



Natural Resource Gas Limited

Friday, September 5, 2008

VIA COURIER AND EMAIL

Ontario Energy Board
2300 Yonge Street
Suite 2601
Toronto, ON
M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Sirs:

RE: EB-2008-0284

Please find attached two copies of an Application and pre-filed evidence for an Order to change the gas rates from those authorized in EB-2008-0090.

In order to provide NRG with the necessary lead-time to make the necessary system changes and print the customer notices, it requests that the Board make its decision on this matter by September 20, 2008. We also enclose one copy of the application on disk. The application has also been sent via email.

If you require any further information regarding this Application, please do not hesitate to contact us.

Yours truly,

NATURAL RESOURCE GAS LIMITED

Per: Mark Bristoll
President

Enclosure

c.c. Mr. Randy Aiken
All intervenors in RP-2005-0544

ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF an Application by
Natural Resource Gas Limited for an order or orders
approving or fixing just and reasonable rates and
other charges for the sale, distribution, transmission
and storage of gas as of October 1, 2008;

AND IN THE MATTER OF the Quarterly Rate
Adjustment Mechanism.

APPLICATION

1. As part of the EB-2008-0090 Decision and Order dated June 25, 2008 the Board approved a PGCVA reference price of \$0.438512 per m³ and a gas supply charge of \$0.459925 per m³, both effective July 1, 2008.
2. Based on actual and forecast natural gas prices for the October, 2007 through September, 2008 period the PGCVA balance is projected to be a credit of approximately \$3 per residential customer. If unadjusted, the projected PGCVA balance at the end of September, 2009 would be a credit of approximately \$133 per residential customer.
3. The PGTVA balance is projected to have a credit balance of approximately \$4 per residential customer over this period. NRG is not requesting any change to the PGTVA reference price in this proceeding. The actual PGTVA balance at the end of Fiscal 2008 will be disposed of through a separate application.
4. Based on the requested change in the PGCVA reference price effective October 1, 2008, the GPRA, if unadjusted, would have a projected credit balance of approximately \$113,000.00, including accumulated interest, at the end of September, 2009.

5. NRG hereby applies to the Board for further orders effective October 1, 2008 as follows:

- a) an order changing the reference price authorized by the Board's EB-2008-0090 rate order for use in determining the amounts to be recorded in the Purchased Gas Commodity Variance Account (Account No. 179-27) by \$0.065331 per m³ from the Board approved level of \$0.438512 per m³ to \$0.373181 per m³;
- b) an order changing the rates and other charges from those authorized by the Board's EB-2008-0090 rate order to reflect a projected \$0.070481 per m³ change in the gas supply charge from the Board approved level of \$0.459925 m³ to a projected cost of \$0.389444 per m³. This change is the sum of the change in the PGCVA reference price and the change required to prospectively clear the balance of the GPRA.

6. This application will be supported by written evidence that will be pre-filed with the Board and intervenors of record in EB-2005-0544.

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

Mr. Mark Bristoll
Natural Resource Gas Limited
39 Beech Street East
P.O. Box 307
Aylmer, Ontario, N5H 2S1

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

And

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

Telephone: (519) 351-8624

Fax: (519) 351-4331

Dated at Aylmer, Ontario, this 5th day of September, 2008.

NATURAL RESOURCE GAS LIMITED

Mark Bristoll
Chairman

NATURAL RESOURCE GAS LIMITED

INTRODUCTION

As part of the EB-2008-0090 Decision and Order dated June 25, 2008, the Board approved a PGCVA reference price of \$0.438512 per m³ and a gas supply charge of \$0.459925 per m³, both effective July 1, 2008.

In EB-2005-0544 (Decision with Reasons dated September 20, 2006), the Board approved a Purchased Gas Transportation Variance Account ("PGTVA") reference price of \$0.019029 per m³, effective October 1, 2006.

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. In EB-2008-0090, the Board approved a GPRA rate of \$0.019585 per m³.

NRG is proposing to adjust the gas supply charge, the GPRA rate and the PGCVA reference price effective October 1, 2008 to reflect an updated forecast of gas costs, the projected balance in the PGCVA and the projected balance in the GPRA.

NRG is not proposing any change to the PGTVA reference price as part of this proceeding.

PGCVA

Updated Forecasts

The purpose of this evidence is to provide the projected PGCVA account balance for the twelve-month period ending September, 2008 and for the twelve-month period ending September, 2009. Based on actual and forecast costs, the PGCVA account balance totals a credit of \$3.37 per residential customer for the twelve month period ending September,

September, 2008

1 2008 (Schedule 2). This credit, in the absence of a change in the PGCVA reference
2 price, would become a credit of \$133.32 per residential customer by the end of
3 September, 2009 (Schedule 5).

4
5 The current forecast reflects the forecast for natural gas prices over the relevant period.
6 These gas prices reflect current market conditions, including alternative energy prices,
7 demand for natural gas, the weather outlook and the impact of current storage levels.

8
9 The PGCVA balance has been calculated using the most recent information available,
10 including actual volumes and costs through July, 2008. The remaining months in the
11 twelve-month period ending September, 2008 are calculated using estimated prices based
12 on the best information available at the time of filing. Forecast prices have been used for
13 the period October, 2008 through September, 2009 period, except where actual
14 contracted prices are available.

15
16 The gas supply portfolio reflects the current and forecasted mix of delivery points utilized
17 by NRG for system gas purchases.

18
19 Gas Supply Portfolio

20 NRG's gas supply portfolio includes local production, deliveries of Western Canadian
21 gas at the Alberta border and purchases at Parkway on the Union Gas ("Union") system.
22 When required, NRG also purchases additional Ontario Delivered gas in February and/or
23 September. The requirement for these purchases is discussed below.

24
25 NRG is required to balance its total supply with its total demand on the Union Gas
26 system on an annual basis, at the time that the direct purchase contract with Union Gas is
27 renewed. This may entail NRG purchasing Ontario Delivered gas or shedding excess
28 gas.

NRG is a direct purchase customer on the Union Gas system. Under its bundled transportation contract, NRG is obligated to deliver a fixed amount of gas each day to Union. This amount is determined by Union and is based on the expected annual volume divided by 365.

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

NRG is currently required to deliver 1,500 GJ/day to Union Gas. Of this amount, NRG has assigned a total of 180 GJ/day to its direct purchase customers, leaving 1,320 GJ/day for system gas customers. The composition of this 1,320 GJ/day is 581 GJ/day at AECO and 739 GJ/day at Parkway. NRG is not projecting any change to these figures in the relevant time period covered by this application.

The composition of the gas deliveries for direct purchase and system gas customers is shown in the following table.

<u>GJ/s per Day</u>		
Delivery Point	Oct., 2007	Oct., 2008
Direct Purchase	180	180
AECO	581	581
Parkway	739	739
Dawn	<u>0</u>	<u>0</u>
Total	1,500	1,500

In addition to the obligated deliveries described above, NRG purchases gas from local producers in its franchise area.

As indicated previously, NRG is required to balance its supply with its demand on the Union system to within +/- 4% at the end of the contract year under its bundled

1 transportation contract with Union. The bundled transportation contract year-end
2 corresponds with the end of NRG's fiscal year (September 30). NRG purchases
3 additional balancing gas (or Ontario Delivered gas) or sells gas and/or reduces deliveries
4 such that total demand on the Union system is offset by the supply provided to Union Gas
5 to remain within the contract parameters.

6
7 As shown in Schedule 4, NRG has reduced its overall obligated deliveries to Union Gas
8 in both August and September, 2008 to remain within the +/- 4% range of its
9 transportation contract with Union. These reductions from 1,320 GJ/day to 1,115 GJ/day
10 in August and to 1,130 GJ/day in September are reflected by lower volumes purchased at
11 Parkway in both of these months (see Schedule 3).

