

**ONTARIO ENERGY BOARD**

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

**AND IN THE MATTER OF** an Application by  
Natural Resource Gas Limited for an order or orders  
approving or fixing just and reasonable rates and  
other charges for the sale, distribution, transmission  
and storage of gas as of January 1, 2009;

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

**APPLICATION**

1. As part of the EB-2008-0284 Decision and Order dated September 26, 2008 the Board approved a PGCVA reference price of \$0.373181 per m<sup>3</sup> and a gas supply charge of \$0.389444 per m<sup>3</sup>, both effective October 1, 2008.
2. Based on actual and forecast natural gas prices for the December, 2007 through December, 2008 period the PGCVA balance is projected to be a debit of approximately \$6 per residential customer. If unadjusted, the projected PGCVA balance at the end of December, 2009 would be a credit of approximately \$51 per residential customer.
3. The PGTVA balance is projected to have a credit balance of approximately \$5 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 January 1, 2009, the GPRA, if unadjusted, would have a projected credit balance of approximately \$112,000.00, including accumulated interest, at the end of December, 2009.

5. NRG hereby applies to the Board for further orders effective January 1, 2009 as follows:

- a) an order changing the reference price authorized by the Board's EB-2008-0284 rate order for use in determining the amounts to be recorded in the Purchased Gas Commodity Variance Account (Account No. 179-27) by \$0.025262 per m<sup>3</sup> from the Board approved level of \$0.373181 per m<sup>3</sup> to \$0.347919 per m<sup>3</sup>;
- b) an order changing the rates and other charges from those authorized by the Board's EB-2008-0284 rate order to reflect a projected \$0.030152 per m<sup>3</sup> change in the gas supply charge from the Board approved level of \$0.389444 m<sup>3</sup> to a projected cost of \$0.359292 per m<sup>3</sup>. 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:

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And

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Dated at Aylmer, Ontario, this 5<sup>th</sup> day of December, 2008.

**NATURAL RESOURCE GAS LIMITED**

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Mark Bristoll  
Chairman

## NATURAL RESOURCE GAS LIMITED

### INTRODUCTION

As part of the EB-2008-0284 Decision and Order dated September 26, 2008 the Board approved a PGCVA reference price of \$0.373181 per m<sup>3</sup> and a gas supply charge of \$0.389444 per m<sup>3</sup>, both effective October 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 m<sup>3</sup>, 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-2008-0284, the Board approved a GPRA rate of \$0.014435 per m<sup>3</sup>.

NRG is proposing to adjust the gas supply charge, the GPRA rate and the PGCVA reference price effective January 1, 2009 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 December, 2008 and for the twelve-month period ending December, 2009. Based on actual and forecast costs, the PGCVA account balance totals a debit of \$6.36 per residential customer for the twelve month period ending December,

**December, 2008**

1 2008 (Schedule 2). This debit, in the absence of a change in the PGCVA reference price,  
2 would become a credit of \$51.54 per residential customer by the end of December, 2009  
3 (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 October, 2008. The remaining months in the  
11 twelve-month period ending December, 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 January, 2009 through December, 2009 period, except where actual contracted  
14 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 if 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 delivered an additional 250 GJ per day of system gas in November (150 GJ/day at AECO, 100 GJ/day at Parkway) and will be delivering an additional 29 GJ/day in December, 2008 through March, 2009 at AECO. These additional deliveries will help ensure NRG remains onside with its balancing requirements on the Union Gas system. Total system deliveries will return to the 1,500 GJ/day level in April 2009.

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

**GJ/s per Day**

Delivery Point	Oct, 2008	Nov, 2008	Dec, 2008 - Mar, 2009	Apr, 2009
Direct Purchase	180	180	180	180
AECO	581	731	610	581
Parkway	739	839	739	739
Dawn	0	0	0	0
Total	1,500	1,750	1,529	1,500

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

3  
4 As indicated previously, NRG is required to balance its supply with its demand on the  
5 Union system to within +/- 4% at the end of the contract year under its bundled  
6 transportation contract with Union. The bundled transportation contract year-end  
7 corresponds with the end of NRG's fiscal year (September 30). NRG purchases  
8 additional balancing gas (or Ontario Delivered gas) or sells gas and/or reduces deliveries  
9 such that total demand on the Union system is offset by the supply provided to Union Gas  
10 to remain within the contract parameters.

11  
12 As noted above and shown in Schedules 4 and 7, NRG has increased its overall deliveries  
13 to Union Gas in November, 2008 through March, 2009 to remain onside with its  
14 February checkpoint on the Union gas system.

