GAS MARKETER GROUP (GMG) (DIRECT ENERGY MARKETING LIMITED, ONTARIO ENERGY SAVINGS L.P., SUMMITT ENERGY MANAGEMENT INC., and SUPERIOR ENERGY MANAGEMENT GAS L.P.)

Information Requests of Natural Resource Gas Ltd. re: Commodity Pricing, Load Balancing, and Cost Allocation Methodologies for Natural Gas Distributors

GMG/NRG #1

Reference: Page 7, Last Paragraph.

"NRG has historically used a twelve month forecast period because it has a significant number of customers and volumes that are seasonal in nature. The use of a shorter term forecast horizon can often lead to more volatility in the reference price and rates charged on a quarter to quarter basis. Volatility in the year-to-date prices can also be magnified if they are included in the recovery through future prices over a shorter period. This volatility can result in the seasonal customers paying a price that could be significantly higher or lower than the cost over a full year."

Please explain how cross-subsidization of rate classes does not occur when employing the forecasting and recovery methodology noted above.

GMG/NRG #2

Reference: Page 8, Lines 4-9, Price Adjustment Frequency and Forecast periods.

"There are other problems associated with using a forecast period of less than twelve months. First, use of a shorter period can transfer the cost of gas from one class of customers to another. NRG has significant volumes that are agricultural in nature. These customers consume virtually of their gas in the late summer and early fall. If the forecast period is less than twelve months, any gas cost variance in this period would be recovered or returned to a different set of consumers."

a) Does the very nature of forecasting over a 12 month period cause gas cost variances to be recovered or returned to a different set of consumers? If not, why not?

b) Does the very nature of a 12 month clearing mechanism cause gas cost variances to be recovered or returned to a different set of consumers? If not, why not?

c) Does NRG agree that a monthly setting of rates along with a monthly clearing of the PGCVA would more closely match recovery/ return of PGCVA balances with those customers that consumed gas during the period? If not, why not?

GMG/NRG #3

Reference: Pages 8-9, Methodology for the Calculation of the Reference Price

Please provide the calculation in the form of a formula which determines the current Quarterly Rate. Please also provide the formula for each of the sub-components (e.g. Reference Price, Gas Costs, Carrying Costs, etc.).

GMG/NRG #4

Reference: Page 11, Filing Requirements

Does NRG support Enbridge's position to have the Board and Stakeholders determine which information should be presented by the Utilities in filing QRAM Applications? If not, why not?

GMG/NRG # 5

Reference: General – Billing Terminology

Does NRG agree that harmonized billing terminology amongst natural gas distributors would provide customers province wide with a clearer understanding of materials presented to them from the OEB, Industry, or Media, in support of customer education? If not, why not?

GMG/NRG #6

Reference: Page 18, Implementation Issues.

Please describe the "non-cost" implementation issues alluded to in this section for changes to the current methodologies.