12
13 The composition of the gas supply portfolio volumes for the October, 2007 through
14 September, 2008 period is shown on the top of Schedule 3. This schedule shows the
15 monthly volume of gas purchased or forecast to be purchased from local producers,
16 obligated deliveries at Dawn, Parkway and the Alberta border (Western), and balancing
17 gas (Ontario Delivered). Similarly, the composition of the gas supply portfolio volumes
18 for the October, 2008 through September, 2009 period is shown on the top of Schedule 6.

19
20 Gas Costs

21 NRG's actual and forecast gas costs for the October, 2007 through September, 2008
22 period, by source of supply, are shown in Schedule 4 in \$/GJ. These prices are also
23 shown in the middle section of Schedule 3 in $\$/m^3$. The conversion factor used is based
24 on the heat values used by Union Gas in their calculation of NRG's Banked Gas Account
25 balances. The conversion factors used are also shown in Schedule 4. All prices shown
26 are actual prices paid in October, 2007 through July, 2008. Prices for the remaining
27 months in this period are based on estimated and contracted prices to be paid in these
28 months.

1 Prices for October, 2008 through September, 2009 are based on prices averaged over 10
2 days in the period August 18, 2008 through August 29, 2008. These prices have been
3 utilized in calculating the prices shown in Schedule 7 in \$/GJ and in the middle section of
4 Schedule 6 in $\$/\text{m}^3$. Gas prices for each of the sources of supply are described below. In
5 addition to the above, contracted prices have been used where purchase decisions have
6 been made.

7
8 The first source of supply noted in Schedules 4 and 7 is "Local Production (A)". This
9 refers to gas that is produced in NRG's franchise area and purchased from a related
10 company. This gas has been contracted for through September 30, 2008 at a fixed price
11 of $\$0.3012/\text{m}^3$ (Schedule 6). The forecast price of $\$9.336/\text{GJ}$ shown in Schedule 7 for the
12 October, 2008 through September, 2009 period is the forecast price for Dawn gas in these
13 months.

14
15 The second source of local production is noted as "Local Production (B)" in Schedules 4
16 and 7. The price paid for this gas is for Dawn delivery. NRG is not forecasting the
17 purchase of any gas from this source in the October, 2008 through September, 2009
18 period.

19
20 NRG also purchases gas for delivery at Parkway and Empress. The pricing of this gas at
21 these delivery points is discussed below.

22
23 The Empress price over the October, 2008 through September, 2009 period shown in
24 Schedule 7 (Western Deliveries) is based on a combination of forecast prices and actual
25 contracted prices. The average Empress delivery rate forecast is $\$9.597/\text{GJ}$ in October,
26 $\$9.642/\text{GJ}$ in November through March and $\$8.432/\text{GJ}$ in April through September. Fuel
27 costs of 4% are included in these rates.

28
29 The average Empress delivery rate includes three fixed price contracts over this period.
30 The first fixed price contract is for 250 GJ per day at a price of $\$9.960/\text{GJ}$ and a second is

1 for 150 GJ per day at a price of \$10.570/GJ. Both of these contracts expire at the end of
2 October, 2008. The third fixed price contract covers the period November, 2008 through
3 March, 2009 and is for 460 GJ per day at a price of \$9.570/GJ. The remaining 121 GJ
4 per day to be purchased at Empress in the November through March period has been
5 priced based on the November 2008 through March 2009 winter strip price of \$8.135/GJ.
6 For the period April, 2009 through October, 2009, the total deliveries of 481 GJ per day
7 are forecast at a price of \$8.108/GJ. This price is based on the November 2008 through
8 October 2009 one year strip average price forecasts from the August 18, 2008 through
9 August 29, 2008 period.

10
11 The Parkway price over the October, 2008 through September, 2009 period is also based
12 on a combination of actual contracted prices and forecast prices over this period. In
13 particular, NRG has two contracts that expire at the end of October, 2008. Each of these
14 contracts is for 250 GJ/day and are at prices of \$11.370/GJ and \$12.140/GJ. NRG also
15 has two contracts in place over the November, 2008 through March, 2009 period. One is
16 for the delivery of 100 GJ/day at a price of \$13.00/GJ. The second is for 490 GJ/day at a
17 price of \$11.27/GJ. The remaining Parkway deliveries over the October, 2008 through
18 September, 2009 period (239 GJ/day in October 2008, 149 GJ/day in November 2008
19 through March 2009 and 739 GJ/day in April 2009 through September, 2009) have not
20 been contracted for at this time. The forecasted prices used are \$8.384/GJ in October
21 2008, \$9.690/GJ in November 2008 through March, 2009 and \$9.437/GJ in April 2009
22 through September, 2009. Again, these forecasted prices are based on the winter and
23 one year strip average price forecasts from the August 18, 2008 through August 29, 2008
24 period.

25
26 NRG is not forecasting the purchase or sale of any delivered gas in September, 2009 for
27 balancing purposes.

28
29
30

1 Other Forecast Assumptions

2 A number of other assumptions have been used to calculate the projected balance in the
3 PGCVA. As shown on Schedules 4 and 7, the fuel ratio for Western deliveries has been
4 forecast at 4.0%. This ratio has been reflected in the forecast prices shown in the
5 schedules for western deliveries.

6
7 TCPL tolls have been forecast at a rate of \$1.39999/GJ that came into effect June 1,
8 2008. This toll reflects the new tolls approved by the National Energy Board on May 27,
9 2008.

10
11 PGCVA Balance

12 The projected September, 2008 balance in the PGCVA is a credit of \$33,948.51,
13 including a debit of \$46,083.63 in accumulated interest, based on the Board approved
14 short term interest rate. This estimate is based on actual and forecasted purchases and the
15 balance brought forward from September, 2007. The PGCVA credit amounts to a rebate
16 of approximately \$3.37 for a typical residential customer consuming approximately 1,961
17 m³ per year. These figures are shown on Schedule 2. The interest rate used is that
18 prescribed by the Board.

19
20 Proposed PGCVA Rate Changes

21 Schedule 5 shows the impact at the end of the twelve-month period beginning October,
22 2008 if no change is made to the reference price. At the end of September, 2009, the
23 balance in the PGCVA is a credit balance of \$1,360,545.43, including a debit balance of
24 \$25,868.66 in accumulated interest. This represents a rebate of \$133.32 for a residential
25 customer consuming approximately 2,000 m³ per year.

26
27 NRG proposes to adjust the reference price effective October 1, 2008 based on the
28 projected accumulated balance in the PGCVA as of the end of September, 2008 and the
29 forecasted cost of gas over the 12 month period beginning October, 2008 and ending

1 September, 2009. The reference price will be set such that the projected PGCVA balance
2 at the end of September, 2009 would be close to zero.

3
4 NRG's proposal will clear the PGCVA balance on a prospective basis, eliminating the
5 need for retroactive adjustments. This is consistent with NRG's past proposals in QRAM
6 applications, which were accepted by the Board. In those proceedings, NRG indicated
7 that its customers had made clear their opinion on retroactive adjustments. A large
8 percentage of NRG's gas sales volumes are agriculturally based and these customers
9 cannot recover any retroactive charges. The proposal contained in this application is
10 designed to minimize, and eliminate where possible, the existence of further retroactive
11 billing adjustments.

12
13 NRG proposes to change the reference price by \$0.065331 per m³ effective October 1,
14 2008, from \$0.438512 per m³ to \$0.373181 per m³. The derivation of this rate is shown
15 in Schedule 8. This is the reference price required to bring the PGCVA balance close to
16 zero on a twelve month forecast basis. This change will also be reflected in the gas
17 commodity charge.

