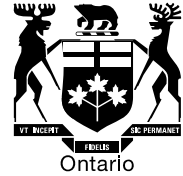


**Ontario Energy
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BY E-MAIL

December 5, 2008

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, Suite 2700
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: Commodity pricing, load balancing and cost allocation methodologies for
natural gas distributors
Board File No.: EB-2008-0106**

Pursuant to Procedural Order No. 2, please find enclosed Board Staff's interrogatories to Natural Resources Gas Limited.

Yours truly,

Original signed by

Angela Pachon
Regulatory Policy Advisor

cc: Richard King, Natural Resources Gas Limited.
All Registered Intervenors in EB-2008-0106 Proceeding

Attachment

Interrogatories from Board Staff
to NRG

INTERROGATORY # 1

Ref: Exhibit E3

- a) In a fashion similar to what Union filed in Appendix A to Exhibit E2, please complete the table below, describing NRG's existing methodology and changes that NRG would propose to the approach for each.
- b) For all issues identified in the table below, please provide the rationale for retaining the status quo or for the proposed change, as applicable.

Summary Table

Issue Number	Issue Title	Current Process for NRG	NRG Proposal
A	Review of QRAM for Gas LDCs		
1	Trigger mechanism		
2	Price adjustment frequency and forecast period		
3	Calculation of reference price		
4	Deferral and variance accounts disposition		
5	Impact on revenue requirement		
6	Implication/costs of standardizing pricing mechanisms		
7	Filling requirements		
B	Load Balancing		
1	Load balancing obligations		
2	Re-establishment of MDV/DCQ		
C	Cost Allocation		
1	Costing methodology for system gas fee and direct purchase management costs		
D	Billing Terminology		
	Components of the bill		
E	Implementation Issues		

INTERROGATORY # 2

Ref: Exhibit E3, page 7

- a) Please provide an estimate, with supporting explanatory comment, of the regulatory, administrative, IT billing system, and communication costs that would arise as a result of introducing a monthly reference price adjustment based on a 12 month forecast period, and a 12 month deferral disposition period. (Scenario #1).

INTERROGATORY #3

Ref: Exhibit E3, Issue E

- a) Were the Board to determine that NRG should adopt the proposed common elements of both Enbridge and Union in this proceeding: (i) what would be the cost implications for NRG; and (ii) what timeframe would be required for NRG to implement this approach?