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

#### 22 23 Gas Costs

24 NRG's actual and forecast gas costs for the January, 2008 through December, 2008  
25 period, by source of supply, are shown in Schedule 4 in \$/GJ. These prices are also  
26 shown in the middle section of Schedule 3 in \$/m<sup>3</sup>. The conversion factor used is based  
27 on the heat values used by Union Gas in their calculation of NRG's Banked Gas Account  
28 balances. The conversion factors used are also shown in Schedule 4. All prices shown  
29 are actual prices paid in January, 2008 through October, 2008. Prices for the remaining

1 months in this period are based on estimated and contracted prices to be paid in these  
2 months.

3  
4 Prices for January, 2009 through December, 2009 are based on prices averaged over 10  
5 days in the period November 13, 2008 through November 26, 2008. These prices have  
6 been utilized in calculating the prices shown in Schedule 7 in \$/GJ and in the middle  
7 section of Schedule 6 in \$/m<sup>3</sup>. Gas prices for each of the sources of supply are described  
8 below. In addition to the above, contracted prices have been used where purchase  
9 decisions have been made.

10  
11 The first source of supply noted in Schedules 4 and 7 is "Local Production (A)". This  
12 refers to gas that is produced in NRG's franchise area and purchased from a related  
13 company. This gas has been contracted for through September 30, 2009 at a fixed price  
14 of \$0.3012/m<sup>3</sup> (Schedule 6). The forecast price of \$8.480/GJ shown in Schedule 7 for the  
15 October, 2009 through December, 2009 period is the forecast price for Dawn gas in these  
16 months.

17  
18 The second source of local production is noted as "Local Production (B)" in Schedules 4  
19 and 7. The price paid for this gas is for Dawn delivery. NRG is not forecasting the  
20 purchase of any gas from this source in the January, 2009 through December, 2009  
21 period.

22  
23 NRG also purchases gas for delivery at Parkway and Empress. The pricing of this gas at  
24 these delivery points is discussed below.

25  
26 The Empress price over the January, 2009 through December, 2009 period shown in  
27 Schedule 7 (Western Deliveries) is based on a combination of forecast prices and actual  
28 contracted prices. The average Empress delivery rate forecast is \$10.255/GJ in January  
29 through March, \$7.699/GJ in April through October and \$8.691/GJ in November through  
30 December. Fuel costs of 4% are included in these rates.



1 The average Empress delivery rate includes two fixed price contracts over this period.  
2 The first fixed price contract is for 150 GJ per day at a price of \$10.750/GJ (plus fuel)  
3 and a second is for 460 GJ per day at a price of \$9.570/GJ (plus fuel). Both of these  
4 contracts expire at the end of March, 2009. No additional gas is forecast to be purchased  
5 over this period at Empress. For the period April, 2009 through October, 2009, the total  
6 deliveries of 581 GJ per day are forecast at a price of \$7.403/GJ (plus fuel). This price is  
7 based on the April 2009 through October 2009 summer strip average price forecasts from  
8 the November 13, 2008 through November 26, 2008 period. For the months of  
9 November and December, 2009, the total deliveries of 581 GJ per day are forecast at a  
10 price of \$8.357 per GJ (plus fuel). This price is based on the November, 2009 one year  
11 strip price forecasts for the November 13, 2008 through November 26, 2008 period.

12  
13 The Parkway price over the January, 2009 through December, 2009 period is also based  
14 on a combination of actual contracted prices and forecast prices over this period. In  
15 particular, NRG has two contracts that expire at the end of March, 2009. These  
16 contracts are for 200 and 490 GJ/day and are at prices of \$12.590/GJ and \$11.270/GJ,  
17 respectively. The remaining Parkway deliveries over the January, 2009 through March,  
18 2009 period of 49 GJ/day have not been contracted for at this time. The forecasted price  
19 for this period is \$8.551/GJ, based on the price information for the November 13, 2008  
20 through November 26, 2008 period. All deliveries for April, 2009 through December,  
21 2009 have been forecast based on the summer and one year strip average price forecasts  
22 noted above. The April, through October price forecast is \$8.609/GJ and the November  
23 through December forecast is \$9.717/GJ.

24  
25 NRG is not forecasting the purchase or sale of any delivered gas in September, 2009 for  
26 balancing purposes.

27  
28 Other Forecast Assumptions

29 A number of other assumptions have been used to calculate the projected balance in the  
30 PGCVA. As shown on Schedules 4 and 7, the fuel ratio for Western deliveries has been

1 forecast at 4.0%. This ratio has been reflected in the forecast prices shown in the  
2 schedules for western deliveries.

3  
4 TCPL tolls have been forecast at a rate of \$1.39999/GJ. This rate came into effect June  
5 1, 2008 and reflect the current tolls approved by the National Energy Board.