18 19 **GAS PURCHASE REBALANCING ACCOUNT**

20 The impact on the GPRA of the proposed October 1, 2008 change in the PGCVA
21 reference price from \$0.438512 per m³ to \$0.373181 per m³ is a credit of \$30,678.02, as
22 shown on Schedule 9. This figure is shown in column (J) of Schedule 9 and on the
23 September, 2008 line. It is calculated as the change in the PGCVA reference price
24 between October and September, multiplied by the cumulative inventory balance at the
25 end of September. This cumulative inventory balance is the sum of the actual monthly
26 inventory balances for July, 2008 and forecasts for the subsequent months. These
27 forecasts will be replaced with actual balances for these months in subsequent QRAM
28 applications as this information becomes available. As well, the monthly inventory
29 balances are based on a deemed level of unaccounted for gas ("UFG") of the total

1 throughput volume, as shown in column (E) of Schedule 9. The 0.0% is the Board
2 approved level of UFG from EB-2005-0544.

3
4 NRG proposes to adjust the gas commodity charge effective October 1, 2008 based on
5 the projected accumulated balance in the GPRA. The adjustment to the gas commodity
6 charge will be set such that the projected GPRA balance at the end of September, 2009
7 would be close to zero. The rate required to achieve this is shown in column (K) on
8 Schedule 9. Column (P) shows the reduction of the inventory revaluation debit based on
9 this rate of \$0.014435 per m³ over the October, 2008 through September, 2009 period.

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

16 17 18 **GAS COMMODITY CHARGE**

19 The system gas supply cost of \$0.001828 per m³ will be maintained. This figure
20 represents the functionalization of additional costs over and above the commodity and
21 transportation costs that form the PGCVA reference price to the gas supply function.
22 These additional costs are portions of the wages and benefits, management fee, return on
23 rate base (working cash) and income taxes. This functionalization is unchanged from that
24 approved in EB-2005-0544.

25
26 The change in the gas commodity charge proposed for October 1, 2008 is summarized
27 below. The change in the gas commodity charge reflects both the change in the PGCVA
28 reference price and the change in the recovery of the inventory revaluation amount in the
29 GPRA. The change in the gas commodity charge is as follows:

30

1

2

3

4

5

6

7

8

9

10 **PGTVA**11 PGTVA Balance

12 Based on the current reference price of \$0.019029 per m³, the projected September, 2008
 13 balance in the PGTVA is a credit of \$40,099.30 including a credit of \$2,238.98 in
 14 accumulated interest, based on the Board approved short term interest rate. This estimate
 15 is based on actual and forecasted costs over this period. The PGTVA credit amounts to a
 16 rebate of approximately \$3.70 for a typical residential customer consuming
 17 approximately 1,961 m³ per year. These figures are shown on Schedule 10.

18

19 Schedule 11 shows the impact at the end of the twelve-month period beginning October,
 20 2008 based on the reference price of \$0.019029 per m³. At the end of September, 2009,
 21 the balance in the PGTVA is a credit balance of \$39,660.20, including a credit balance of
 22 \$4,593.00 in accumulated interest. This represents a rebate of \$3.69 for a residential
 23 customer consuming approximately 2,000 m³ per year.

24

25 The balance in the PGTVA forms part of the distribution delivery rate charged by NRG
 26 and, as such, is not impacted by changes in gas costs. NRG is not proposing to change
 27 the PGTVA reference price as part of this gas cost proceeding. NRG plans to dispose of
 28 the actual balance in the PGTVA at the end of September, 2008 based on final fiscal
 29 2008 delivery volumes by way of a one-time rebate to customers based on their actual
 30 consumption in fiscal 2008. This is the same approach as approved by the Board in EB-
 31 2007-0092 for the actual balance in the PGTVA at the end of September, 2006 and
 32 proposed in EB-2008-0051 for the actual balance in the PGTVA at the end of September,

1 2007. NRG expects to file a separate application to clear this balance when the fiscal
2 2008 figures have been finalized.

3 4 **SUMMARY**

5 In summary, NRG proposes to change the reference price for amounts to be recorded in
6 the Purchased Gas Commodity Variance Account from \$0.438512 by \$0.065331 to
7 \$0.373181 per m³ effective October 1, 2008. This change is shown in Appendix B.

8
9 NRG also proposes to change the gas supply charge from \$0.459925 to \$0.389444 per m³
10 effective October 1, 2008. This change reflects the change of \$0.065331 per m³ related
11 to the change in the PGCVA reference price, as described above and the change of
12 \$0.005150 per m³ related to the recovery of the GPRA balance, also as described above.
13 These changes apply to all system gas customers served under Rates 1, 2, 3, 4 and 5.
14 There are no other changes to these rate schedules. The proposed rate schedules are
15 attached as Appendix A. The proposed customer notices are attached as Appendix C.

16
17 Schedule 12 provides a residential bill comparison showing the impact of the proposed
18 changes on a year over year basis for the appropriate quarter as well as the annual bill
19 impact of the most recent quarterly change. The annual bill impact on a customer
20 consuming approximately 2,000 m³ is a decrease of \$141.62.

21

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE

TWELVE MONTH PERIOD - OCTOBER, 2007 TO SEPTEMBER, 2008

<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) (1)</u>	<u>Monthly Interest (\$'s)</u>	<u>Y-T-D Interest (\$'s) (2)</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>
Actual	October	568,250	1,872,398	0.303488	0.326729	0.023241	43,516.39	47,936.97	18.93	(45,979.81)	43,535.32	1,957.16	88.5	5.14%
Actual	November	549,850	1,753,624	0.313551	0.326729	0.013178	23,109.26	71,046.23	205.33	(45,774.48)	23,314.59	25,271.75	208.9	5.14%
Actual	December	556,719	1,739,689	0.320011	0.326729	0.006718	11,687.23	82,733.46	304.31	(45,470.17)	11,991.54	37,263.29	297.3	5.14%
Actual	January	552,626	1,723,744	0.320596	0.305418	(0.015178)	(26,162.99)	56,570.47	354.37	(45,115.80)	(25,808.62)	11,454.67	324.3	5.14%
Actual	February	522,310	1,602,320	0.325971	0.305418	(0.020553)	(32,932.49)	23,637.98	242.31	(44,873.49)	(32,690.18)	(21,235.51)	328.3	5.14%
Actual	March	559,568	1,666,926	0.335688	0.305418	(0.030270)	(50,457.86)	(26,819.88)	101.25	(44,772.24)	(50,356.61)	(71,592.12)	295.1	5.14%
Actual	April	571,848	1,626,376	0.351609	0.351880	0.000271	440.75	(26,379.13)	(91.19)	(44,863.43)	349.56	(71,242.56)	148.6	4.08%
Actual	May	613,515	1,592,754	0.385191	0.351880	(0.033311)	(53,056.24)	(79,435.37)	(89.69)	(44,953.12)	(53,145.93)	(124,388.49)	86.3	4.08%
Actual	June	594,615	1,478,370	0.402210	0.351880	(0.050330)	(74,406.36)	(153,841.73)	(270.08)	(45,223.20)	(74,676.44)	(199,064.93)	48.3	4.08%
Actual	July	609,587	1,451,773	0.419891	0.438512	0.018621	27,033.47	(126,808.26)	(429.47)	(45,652.67)	26,604.00	(172,460.93)	34.4	3.35%
Forecast	August	611,690	1,621,242	0.377297	0.438512	0.061215	99,244.33	(27,563.93)	(354.01)	(46,006.68)	98,890.32	(73,570.61)	42.8	3.35%
Forecast	September	<u>595,565</u>	<u>1,603,518</u>	<u>0.371412</u>	0.438512	0.067100	<u>107,596.07</u>	<u>80,032.14</u>	<u>(76.95)</u>	<u>(46,083.63)</u>	<u>107,519.12</u>	<u>33,948.51</u>	<u>58.5</u>	3.35%
	Total	6,906,143	19,732,735	0.349984			75,611.56	80,032.14	(84.89)	(46,083.63)	75,526.67	33,948.51	1,961.3	

