMPACT**

	01-Apr-17 <u>EB-2017-0110</u>	01-Jul-17 <u>EB-2017-0221</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	\$394.36	\$394.36	\$0.00	0.0%
Total Commodity Charges	<u>\$360.63</u>	<u>\$385.52</u>	<u>\$24.89</u>	<u>6.9%</u>
Total Customer Charges	\$916.99	\$941.88	\$24.89	2.7%

**RATES USED**

	01-Jul-16 <u>EB-2016-0190</u>	01-Apr-17 <u>EB-2017-0110</u>	01-Jul-17 <u>EB-2017-0221</u>
Monthly charge	13.50	13.50	13.50
Delivery Charge	0.162312	0.196257	0.196257
Total Commodity Charge	0.155848	0.179472	0.191859

**APPENDIX "A" TO  
DECISION AND INTERIM RATE ORDER  
BOARD FILE No. EB-2017-0221  
DATED JUNE XX, 2017**

## 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 <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)	Cap and Trade Customer Related Charge	3.3497 cents per m <sup>3</sup>
	Cap and Trade Facility Related Charge	0.0448 cents per m <sup>3</sup>
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: July 01, 2017

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

EB-2016-0330 (Interim)

EB-2017-0221

## 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 <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) Cap and Trade Customer Related Charge	3.3497 cents per m <sup>3</sup>	3.3497 cents per m <sup>3</sup>
Cap and Trade Facility Related Charge	0.0448 cents per m <sup>3</sup>	0.0448 cents per m <sup>3</sup>
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: July 01, 2017

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

EB-2016-0330 (Interim)

EB-2017-0221

## 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.
- 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) Cap and Trade Customer Related Charge 3.3497 cents per m<sup>3</sup>  
Cap and Trade Facility Related Charge 0.0448 cents per m<sup>3</sup>
- 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 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. 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: July 01, 2017

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

EB-2016-0330 (Interim)

EB-2017-0221

## 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 <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) Cap and Trade Customer Related Charge	3.3497 cents per m <sup>3</sup>	3.3497 cents per m <sup>3</sup>
Cap and Trade Facility Related Charge	0.0448 cents per m <sup>3</sup>	0.0448 cents per m <sup>3</sup>
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: July 01, 2017

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

EB-2016-0330 (Interim)

EB-2017-0221

## 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.

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 cents per m<sup>3</sup>.

c) Cap and Trade Customer Related Charge 3.3497 cents per m<sup>3</sup>  
Cap and Trade Facility Related Charge 0.0448 cents per m<sup>3</sup>

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 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: July 01, 2017

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

EB-2016-0330 (Interim)

EB-2017-0221

## 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 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 cents per m<sup>3</sup>.
- d) Cap and Trade Facility Related Charge 0.0448 cents per m<sup>3</sup>
- 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 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. 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: July 01, 2017

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

EB-2016-0330 (Interim)

EB-2017-0221

**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-2017-0221)	19.7724 cents per m <sup>3</sup>
GPRA Recovery Rate	(EB-2017-0221)	(0.6228) 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>19.1859</u> cents per m <sup>3</sup>

Note:

PGCVA means Purchased Gas Commodity Variance Account

GPRA means Gas Purchase Rebalancing Account

Effective: July 01, 2017

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

EB-2016-0330 (Interim)

EB-2017-0221

**NATURAL RESOURCE GAS LIMITED**

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

**Availability**

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

**Eligibility**

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

**Rate**

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

Note:

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

Effective: July 01, 2017

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

EB-2016-0330 (Interim)

EB-2017-0221



**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 <sup>3</sup>

Effective: July 01, 2017

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

EB-2016-0330 (Interim)

EB-2017-0221

**APPENDIX "B" TO  
DECISION AND INTERIM ORDER  
BOARD FILE No. EB-2017-0221  
DATED JUNE XX, 2017**

## 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-2017-0221  
DATED JUNE XX, 2017**

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

### Gas Commodity:

On all bills rendered by Natural Resource Gas Limited on or after July 1, 2017, the price we charge for the gas commodity and transportation portion of your bill will be increasing by \$0.012387 per cubic meter to \$0.191859 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 June 2018. 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 \$25 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.