6  
7 PGCVA Balance

8 The projected December, 2008 balance in the PGCVA is a debit of \$61,423.57, including  
9 a debit of \$46,115.31 in accumulated interest, based on the Board approved short term  
10 interest rate. This estimate is based on actual and forecasted purchases and the balance  
11 brought forward from December, 2007. The PGCVA debit amounts to a charge of  
12 approximately \$6.36 for a typical residential customer consuming approximately 1,979  
13 m<sup>3</sup> per year. These figures are shown on Schedule 2. The interest rate used is that  
14 prescribed by the Board.

15  
16 Proposed PGCVA Rate Changes

17 Schedule 5 shows the impact at the end of the twelve-month period beginning January,  
18 2009 if no change is made to the reference price. At the end of December, 2009, the  
19 balance in the PGCVA is a credit balance of \$501,564.39, including a debit balance of  
20 \$40,719.55 in accumulated interest. This represents a rebate of \$51.54 for a residential  
21 customer consuming approximately 2,000 m<sup>3</sup> per year.

22  
23 NRG proposes to adjust the reference price effective January 1, 2009 based on the  
24 projected accumulated balance in the PGCVA as of the end of December, 2008 and the  
25 forecasted cost of gas over the 12 month period beginning January, 2009 and ending  
26 December, 2009. The reference price will be set such that the projected PGCVA balance  
27 at the end of December, 2009 would be close to zero.

28  
29 NRG's proposal will clear the PGCVA balance on a prospective basis, eliminating the  
30 need for retroactive adjustments. This is consistent with NRG's past proposals in QRAM

1 applications, which were accepted by the Board. In those proceedings, NRG indicated  
2 that its customers had made clear their opinion on retroactive adjustments. A large  
3 percentage of NRG's gas sales volumes are agriculturally based and these customers  
4 cannot recover any retroactive charges. The proposal contained in this application is  
5 designed to minimize, and eliminate where possible, the existence of further retroactive  
6 billing adjustments.

7  
8 NRG proposes to change the reference price by \$0.025262 per m<sup>3</sup> effective January 1,  
9 2009, from \$0.373181 per m<sup>3</sup> to \$0.347919 per m<sup>3</sup>. The derivation of this rate is shown  
10 in Schedule 8. This is the reference price required to bring the PGCVA balance close to  
11 zero on a twelve month forecast basis. This change will also be reflected in the gas  
12 commodity charge.

### 14 **GAS PURCHASE REBALANCING ACCOUNT**

15 The impact on the GPRA of the proposed January 1, 2008 change in the PGCVA  
16 reference price from \$0.373181 per m<sup>3</sup> to \$0.347919 per m<sup>3</sup> is a credit of \$36,657.81, as  
17 shown on Schedule 9. This figure is shown in column (J) of Schedule 9 and on the  
18 December, 2008 line. It is calculated as the change in the PGCVA reference price  
19 between January and December, multiplied by the cumulative inventory balance at the  
20 end of October. This cumulative inventory balance is the sum of the actual monthly  
21 inventory balances for October, 2008 and forecasts for the subsequent months. These  
22 forecasts will be replaced with actual balances for these months in subsequent QRAM  
23 applications as this information becomes available. As well, the monthly inventory  
24 balances are based on a deemed level of unaccounted for gas ("UFG") of the total  
25 throughput volume, as shown in column (E) of Schedule 9. The 0.0% is the Board  
26 approved level of UFG from EB-2005-0544.

27  
28 NRG proposes to adjust the gas commodity charge effective January 1, 2009 based on the  
29 projected accumulated balance in the GPRA. The adjustment to the gas commodity  
30 charge will be set such that the projected GPRA balance at the end of December, 2009

would be close to zero. The rate required to achieve this is shown in column (K) on Schedule 9. Column (P) shows the reduction of the inventory revaluation debit based on this rate of \$0.009545 per m<sup>3</sup> over the January, 2009 through December, 2009 period.

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

## **GAS COMMODITY CHARGE**

The system gas supply cost of \$0.001828 per m<sup>3</sup> will be maintained. This figure represents the functionalization of additional costs over and above the commodity and transportation costs that form the PGCVA reference price to the gas supply function. These additional costs are portions of the wages and benefits, management fee, return on rate base (working cash) and income taxes. This functionalization is unchanged from that approved in EB-2005-0544.