PGCVA Balance per M*3 Purchased (\$/M*3) \$0.001720
Forecast Average Residential Consumption per Customer 1,961.3 M*3
Estimated Impact on Average Residential Customer \$3.37 Customer Rebate

(1) Includes balance of 4,420.58 as of September, 2007
(2) Includes balance of (45,998.74) as of September, 2007

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

TWELVE MONTH PERIOD - OCTOBER, 2007 TO SEPTEMBER, 2008

	<u>Oct-07</u>	<u>Nov-07</u>	<u>Dec-07</u>	<u>Jan-08</u>	<u>Feb-08</u>	<u>Mar-08</u>	<u>Apr-08</u>	<u>May-08</u>	<u>Jun-08</u>	<u>Jul-08</u>	<u>Aug-08</u>	<u>Sep-08</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Local Production (A)	779,449	699,592	650,522	638,333	586,936	581,515	576,927	504,879	419,841	361,419	700,000	700,000	7,199,412
Local Production (B)	0	0	0	0	0	0	0	0	0	0	0	0	0
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	611,886	590,098	609,768	607,666	568,462	607,666	587,532	609,045	592,616	610,433	441,205	438,966	6,875,343
Western Delivery	481,063	463,934	479,398	477,745	446,923	477,745	461,916	478,830	465,913	479,921	480,037	464,552	5,657,979
Ontario Delivered Gas	<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	1,872,398	1,753,624	1,739,689	1,723,744	1,602,320	1,666,926	1,626,376	1,592,754	1,478,370	1,451,773	1,621,242	1,603,518	19,732,735

<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)	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
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	0.293098	0.329290	0.336783	0.337740	0.347882	0.361167	0.373945	0.418718	0.442723	0.460999	0.437446	0.431480	
Western Delivery	0.225165	0.273448	0.285493	0.283613	0.289539	0.304168	0.336727	0.381833	0.389326	0.404449	0.380453	0.367921	
Ontario Delivered Gas	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	

<u>Total Gas Cost (\$)</u>													
Local Production (A)	234,770	210,717	195,937	192,266	176,785	175,152	173,770	152,070	126,456	108,859	210,840	210,840	2,168,463
Local Production (B)	0	0	0	0	0	0	0	0	0	0	0	0	0
Dawn Delivery	27,261	0	0	0	0	0	0	0	0	0	0	0	27,261
Parkway Delivery	179,343	194,313	205,360	205,233	197,758	219,469	219,705	255,018	262,365	281,409	193,003	189,405	2,602,380
Western Delivery	108,319	126,862	136,865	135,495	129,402	145,315	155,540	182,833	181,392	194,103	182,632	170,919	1,849,675
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
TCPL Transportation	<u>18,557</u>	<u>17,958</u>	<u>18,557</u>	<u>19,632</u>	<u>18,365</u>	<u>19,632</u>	<u>22,833</u>	<u>23,594</u>	<u>24,402</u>	<u>25,215</u>	<u>25,215</u>	<u>24,402</u>	<u>258,364</u>
Total	568,250	549,850	556,719	552,626	522,310	559,568	571,848	613,515	594,615	609,587	611,690	595,565	6,906,143

NATURAL RESOURCE GAS LIMITED

ACTUAL AND FORECAST GAS PRICES

TWELVE MONTH PERIOD - OCTOBER, 2007 TO SEPTEMBER, 2008

	<u>Oct-07</u>	<u>Nov-07</u>	<u>Dec-07</u>	<u>Jan-08</u>	<u>Feb-08</u>	<u>Mar-08</u>	<u>Apr-08</u>	<u>May-08</u>	<u>Jun-08</u>	<u>Jul-08</u>	<u>Aug-08</u>	<u>Sep-08</u>
<u>Local Production</u>												
Local Production (A) (\$/GJ)	8.045	8.017	8.017	7.989	7.989	7.989	7.982	8.008	8.051	8.026	8.028	8.028
Local Production (B) (\$/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
<u>Dawn</u> (\$/GJ)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<u>Parkway</u> (\$/GJ)	7.828	8.765	8.964	8.959	9.228	9.580	9.910	11.132	11.834	12.284	11.659	11.500
<u>Western Deliveries</u> (\$/GJ)	6.014	7.278	7.599	7.523	7.680	8.068	8.924	10.151	10.407	10.777	10.140	9.806
Fuel Ratio (%)	4.65%	5.16%	4.65%	5.16%	3.44%	4.65%	2.93%	3.10%	1.55%	3.96%	4.00%	4.00%
<u>TCPL Transportation</u> (\$/GJ)												
TCPL Toll	1.030320	1.030320	1.030320	1.090000	1.090000	1.090000	1.310000	1.310000	1.399990	1.399990	1.399990	1.399990
GJ/day (TCPL)	581	581	581	581	581	581	581	581	581	581	581	581
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)	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,115	1,130
<u>Ontario Delivered Gas</u> (\$/GJ)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Heat Value (GJ/103m3)	37.44	37.57	37.57	37.70	37.70	37.70	37.73	37.61	37.41	37.53	37.52	37.52

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE

PROJECTED TWELVE MONTH FORWARD PERIOD - OCTOBER, 2008 TO SEPTEMBER, 2009
(NO CHANGE IN REFERENCE PRICE)

Month	Purchase Cost (\$'s)	M*3	Forecast Price (\$/M*3)	Reference Price (\$/M*3)	Unit Rate Difference (\$/M*3)	Monthly PGCVA (\$'s)	Y-T-D PGCVA (\$'s) (1)	Monthly Interest (\$'s)	Y-T-D Interest (\$'s) (2)	Total PGCVA (\$'s)	Total Y-T-D PGCVA (\$'s)	Average Residential Consumption (M*3)	Monthly Interest Rate
October	716,149	1,867,169	0.383548	0.438512	0.023241	102,627.09	182,659.23	223.42	(45,860.21)	102,850.51	136,799.02	118.7	3.35%
November	686,166	1,752,224	0.391597	0.438512	0.013178	82,205.57	264,864.80	509.92	(45,350.29)	82,715.49	219,514.51	202.7	3.35%
December	683,613	1,738,241	0.393279	0.438512	0.006718	78,625.87	343,490.67	739.41	(44,610.88)	79,365.28	298,879.79	321.8	3.35%
January	683,430	1,737,719	0.393291	0.438512	(0.015178)	78,581.40	422,072.07	958.91	(43,651.97)	79,540.31	378,420.10	355.2	3.35%
February	633,174	1,612,456	0.392676	0.438512	(0.020553)	73,908.54	495,980.61	1,178.28	(42,473.69)	75,086.82	453,506.92	293.2	3.35%
March	683,430	1,737,719	0.393291	0.438512	(0.030270)	78,581.40	574,562.01	1,384.61	(41,089.08)	79,966.01	533,472.93	246.2	3.35%
April	608,883	1,702,632	0.357613	0.438512	0.000271	137,741.19	712,303.20	1,603.99	(39,485.09)	139,345.18	672,818.11	186.6	3.35%
May	604,008	1,687,719	0.357884	0.438512	(0.033311)	136,077.43	848,380.63	1,988.51	(37,496.58)	138,065.94	810,884.05	89.7	3.35%
June	556,200	1,552,632	0.358230	0.438512	(0.050330)	124,648.37	973,029.00	2,368.40	(35,128.18)	127,016.77	937,900.82	53.1	3.35%
July	565,374	1,577,719	0.358349	0.438512	0.018621	126,474.71	1,099,503.71	2,716.37	(32,411.81)	129,191.08	1,067,091.90	40.9	3.35%
August	639,130	1,787,719	0.357512	0.438512	0.061215	144,805.26	1,244,308.97	3,069.45	(29,342.36)	147,874.71	1,214,966.61	42.8	3.35%
September	<u>626,444</u>	<u>1,752,632</u>	<u>0.357431</u>	0.438512	0.067100	<u>142,105.12</u>	<u>1,386,414.09</u>	<u>3,473.70</u>	<u>(25,868.66)</u>	<u>145,578.82</u>	<u>1,360,545.43</u>	<u>58.5</u>	3.35%
Total	7,686,003	20,506,582	0.374807			1,306,381.95	1,386,414.09	20,214.97	(25,868.66)	1,326,596.92	1,360,545.43	2,009.4	