The change in the gas commodity charge proposed for January 1, 2009 is summarized below. The change in the gas commodity charge reflects both the change in the PGCVA reference price and the change in the recovery of the inventory revaluation amount in the GPRA. The change in the gas commodity charge is as follows:

	EB-2008-0284	Proposed	
	<u>Oct. 1, 2008</u>	<u>Jan. 1, 2009</u>	<u>Difference</u>
PGCVA Reference Price	\$0.373181	\$0.347919	\$(0.025262)
GPRA Recovery	\$0.014435	\$0.009545	\$(0.004890)
System Gas Supply Cost	<u>\$0.001828</u>	<u>\$0.001828</u>	<u>\$0.000000</u>
Gas Commodity Charge	\$0.389444	\$0.359292	\$(0.030152)

1 **PGTVA**

2 **PGTVA Balance**

3 Based on the current reference price of \$0.019029 per m<sup>3</sup>, the projected December, 2008  
4 balance in the PGTVA is a credit of \$72,951.36 including a credit of \$141.65 in  
5 accumulated interest, based on the Board approved short term interest rate. This estimate  
6 is based on actual and forecasted costs over this period and assumes disposition of the  
7 balance at the end of September, 2008 through a separate proceeding. The PGTVA credit  
8 amounts to a rebate of approximately \$4.95 for a typical residential customer consuming  
9 approximately 1,979 m<sup>3</sup> per year. These figures are shown on Schedule 10.

10  
11 Schedule 11 shows the impact at the end of the twelve-month period beginning January,  
12 2009 based on the reference price of \$0.019029 per m<sup>3</sup>. At the end of December, 2009,  
13 the balance in the PGTVA is a credit balance of \$73,564.78, including a credit balance of  
14 \$147.65 in accumulated interest. This represents a rebate of \$2.78 for a residential  
15 customer consuming approximately 2,000 m<sup>3</sup> per year. This balance also assumes that  
16 the balance in the account at the end of NRG's fiscal 2009 year would be disposed of  
17 through a separate proceeding.

18  
19 The balance in the PGTVA forms part of the distribution delivery rate charged by NRG  
20 and, as such, is not impacted by changes in gas costs. NRG is not proposing to change  
21 the PGTVA reference price as part of this gas cost proceeding. NRG plans to dispose of  
22 the actual balance in the PGTVA at the end of September, 2008 based on final fiscal year  
23 delivery volumes by way of a one-time rebate to customers based on their actual  
24 consumption in fiscal 2008. The same approach would be taken related to the fiscal 2009  
25 balance in this account. This is the same approach as approved by the Board in EB-2008-  
26 0051 for the actual balance in the PGTVA at the end of September, 2007. NRG expects  
27 to file a separate application to clear this balance when the fiscal 2008 figures have been  
28 finalized.

1    **SUMMARY**

2    In summary, NRG proposes to change the reference price for amounts to be recorded in  
3    the Purchased Gas Commodity Variance Account from \$0.373181 by \$0.025262 to  
4    \$0.347919 per m<sup>3</sup> effective January 1, 2009. This change is shown in Appendix B.

5  
6    NRG also proposes to change the gas supply charge from \$0.389444 to \$0.359292 per m<sup>3</sup>  
7    effective January 1, 2009. This change reflects the change of \$0.025262 per m<sup>3</sup> related to  
8    the change in the PGCVA reference price, as described above and the change of  
9    \$0.004890 per m<sup>3</sup> related to the recovery of the GPRA balance, also as described above.  
10   These changes apply to all system gas customers served under Rates 1, 2, 3, 4 and 5.  
11   There are no other changes to these rate schedules. The proposed rate schedules are  
12   attached as Appendix A. The proposed customer notices are attached as Appendix C.

13  
14   Schedule 12 provides a residential bill comparison showing the impact of the proposed  
15   changes on a year over year basis for the appropriate quarter as well as the annual bill  
16   impact of the most recent quarterly change. The annual bill impact on a customer  
17   consuming approximately 2,000 m<sup>3</sup> is a decrease of \$60.59.

18

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE

TWELVE MONTH PERIOD - JANUARY, 2008 TO DECEMBER, 2008

Act/Fcst	Month	Purchase Cost (\$'s)	M*3	Actual/ Forecast Price (\$/M*3)	Reference Price (\$/M*3)	Unit Rate Difference (\$/M*3)	Monthly PGCVA (\$'s)	Y-T-D PGCVA (\$'s) (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
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%
Actual	August	533,978	1,360,898	0.392372	0.438512	0.046140	62,791.83	(64,016.43)	(354.01)	(46,006.68)	62,437.82	(110,023.11)	36.6	3.35%
Actual	September	517,030	1,338,744	0.386205	0.438512	0.052307	70,025.70	6,009.27	(178.71)	(46,185.39)	69,846.99	(40,176.12)	43.6	3.35%
Actual	October	569,459	1,544,566	0.368685	0.373181	0.004496	6,944.37	12,953.64	16.78	(46,168.61)	6,961.15	(33,214.97)	108.9	3.35%
Forecast	November	735,259	1,951,994	0.376671	0.373181	(0.003490)	(6,812.46)	6,141.18	36.16	(46,132.45)	(6,776.30)	(39,991.27)	202.7	3.35%
Forecast	December	<u>678,850</u>	<u>1,761,616</u>	<u>0.385357</u>	0.373181	(0.012176)	<u>(21,449.44)</u>	<u>(15,308.26)</u>	<u>17.14</u>	<u>(46,115.31)</u>	<u>(21,432.30)</u>	<u>(61,423.57)</u>	<u>321.8</u>	3.35%
	Total	7,058,645	19,100,082	0.369561			(98,041.72)	(15,308.26)	(645.14)	(46,115.31)	(98,686.86)	(61,423.57)	1,978.9	

PGCVA Balance per M\*3 Purchased (\$/M\*3) (\$0.003216)  
Forecast Average Residential Consumption per Customer 1,978.9 M\*3  
Estimated Impact on Average Residential Customer \$6.36 Customer Charge

(1) Includes balance of 82,733.46 as of December, 2007  
(2) Includes balance of (45,470.17) as of December, 2007

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

TWELVE MONTH PERIOD - JANUARY, 2008 TO DECEMBER, 2008

	<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>Oct-08</u>	<u>Nov-08</u>	<u>Dec-08</u>	<u>Total</u>
<b><u>Volumes (m3)</u></b>													
Local Production (A)	638,333	586,936	581,515	576,927	504,879	419,841	361,419	442,207	436,609	465,284	700,000	650,000	6,363,950
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	607,666	568,462	607,666	587,532	609,045	592,616	610,433	439,983	438,294	604,234	669,059	608,958	6,943,948
Western Delivery	477,745	446,923	477,745	461,916	478,830	465,913	479,921	478,708	463,841	475,048	582,935	502,658	5,792,184
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	1,723,744	1,602,320	1,666,926	1,626,376	1,592,754	1,478,370	1,451,773	1,360,898	1,338,744	1,544,566	1,951,994	1,761,616	19,100,082

<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)	0.000000	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	0.337740	0.347882	0.361167	0.373945	0.418718	0.442723	0.460999	0.438667	0.432148	0.392771	0.417168	0.431351	
Western Delivery	0.283613	0.289539	0.304168	0.336727	0.381833	0.389326	0.404449	0.381368	0.370200	0.351069	0.368149	0.385793	
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	

<b><u>Total Gas Cost (\$)</u></b>													
Local Production (A)	192,266	176,785	175,152	173,770	152,070	126,456	108,859	133,193	131,507	140,144	210,840	195,780	1,916,822
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	205,233	197,758	219,469	219,705	255,018	262,365	281,409	193,006	189,408	237,325	279,110	262,675	2,802,480
Western Delivery	135,495	129,402	145,315	155,540	182,833	181,392	194,103	182,564	171,714	166,774	214,607	193,922	2,053,661
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
TCPL Transportation	<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>25,215</u>	<u>30,702</u>	<u>26,474</u>	<u>285,682</u>
Total	552,626	522,310	559,568	571,848	613,515	594,615	609,587	533,978	517,030	569,459	735,259	678,850	7,058,645



NATURAL RESOURCE GAS LIMITED

ACTUAL AND FORECAST GAS PRICES

TWELVE MONTH PERIOD - JANUARY, 2008 TO DECEMBER, 2008

	<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>Oct-08</u>	<u>Nov-08</u>	<u>Dec-08</u>
<u>Local Production</u>												
Local Production (A) (\$/GJ)	7.989	7.989	7.989	7.982	8.008	8.051	8.026	8.005	8.015	7.944	8.006	8.006
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)	8.959	9.228	9.580	9.910	11.132	11.834	12.284	11.659	11.500	10.359	11.089	11.466
<u>Western Deliveries</u> (\$/GJ)	7.523	7.680	8.068	8.924	10.151	10.407	10.777	10.136	9.852	9.260	9.786	10.255
Fuel Ratio (%)	5.16%	3.44%	4.65%	2.93%	3.10%	1.55%	3.96%	3.96%	4.48%	4.48%	4.00%	4.00%
<u>TCPL Transportation</u> (\$/GJ)												
TCPL Toll	1.090000	1.090000	1.090000	1.310000	1.310000	1.399990	1.399990	1.399990	1.399990	1.399990	1.399990	1.399990
GJ/day (TCPL)	581	581	581	581	581	581	581	581	581	581	731	610
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	1,115	1,130	1,320	1,570	1,349
<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)	37.70	37.70	37.70	37.73	37.61	37.41	37.53	37.62	37.58	37.91	37.62	37.62