PGCVA Balance per M*3 Purchased (\$/M*3) \$0.066347
Forecast Average Residential Consumption per Customer 2,009.4 M*3
Estimated Impact on Average Residential Customer \$133.32 Customer Rebate

(1) Includes Sept., 2008 year-to-date balance of \$80,032.14 (See Schedule 2)
(2) Includes Sept., 2008 year-to-date balance of (\$46,083.63) (See Schedule 2)

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

PROJECTED TWELVE MONTH FORWARD PERIOD - OCTOBER, 2008 TO SEPTEMBER, 2009

	<u>Oct-08</u>	<u>Nov-08</u>	<u>Dec-08</u>	<u>Jan-09</u>	<u>Feb-09</u>	<u>Mar-09</u>	<u>Apr-09</u>	<u>May-09</u>	<u>Jun-09</u>	<u>Jul-09</u>	<u>Aug-09</u>	<u>Sep-09</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Local Production (A)	779,450	699,592	650,522	650,000	630,000	650,000	650,000	600,000	500,000	490,000	700,000	700,000	7,699,564
Local Production (B)	0	0	0	0	0	0	0	0	0	0	0	0	0
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	608,958	589,314	608,958	608,958	550,027	608,958	589,314	608,958	589,314	608,958	608,958	589,314	7,169,989
Western Delivery	478,761	463,317	478,761	478,761	432,430	478,761	463,317	478,761	463,317	478,761	478,761	463,317	5,637,028
Ontario Delivered Gas	<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	1,867,169	1,752,224	1,738,241	1,737,719	1,612,456	1,737,719	1,702,632	1,687,719	1,552,632	1,577,719	1,787,719	1,752,632	20,506,582

<u>Price (\$/m3)</u>													
Local Production (A)	0.351220	0.351220	0.351220	0.351220	0.351220	0.351220	0.351220	0.351220	0.351220	0.351220	0.351220	0.351220	
Local Production (B)	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
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	0.401217	0.420817	0.420817	0.420817	0.420817	0.420817	0.355020	0.355020	0.355020	0.355020	0.355020	0.355020	
Western Delivery	0.361039	0.362732	0.362732	0.362732	0.362732	0.362732	0.317212	0.317212	0.317212	0.317212	0.317212	0.317212	
Ontario Delivered Gas	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	

<u>Total Gas Cost (\$)</u>													
Local Production (A)	273,758	245,711	228,476	228,293	221,269	228,293	228,293	210,732	175,610	172,098	245,854	245,854	2,704,241
Local Production (B)	0	0	0	0	0	0	0	0	0	0	0	0	0
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	244,324	247,993	256,260	256,260	231,461	256,260	209,218	216,192	209,218	216,192	216,192	209,218	2,768,790
Western Delivery	172,851	168,060	173,662	173,662	156,856	173,662	146,970	151,869	146,970	151,869	151,869	146,970	1,915,270
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
TCPL Transportation	<u>25,215</u>	<u>24,402</u>	<u>25,215</u>	<u>25,215</u>	<u>23,588</u>	<u>25,215</u>	<u>24,402</u>	<u>25,215</u>	<u>24,402</u>	<u>25,215</u>	<u>25,215</u>	<u>24,402</u>	<u>297,702</u>
Total	716,149	686,166	683,613	683,430	633,174	683,430	608,883	604,008	556,200	565,374	639,130	626,444	7,686,003

[illegible]

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT

PROJECTED TWELVE MONTH FORWARD PERIOD - OCTOBER, 2008 TO SEPTEMBER, 2009
(WITH CHANGE IN REFERENCE PRICE)

Month	Purchase Cost (\$'s)	M*3	Forecast Price (\$/M*3)	Reference Price (\$/M*3)	Unit Rate Difference (\$/M*3)	Monthly PGCVA (\$'s)	Y-T-D PGCVA (\$'s) (1)	Monthly Interest (\$'s)	Y-T-D Interest (\$'s) (2)	Total PGCVA (\$'s)	Total Y-T-D PGCVA (\$'s)	Average Residential Consumption (M*3)	Monthly Interest Rate
October	716,149	1,867,169	0.383548	0.373181	(0.010367)	(19,356.94)	60,675.20	223.42	(45,860.21)	(19,133.52)	14,814.99	118.7	3.35%
November	686,166	1,752,224	0.391597	0.373181	(0.018416)	(32,268.95)	28,406.25	169.38	(45,690.83)	(32,099.57)	(17,284.58)	202.7	3.35%
December	683,613	1,738,241	0.393279	0.373181	(0.020098)	(34,935.17)	(6,528.92)	79.30	(45,611.53)	(34,855.87)	(52,140.45)	321.8	3.35%
January	683,430	1,737,719	0.393291	0.373181	(0.020110)	(34,945.54)	(41,474.46)	(18.23)	(45,629.76)	(34,963.77)	(87,104.22)	355.2	3.35%
February	633,174	1,612,456	0.392676	0.373181	(0.019495)	(31,434.83)	(72,909.29)	(115.78)	(45,745.54)	(31,550.61)	(118,654.83)	293.2	3.35%
March	683,430	1,737,719	0.393291	0.373181	(0.020110)	(34,945.54)	(107,854.83)	(203.54)	(45,949.08)	(35,149.08)	(153,803.91)	246.2	3.35%
April	608,883	1,702,632	0.357613	0.373181	0.015568	26,506.57	(81,348.26)	(301.09)	(46,250.17)	26,205.48	(127,598.43)	186.6	3.35%
May	604,008	1,687,719	0.357884	0.373181	0.015297	25,817.04	(55,531.22)	(227.10)	(46,477.27)	25,589.94	(102,008.49)	89.7	3.35%
June	556,200	1,552,632	0.358230	0.373181	0.014951	23,213.39	(32,317.83)	(155.02)	(46,632.29)	23,058.37	(78,950.12)	53.1	3.35%
July	565,374	1,577,719	0.358349	0.373181	0.014832	23,400.73	(8,917.10)	(90.22)	(46,722.51)	23,310.51	(55,639.61)	40.9	3.35%
August	639,130	1,787,719	0.357512	0.373181	0.015669	28,011.77	19,094.67	(24.89)	(46,747.40)	27,986.88	(27,652.73)	42.8	3.35%
September	<u>626,444</u>	<u>1,752,632</u>	<u>0.357431</u>	0.373181	0.015750	<u>27,603.95</u>	<u>46,698.62</u>	<u>53.31</u>	<u>(46,694.09)</u>	<u>27,657.26</u>	<u>4.53</u>	<u>58.5</u>	3.35%
Total	7,686,003	20,506,582	0.374807			(33,333.52)	46,698.62	(610.46)	(46,694.09)	(33,943.98)	4.53	2,009.4	

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

\$0.000000

Forecast Average Residential Consumption per Customer

2,009.4 M*3

Estimated Impact on Average Residential Customer

\$0.00 Customer Rebate

(1) Includes Sept., 2008 year-to-date balance of

\$80,032.14

(See Schedule 2)

(2) Includes Sept., 2008 year-to-date balance of

(\$46,083.63)

(See Schedule 2)

NATURAL RESOURCE GAS LIMITED

GAS PURCHASE REBALANCING ACCOUNT

OCTOBER, 2007 THROUGH SEPTEMBER, 2009

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
October	1,872,398	1,609,186	161,651	1,447,535	0	1,447,535	424,863	823,663	0.326729	0.00	(0.001749)	(2,531.74)	24,811.62	117.12	12,173.71	36,985.33	5.14%
November	1,753,624	2,548,367	186,092	2,362,275	0	2,362,275	(608,651)	215,012	0.326729	0.00	(0.001749)	(4,131.62)	20,680.00	106.28	12,279.99	32,959.99	5.14%
December	1,739,689	2,868,621	173,762	2,694,859	0	2,694,859	(955,170)	(740,158)	0.326729	15,773.50	(0.001749)	(4,713.31)	31,740.19	88.58	12,368.57	44,108.76	5.14%
January	1,723,744	3,139,118	202,814	2,936,304	0	2,936,304	(1,212,560)	(1,952,718)	0.305418	0.00	(0.002033)	(5,969.51)	25,770.68	135.95	12,504.52	38,275.20	5.14%
February	1,602,320	3,214,765	185,867	3,028,898	0	3,028,898	(1,426,578)	(3,379,296)	0.305418	0.00	(0.002033)	(6,157.75)	19,612.93	110.38	12,614.90	32,227.83	5.14%
March	1,666,926	2,895,553	123,366	2,772,187	0	2,772,187	(1,105,261)	(4,484,556)	0.305418	(208,361.44)	(0.002033)	(5,635.86)	(194,384.36)	84.01	12,698.91	(181,685.45)	5.14%
April	1,626,376	1,508,633	64,070	1,444,563	0	1,444,563	181,813	(4,302,744)	0.351880	0.00	0.008709	12,580.70	(181,803.66)	(660.91)	12,038.00	(169,765.66)	4.08%
May	1,592,754	900,694	39,703	860,991	0	860,991	731,763	(3,570,980)	0.351880	0.00	0.008709	7,498.37	(174,305.29)	(618.13)	11,419.87	(162,885.42)	4.08%
June	1,478,370	521,105	16,440	504,665	0	504,665	973,705	(2,597,276)	0.351880	(225,007.18)	0.008709	4,395.13	(394,917.34)	(592.64)	10,827.23	(384,090.11)	4.08%
July	1,451,773	419,595	25,027	394,568	0	394,568	1,057,205	(1,540,070)	0.438512	0.00	0.019585	7,727.61	(387,189.73)	(1,102.48)	9,724.75	(377,464.98)	3.35%
August	1,621,242	888,804	17,609	871,195	0	871,195	750,047	(790,023)	0.438512	0.00	0.019585	17,062.35	(370,127.38)	(1,080.90)	8,643.85	(361,483.53)	3.35%
September	1,603,518	1,341,025	57,952	1,283,073	0	1,283,073	320,445	(469,578)	0.438512	30,678.02	0.019585	25,128.98	(314,320.38)	(1,033.27)	7,610.58	(306,709.80)	3.35%
October	1,867,169	2,022,583	161,651	1,860,932	0	1,860,932	6,237	(463,341)	0.373181	0.00	0.014435	26,862.55	(287,457.83)	(877.48)	6,733.10	(280,724.73)	3.35%
November	1,752,224	2,906,513	186,092	2,720,421	0	2,720,421	(968,197)	(1,431,538)	0.373181	0.00	0.014435	39,269.28	(248,188.55)	(802.49)	5,930.61	(242,257.94)	3.35%
December	1,738,241	2,494,215	173,762	2,320,453	0	2,320,453	(582,212)	(2,013,750)	0.373181	0.00	0.014435	33,495.74	(214,692.81)	(692.86)	5,237.75	(209,455.06)	3.35%
January	1,737,719	3,208,819	202,814	3,006,005	0	3,006,005	(1,268,286)	(3,282,036)	0.373181	0.00	0.014435	43,391.68	(171,301.13)	(599.35)	4,638.40	(166,662.73)	3.35%
February	1,612,456	3,494,588	185,867	3,308,721	0	3,308,721	(1,696,265)	(4,978,301)	0.373181	0.00	0.014435	47,761.39	(123,539.74)	(478.22)	4,160.18	(119,379.56)	3.35%
March	1,737,719	2,752,036	123,366	2,628,670	0	2,628,670	(890,951)	(5,869,251)	0.373181	0.00	0.014435	37,944.85	(85,594.89)	(344.88)	3,815.30	(81,779.59)	3.35%
April	1,702,632	1,810,234	64,070	1,746,164	0	1,746,164	(43,532)	(5,912,784)	0.373181	0.00	0.014435	25,205.88	(60,389.01)	(238.95)	3,576.35	(56,812.66)	3.35%
May	1,687,719	882,043	39,703	842,340	0	842,340	845,379	(5,067,404)	0.373181	0.00	0.014435	12,159.18	(48,229.83)	(168.59)	3,407.76	(44,822.07)	3.35%
June	1,552,632	519,838	16,440	503,398	0	503,398	1,049,234	(4,018,171)	0.373181	0.00	0.014435	7,266.55	(40,963.28)	(134.64)	3,273.12	(37,690.16)	3.35%
July	1,577,719	500,005	25,027	474,978	0	474,978	1,102,741	(2,915,430)	0.373181	0.00	0.014435	6,856.31	(34,106.97)	(114.36)	3,158.76	(30,948.21)	3.35%
August	1,787,719	888,804	17,609	871,195	0	871,195	916,524	(1,998,905)	0.373181	0.00	0.014435	12,575.70	(21,531.27)	(95.22)	3,063.54	(18,467.73)	3.35%
September	1,752,632	1,341,025	57,952	1,283,073	0	1,283,073	469,559	(1,529,347)	0.373181	0.00	0.014435	18,521.16	(3,010.11)	(60.11)	3,003.43	(6.68)	3.35%

(1) Includes balance of 398,800 as of September, 2007
(2) Includes balance of 27,343.36 as of September, 2007
(3) Includes balance of 12,056.59 as of September, 2007