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE

PROJECTED TWELVE MONTH FORWARD PERIOD - JANUARY, 2009 TO DECEMBER, 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
January	675,403	1,751,616	0.385589	0.373181	(0.015178)	(21,734.05)	(37,042.31)	(42.74)	(46,158.05)	(21,776.79)	(83,200.36)	355.2	3.35%
February	614,490	1,594,040	0.385492	0.373181	(0.020553)	(19,624.23)	(56,666.54)	(103.41)	(46,261.46)	(19,727.64)	(102,928.00)	293.2	3.35%
March	657,331	1,691,616	0.388582	0.373181	(0.030270)	(26,052.58)	(82,719.12)	(158.19)	(46,419.65)	(26,210.77)	(129,138.77)	246.2	3.35%
April	524,153	1,632,632	0.321048	0.373181	0.000271	85,113.98	2,394.86	(230.92)	(46,650.57)	84,883.06	(44,255.71)	186.6	3.35%
May	511,706	1,587,719	0.322290	0.373181	(0.033311)	80,800.62	83,195.48	6.69	(46,643.88)	80,807.31	36,551.60	89.7	3.35%
June	475,961	1,472,632	0.323204	0.373181	(0.050330)	73,597.71	156,793.19	232.25	(46,411.63)	73,829.96	110,381.56	53.1	3.35%
July	469,538	1,447,719	0.324329	0.373181	0.018621	70,723.98	227,517.17	437.71	(45,973.92)	71,161.69	181,543.25	40.9	3.35%
August	493,634	1,527,719	0.323118	0.373181	0.046140	76,482.21	303,999.38	635.15	(45,338.77)	77,117.36	258,660.61	42.8	3.35%
September	481,985	1,492,632	0.322910	0.373181	0.052307	75,036.08	379,035.46	848.66	(44,490.11)	75,884.74	334,545.35	58.5	3.35%
October	609,940	1,867,719	0.326569	0.373181	0.046612	87,058.13	466,093.59	1,058.14	(43,431.97)	88,116.27	422,661.62	118.7	3.35%
November	614,625	1,752,632	0.350687	0.373181	0.022494	39,423.69	505,517.28	1,301.18	(42,130.79)	40,724.87	463,386.49	202.7	3.35%
December	<u>611,717</u>	<u>1,737,719</u>	<u>0.352023</u>	0.373181	0.021158	<u>36,766.66</u>	<u>542,283.94</u>	<u>1,411.24</u>	<u>(40,719.55)</u>	<u>38,177.90</u>	<u>501,564.39</u>	<u>321.8</u>	3.35%
Total	6,740,482	19,556,396	0.344669			557,592.20	542,283.94	5,395.76	(40,719.55)	562,987.96	501,564.39	2,009.4	

PGCVA Balance per M\*3 Purchased (\$/M\*3) \$0.025647  
Forecast Average Residential Consumption per Customer 2,009.4 M\*3  
Estimated Impact on Average Residential Customer \$51.54 Customer Rebate

(1) Includes Dec., 2008 year-to-date balance of (\$15,308.26) (See Schedule 2)  
(2) Includes Dec., 2008 year-to-date balance of (\$46,115.31) (See Schedule 2)

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

PROJECTED TWELVE MONTH FORWARD PERIOD - JANUARY, 2009 TO DECEMBER, 2009

	<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>Oct-09</u>	<u>Nov-09</u>	<u>Dec-09</u>	<u>Total</u>
<b><u>Volumes (m3)</u></b>													
Local Production (A)	640,000	590,000	580,000	580,000	500,000	420,000	360,000	440,000	440,000	780,000	700,000	650,000	6,680,000
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	550,027	608,958	589,314	608,958	589,314	608,958	608,958	589,314	608,958	589,314	608,958	7,169,989
Western Delivery	502,658	454,014	502,658	463,317	478,761	463,317	478,761	478,761	463,317	478,761	463,317	478,761	5,706,406
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	1,751,616	1,594,040	1,691,616	1,632,632	1,587,719	1,472,632	1,447,719	1,527,719	1,492,632	1,867,719	1,752,632	1,737,719	19,556,396

<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	0.319018	0.319018	0.319018	
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	0.430636	0.430636	0.430636	0.323871	0.323871	0.323871	0.323871	0.323871	0.323871	0.323871	0.365554	0.365554	
Western Delivery	0.385793	0.385793	0.385793	0.289636	0.289636	0.289636	0.289636	0.289636	0.289636	0.289636	0.326955	0.326955	
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	

<b><u>Total Gas Cost (\$)</u></b>													
Local Production (A)	192,768	177,708	174,696	174,696	150,600	126,504	108,432	132,528	132,528	248,834	223,313	207,362	2,049,968
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	262,239	236,861	262,239	190,862	197,224	190,862	197,224	197,224	190,862	197,224	215,426	222,607	2,560,854
Western Delivery	193,922	175,155	193,922	134,193	138,667	134,193	138,667	138,667	134,193	138,667	151,484	156,533	1,828,263
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
TCPL Transportation	<u>26,474</u>	<u>24,766</u>	<u>26,474</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>25,215</u>	<u>24,402</u>	<u>25,215</u>	<u>301,397</u>
Total	675,403	614,490	657,331	524,153	511,706	475,961	469,538	493,634	481,985	609,940	614,625	611,717	6,740,482