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS TRANSPORTATION VARIANCE ACCOUNT - PROJECTED BALANCE

TWELVE MONTH PERIOD - OCTOBER, 2007 TO SEPTEMBER, 2008

<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 PGTVA (\$'s)</u>	<u>Y-T-D PGTVA (\$'s) (1)</u>	<u>Monthly Interest (\$'s)</u>	<u>Y-T-D Interest (\$'s) (2)</u>	<u>Total PGTVA (\$'s)</u>	<u>Total Y-T-D PGTVA (\$'s)</u>	<u>Average Residential Consumption (M*3)</u>
Actual	October	31,704	1,410,010	0.022485	0.019029	(0.003456)	(4,872.99)	(4,872.99)	0.00	0.00	(4,872.99)	(4,872.99)	88.5
Actual	November	36,660	2,380,290	0.015401	0.019029	0.003628	8,635.69	3,762.70	(20.87)	(20.87)	8,614.82	3,741.83	208.9
Actual	December	39,603	2,954,819	0.013403	0.019029	0.005626	16,623.81	20,386.51	16.12	(4.75)	16,639.93	20,381.76	297.3
Actual	January	13,605	3,231,555	0.004210	0.019029	0.014819	47,888.41	68,274.92	87.32	82.57	47,975.73	68,357.49	324.3
Actual	February	41,835	3,306,417	0.012653	0.019029	0.006376	21,081.72	89,356.64	292.44	375.01	21,374.16	89,731.65	328.3
Actual	March	40,054	2,928,631	0.013677	0.019029	0.005352	15,674.04	105,030.68	382.74	757.75	16,056.78	105,788.43	295.1
Actual	April	32,065	1,355,278	0.023659	0.019029	(0.004630)	(6,274.94)	98,755.74	357.10	1,114.85	(5,917.84)	99,870.59	148.6
Actual	May	28,474	909,244	0.031317	0.019029	(0.012288)	(11,172.79)	87,582.95	335.77	1,450.62	(10,837.02)	89,033.57	86.3
Actual	June	28,522	479,521	0.059479	0.019029	(0.040450)	(19,396.62)	68,186.33	297.78	1,748.40	(19,098.84)	69,934.73	48.3
Actual	July	15,123	413,093	0.036610	0.019029	(0.017581)	(7,262.59)	60,923.74	190.35	1,938.75	(7,072.24)	62,862.49	34.4
Forecast	August	28,466	744,335	0.038243	0.019029	(0.019214)	(14,301.65)	46,622.09	170.08	2,108.83	(14,131.57)	48,730.92	42.8
Forecast	September	<u>30,648</u>	<u>1,150,141</u>	<u>0.026647</u>	0.019029	(0.007618)	<u>(8,761.77)</u>	<u>37,860.32</u>	<u>130.15</u>	<u>2,238.98</u>	<u>(8,631.62)</u>	<u>40,099.30</u>	<u>58.5</u>
	Total	366,757	21,263,334	0.017248			37,860.32	37,860.32	2,238.98	2,238.98	40,099.30	40,099.30	1,961.3

PGTVA Balance per M*3 Purchased (\$/M*3) \$0.001886
Forecast Average Residential Consumption per Customer 1,961.3 M*3
Estimated Impact on Average Residential Customer \$3.70 Customer Rebate

- (1) Includes balance of 0.00 as of September, 2007 and reflects clearance of Fiscal 2007 year-end balances in EB-2008-0051.
(2) Includes balance of 0.00 as of September, 2007 and reflects clearance of Fiscal 2007 year-end balances in EB-2008-0051.

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS TRANSPORTATION VARIANCE ACCOUNT - PROJECTED BALANCE

PROJECTED TWELVE MONTH FORWARD PERIOD - OCTOBER, 2008 TO SEPTEMBER, 2009

(NO CHANGE IN REFERENCE PRICE)

Month	Purchase Cost (\$'s)	M*3	Forecast Price (\$/M*3)	Reference Price (\$/M*3)	Unit Rate Difference (\$/M*3)	Monthly PGTVA (\$'s)	Y-T-D PGTVA (\$'s) (1)	Monthly Interest (\$'s)	Y-T-D Interest (\$'s) (2)	Total PGTVA (\$'s)	Total Y-T-D PGTVA (\$'s)	Average Residential Consumption (M*3)
October	31,671	1,416,316	0.022361	0.019029	(0.003332)	(4,719.16)	33,141.16	105.69	2,344.67	(4,613.47)	35,485.83	118.7
November	37,406	2,397,097	0.015605	0.019029	0.003424	8,207.66	41,348.82	92.52	2,437.19	8,300.18	43,786.01	202.7
December	40,811	2,977,863	0.013705	0.019029	0.005324	15,854.14	57,202.96	115.43	2,552.62	15,969.57	59,755.58	321.8
January	43,459	3,467,030	0.012535	0.019029	0.006494	22,514.90	79,717.86	159.69	2,712.31	22,674.59	82,430.17	355.2
February	42,436	3,257,805	0.013026	0.019029	0.006003	19,556.60	99,274.46	222.55	2,934.86	19,779.15	102,209.32	293.2
March	39,021	2,646,285	0.014746	0.019029	0.004283	11,334.04	110,608.50	277.14	3,212.00	11,611.18	113,820.50	246.2
April	34,110	1,738,041	0.019626	0.019029	(0.000597)	(1,037.61)	109,570.89	308.78	3,520.78	(728.83)	113,091.67	186.6
May	29,387	814,459	0.036082	0.019029	(0.017053)	(13,888.98)	95,681.91	305.89	3,826.67	(13,583.09)	99,508.58	89.7
June	28,227	500,026	0.056452	0.019029	(0.037423)	(18,712.48)	76,969.43	267.11	4,093.78	(18,445.37)	81,063.21	53.1
July	28,232	490,864	0.057515	0.019029	(0.038486)	(18,891.37)	58,078.06	214.87	4,308.65	(18,676.50)	62,386.71	40.9
August	28,469	744,778	0.038225	0.019029	(0.019196)	(14,296.77)	43,781.29	162.13	4,470.78	(14,134.64)	48,252.07	42.8
September	<u>30,686</u>	<u>1,154,642</u>	<u>0.026576</u>	0.019029	(0.007547)	<u>(8,714.09)</u>	<u>35,067.20</u>	<u>122.22</u>	<u>4,593.00</u>	<u>(8,591.87)</u>	<u>39,660.20</u>	<u>58.5</u>
Total	413,916	21,605,207	0.019158			(2,793.12)	35,067.20	2,354.02	4,593.00	(439.10)	39,660.20	2,009.4

PGTVA Balance per M*3 Purchased (\$/M*3) \$0.001836
Forecast Average Residential Consumption per Customer 2,009.4 M*3
Estimated Impact on Average Residential Customer \$3.69 Customer Rebate

(1) Includes Sept., 2008 year-to-date balance of \$37,860.32 (See Schedule 10)
(2) Includes Sept., 2008 year-to-date balance of \$2,238.98 (See Schedule 10)

NATURAL RESOURCE GAS LIMITED

RESIDENTIAL BILL COMPARISONS

QUARTERLY BILL IMPACT

	Quarter Starting 01-Oct-07 <u>EB-2007-0734</u>	Quarter Starting 01-Oct-08 <u>EB-2008-0284</u>	\$ <u>Change</u>	Percent <u>Change</u>
Average Residential Consumption for Quarter	643.2	643.2		
Monthly Charges	\$34.50	\$34.50	\$0.00	0.0%
Delivery Charges	\$98.41	\$98.41	\$0.00	0.0%
Total Commodity Charges	<u>\$210.20</u>	<u>\$250.49</u>	<u>\$40.29</u>	<u>19.2%</u>
Total Customer Charges	\$343.11	\$383.40	\$40.29	11.7%

ANNUAL BILL IMPACT

	01-Jul-08 <u>EB-2008-0090</u>	01-Oct-08 <u>EB-2008-0284</u>	\$ <u>Change</u>	Percent <u>Change</u>
Average Residential Consumption	2,009.4	2,009.4		
Monthly Charges	\$138.00	\$138.00	\$0.00	0.0%
Delivery Charges	\$307.44	\$307.44	\$0.00	0.0%
Total Commodity Charges	<u>\$924.17</u>	<u>\$782.55</u>	<u>(\$141.62)</u>	<u>-15.3%</u>
Total Customer Charges	\$1,369.61	\$1,227.98	(\$141.62)	-10.3%

RATES USED

	01-Oct-07 <u>EB-2007-0734</u>	01-Jul-08 <u>EB-2008-0090</u>	01-Oct-08 <u>EB-2008-0284</u>
Monthly charge	11.50	11.50	11.50
Delivery Charge	0.152999	0.152999	0.152999
Total Commodity Charge	0.326808	0.459925	0.389444

APPENDIX "A" TO
DECISION AND ORDER
BOARD FILE No. EB-2008-0284
DATED SEPTEMBER XX, 2008

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	\$11.50
b)	Delivery Charge	
	First 1,000 m ³ per month	15.2999 cents per m ³
	All over 1,000 m ³ per month	10.4073 cents per m ³
c)	Gas Supply Charge (if applicable)	Schedule A

Meter Readings

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

Delayed Payment Penalty

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

Bundled Direct Purchase Delivery

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

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

Effective: October 01, 2008

Implementation: All bills rendered on or after October 01, 2008

EB-2008-0284

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	\$12.75	\$12.75
b) Delivery Charge		
First 1,000 m ³ per month	14.5000 cents per m ³	18.5648 cents per m ³
Next 24,000 m ³ per month	10.0431 cents per m ³	16.6254 cents per m ³
All over 25,000 m ³ per month	6.5417 cents per m ³	16.1952 cents per m ³
c) Gas Supply Charge (if applicable)	Schedule A	Schedule A

Meter Readings

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

Delayed Payment Penalty

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

Bundled Direct Purchase Delivery

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

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

Effective: October 01, 2008

Implementation: All bills rendered on or after October 01, 2008

EB-2008-0284

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 25.5904 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 3.7310 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 9.2249 cents per m³ and not to be less than 6.0992 per m³.