[illegible]

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT

PROJECTED TWELVE MONTH FORWARD PERIOD - JANUARY, 2009 TO DECEMBER, 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
January	675,403	1,751,616	0.385589	0.347919	(0.037670)	(65,983.38)	(81,291.64)	(42.74)	(46,158.05)	(66,026.12)	(127,449.69)	355.2	3.35%
February	614,490	1,594,040	0.385492	0.347919	(0.037573)	(59,892.88)	(141,184.52)	(226.94)	(46,384.99)	(60,119.82)	(187,569.51)	293.2	3.35%
March	657,331	1,691,616	0.388582	0.347919	(0.040663)	(68,786.19)	(209,970.71)	(394.14)	(46,779.13)	(69,180.33)	(256,749.84)	246.2	3.35%
April	524,153	1,632,632	0.321048	0.347919	0.026871	43,870.44	(166,100.27)	(586.17)	(47,365.30)	43,284.27	(213,465.57)	186.6	3.35%
May	511,706	1,587,719	0.322290	0.347919	0.025629	40,691.66	(125,408.61)	(463.70)	(47,829.00)	40,227.96	(173,237.61)	89.7	3.35%
June	475,961	1,472,632	0.323204	0.347919	0.024715	36,396.09	(89,012.52)	(350.10)	(48,179.10)	36,045.99	(137,191.62)	53.1	3.35%
July	469,538	1,447,719	0.324329	0.347919	0.023590	34,151.70	(54,860.82)	(248.49)	(48,427.59)	33,903.21	(103,288.41)	40.9	3.35%
August	493,634	1,527,719	0.323118	0.347919	0.024801	37,888.97	(16,971.85)	(153.15)	(48,580.74)	37,735.82	(65,552.59)	42.8	3.35%
September	481,985	1,492,632	0.322910	0.347919	0.025009	37,329.22	20,357.37	(47.38)	(48,628.12)	37,281.84	(28,270.75)	58.5	3.35%
October	609,940	1,867,719	0.326569	0.347919	0.021350	39,875.81	60,233.18	56.83	(48,571.29)	39,932.64	11,661.89	118.7	3.35%
November	614,625	1,752,632	0.350687	0.347919	(0.002768)	(4,851.28)	55,381.90	168.15	(48,403.14)	(4,683.13)	6,978.76	202.7	3.35%
December	<u>611,717</u>	<u>1,737,719</u>	<u>0.352023</u>	0.347919	(0.004104)	<u>(7,131.60)</u>	<u>48,250.30</u>	<u>154.61</u>	<u>(48,248.53)</u>	<u>(6,976.99)</u>	<u>1.77</u>	<u>321.8</u>	3.35%
Total	6,740,482	19,556,396	0.344669			63,558.56	48,250.30	(2,133.22)	(48,248.53)	61,425.34	1.77	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 Dec., 2008 year-to-date balance of (\$15,308.26) (See Schedule 2)

(2) Includes Dec., 2008 year-to-date balance of (\$46,115.31) (See Schedule 2)