- d) Gas Supply Charge (if applicable)

See Schedule A.

- e) Overrun Gas Charges:

Overrun gas is available without penalty provided that it is authorized by the company in advance. The company will not unreasonably withhold authorization.

If, on any day, the customer should take, without the company's approval in advance, a volume of gas in excess of the maximum quantity of gas which the company is obligated to deliver to the customer on such day, or if, on any day, the customer fails to comply with any curtailment notice reducing the customer's take of gas, then,

- (i) the volume of gas taken in excess of the company's maximum delivery obligation for such day, or
- (ii) the volume of gas taken in the period on such day covered by such curtailment notice (as determined by the company in accordance with its usual practice) in excess of the volume of gas authorized to be taken in such period by such curtailment notice,

as the case may be, shall constitute unauthorized overrun volume.

Any unauthorized firm overrun gas taken in any month shall be paid for at the Rate 3 Firm Delivery Charge in effect at the time the overrun occurs. In addition, the Contract Demand level shall be adjusted to the actual maximum daily volume taken and the Demand Charges stated above shall apply for the whole contract year, including retroactively, if necessary, thereby requiring recomputation of bills rendered previously in the contract year.

Any unauthorized interruptible overrun gas taken in any month shall be paid for at the Rate 1 Delivery Charge in effect at the time the overrun occurs plus any Gas Supply Charge applicable.

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

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

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

3. In each contract year, the customer shall take delivery from the company, or in any event pay for it if available and not accepted by the customer, a minimum volume of gas as specified in the contract between the parties. Overrun volumes will not contribute to the minimum volume. The rate applicable to the shortfall from this minimum shall be 3.3853 cents per m³ for firm gas and 5.7536 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 6.3515 cents per m³ and a gas supply commodity charge as set out in Schedule A, if applicable. Gas purchased under this clause will not contribute to the minimum volume.

Bundled Direct Purchase Delivery

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

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

Delayed Payment Penalty

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

Effective: October 01, 2008

Implementation: All bills rendered on or after October 01, 2008

EB-2008-0284

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	\$12.75	\$12.75
b) Delivery Charge		
First 1,000 m ³ per month	14.4501 cents per m ³	18.5648 cents per m ³
All over 1,000 m ³ per month	10.3477 cents per m ³	16.6254 cents per m ³
c) Gas Supply Charge (if applicable)	Schedule A	Schedule A

Meter Readings

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

Delayed Payment Penalty

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

Bundled Direct Purchase Delivery

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

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

Effective: October 01, 2008

Implementation: All bills rendered on or after October 01, 2008

EB-2008-0284

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) A Monthly Customer Charge:

A Monthly Customer Charge of \$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 8.8345 cents per m³ and not to be less than 5.7192 per m³.

- c) Gas Supply Charge (if applicable)

See Schedule A.

- d) Overrun Gas Charge:

Overrun gas is available without penalty provided that it is authorized by the company in advance. The company will not unreasonably withhold authorization.

If, on any day, the customer should take, without the company's approval in advance, a volume of gas in excess of the maximum quantity of gas which the company is obligated to deliver to the customer on such day, or if, on any day, the customer fails to comply with any curtailment notice reducing the customer's take of gas, then

- (i) the volume of gas taken in excess of the company's maximum delivery obligation for such day, or
- (ii) the volume of gas taken in the period on such day covered by such curtailment notice (as determined by the company in accordance with its usual practice) in excess of the volume of gas authorized to be taken in such period by such curtailment notice,

as the case may be, shall constitute unauthorized overrun volume.

Any unauthorized overrun gas taken in any month shall be paid for at the Rate 1 Delivery Charge in effect at the time the overrun occurs plus any applicable Gas Supply Charge.

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

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

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

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

3. In each contract year, the customer shall take delivery from the company, or in any event pay for it if available and not accepted by the customer, a minimum volume of gas of 50,000 m³. Overrun volumes will not contribute to the minimum volume. The rate applicable to the shortfall from this annual minimum shall be 5.9604 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: October 01, 2008

Implementation: All bills rendered on or after October 01, 2008

EB-2008-0284

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 and 5.

Rate

The Gas Supply Charge applicable to all sales customers shall be made up of the following charges:

PGCVA Reference Price	(EB-2008-0284)	37.3181 cents per m3
GPRA Recovery Rate	(EB-2008-0284)	1.4435 cents per m3
System Gas Fee	(EB-2005-0544)	<u>0.1828</u> cents per m3
Total Gas Supply Charge		38.9444 cents per m3

Note:

PGCVA means Purchased Gas Commodity Variance Account

GPRA means Gas Purchase Rebalancing Account

Effective: October 01, 2008

Implementation: All bills rendered on or after October 01, 2008

EB-2008-0284

NATURAL RESOURCE GAS LIMITED

RATE BT1 – Bundled Direct Purchase Contract Rate

Availability

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

Eligibility

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

Rate

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

Note:

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

Effective: October 01, 2008

Implementation: All bills rendered on or after October 01, 2008

EB-2008-0284

APPENDIX "B" TO
DECISION AND ORDER
BOARD FILE No. EB-2008-0284
DATED SEPTEMBER XX, 2008

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.

Debit/Credit - Account No. 179-27
Purchased Gas Commodity Variance Account (PGCVA)

Credit/Debit - Account No. 623
Gas Purchases

To record monthly as a debit (credit) in Deferral Account No. 179-27 (PGCVA) the difference between the unit cost of all gas commodity purchased by NRG each month including local production and NRG's weighted average cost of gas, the latter being \$0.373181 per m³ approved for rate making purposes effective October 01, 2008.

Debit/Credit - Account No. 179-28
Interest on PGCVA

Credit/Debit - Account No. 323
Other Interest Expense

To record monthly as a debit (credit) in Deferral Account No. 179-28 (PGCVA), simple interest on the balance in Account No. 179-27. Such interest shall be computed monthly on the opening balance in the account at the Board approved short-term debt rate and shall not be compounded.

**APPENDIX “C” TO
DECISION AND ORDER
BOARD FILE No. EB-2008-0284
DATED SEPTEMBER XX, 2008**

IMPORTANT INFORMATION ABOUT YOUR GAS BILL

On all bills rendered by NRG on or after October 1, 2008, the price we charge for the gas commodity and transportation portion of your bill will be decreasing by \$0.070481 per cubic meter to \$0.389444 per cubic meter. The Ontario Energy Board (OEB) has approved this change to reflect the prices that NRG expects that it will be paying to its gas suppliers through to the end of September, 2009. On your gas bill this cost is on the line 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 this price increase impact you? That will depend on the amount of gas that you use. For a typical residential customer who consumes approximately 2,000 cubic meters of gas annually, this price change will cause your annual heating costs to decrease by approximately \$142 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 this rate change, please do not hesitate to contact us at 519-773-5321. We thank you for continuing to make natural gas your fuel of choice.