NATURAL RESOURCE GAS LIMITED

GAS PURCHASE REBALANCING ACCOUNT

JANUARY, 2008 THROUGH DECEMBER, 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
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)	(3,379,295)	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)	(194,384.37)	84.01	12,698.91	(181,685.46)	5.14%
April	1,626,376	1,508,633	64,070	1,444,563	0	1,444,563	181,813	(4,302,743)	0.351880	0.00	0.008709	12,580.70	(181,803.67)	(660.91)	12,038.00	(169,765.67)	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	(174,305.30)	(618.13)	11,419.87	(162,885.43)	4.08%
June	1,478,370	521,105	16,440	504,665	0	504,665	973,705	(2,597,275)	0.351880	(225,007.15)	0.008709	4,395.13	(394,917.32)	(592.64)	10,827.23	(384,090.09)	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	(387,189.71)	(1,102.48)	9,724.75	(377,464.96)	3.35%
August	1,360,898	634,506	43,946	590,560	0	590,560	770,338	(769,732)	0.438512	0.00	0.019585	11,566.12	(375,623.59)	(1,080.90)	8,643.85	(366,979.74)	3.35%
September	1,338,744	1,041,141	267,373	773,768	0	773,768	564,976	(204,756)	0.438512	13,376.90	0.019585	15,154.25	(347,092.44)	(1,048.62)	7,595.23	(339,497.21)	3.35%
October	1,544,566	4,114,361	2,650,710	1,463,651	0	1,463,651	80,915	(123,841)	0.373181	0.00	0.014435	21,127.80	(325,964.64)	(968.97)	6,626.26	(319,338.38)	3.35%
November	1,951,994	5,606,513	2,886,092	2,720,421	0	2,720,421	(768,427)	(892,268)	0.373181	0.00	0.014435	39,269.28	(286,695.36)	(909.98)	5,716.28	(280,979.08)	3.35%
December	1,761,616	5,194,215	2,873,762	2,320,453	0	2,320,453	(558,837)	(1,451,105)	0.373181	36,657.81	0.014435	33,495.74	(216,541.81)	(800.36)	4,915.92	(211,625.89)	3.35%
January	1,751,616	5,908,819	2,902,814	3,006,005	0	3,006,005	(1,254,389)	(2,705,494)	0.347919	0.00	0.009545	28,692.32	(187,849.49)	(604.51)	4,311.41	(183,538.08)	3.35%
February	1,594,040	6,194,588	2,885,867	3,308,721	0	3,308,721	(1,714,681)	(4,420,174)	0.347919	0.00	0.009545	31,581.74	(156,267.75)	(524.41)	3,787.00	(152,480.75)	3.35%
March	1,691,616	5,452,036	2,823,366	2,628,670	0	2,628,670	(937,054)	(5,357,228)	0.347919	0.00	0.009545	25,090.66	(131,177.09)	(436.25)	3,350.75	(127,826.34)	3.35%
April	1,632,632	4,510,234	2,764,070	1,746,164	0	1,746,164	(113,532)	(5,470,761)	0.347919	0.00	0.009545	16,667.14	(114,509.95)	(366.20)	2,984.55	(111,525.40)	3.35%
May	1,587,719	3,582,043	2,739,703	842,340	0	842,340	745,379	(4,725,381)	0.347919	0.00	0.009545	8,040.14	(106,469.81)	(319.67)	2,664.88	(103,804.93)	3.35%
June	1,472,632	3,219,838	2,716,440	503,398	0	503,398	969,234	(3,756,148)	0.347919	0.00	0.009545	4,804.93	(101,664.88)	(297.23)	2,367.65	(99,297.23)	3.35%
July	1,447,719	3,200,005	2,725,027	474,978	0	474,978	972,741	(2,783,406)	0.347919	0.00	0.009545	4,533.67	(97,131.21)	(283.81)	2,083.84	(95,047.37)	3.35%
August	1,527,719	3,588,804	2,717,609	871,195	0	871,195	656,524	(2,126,882)	0.347919	0.00	0.009545	8,315.56	(88,815.65)	(271.16)	1,812.68	(87,002.97)	3.35%
September	1,492,632	4,041,025	2,757,952	1,283,073	0	1,283,073	209,559	(1,917,324)	0.347919	0.00	0.009545	12,246.93	(76,568.72)	(247.94)	1,564.74	(75,003.98)	3.35%
October	1,867,719	4,722,583	1,861,651	2,860,932	0	2,860,932	(993,213)	(2,910,536)	0.347919	0.00	0.009545	27,307.60	(49,261.12)	(213.75)	1,350.99	(47,910.13)	3.35%
November	1,752,632	5,606,513	2,886,092	2,720,421	0	2,720,421	(967,789)	(3,878,326)	0.347919	0.00	0.009545	25,966.42	(23,294.70)	(137.52)	1,213.47	(22,081.23)	3.35%
December	1,737,719	5,194,215	2,873,762	2,320,453	0	2,320,453	(582,734)	(4,461,059)	0.347919	0.00	0.009545	22,148.72	(1,145.98)	(65.03)	1,148.44	2.46	3.35%

(1) Includes balance of (740,158) as of December, 2007  
(2) Includes balance of 31,740.19 as of December, 2007  
(3) Includes balance of 12,368.57 as of December, 2007

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS TRANSPORTATION VARIANCE ACCOUNT - PROJECTED BALANCE

TWELVE MONTH PERIOD - JANUARY, 2008 TO DECEMBER, 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	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	33,417	436,731	0.076517	0.019029	(0.057488)	(25,106.79)	43,079.54	190.35	1,938.75	(24,916.44)	45,018.29	34.4
Actual	August	47,298	610,230	0.077508	0.019029	(0.058479)	(35,685.65)	7,393.89	120.26	2,059.01	(35,565.39)	9,452.90	36.6
Actual	September	49,662	1,044,317	0.047554	0.019029	(0.028525)	(29,789.15)	(22,395.26)	20.64	2,079.65	(29,768.51)	(20,315.61)	43.6
Actual	October	66,087	4,107,387	0.016090	0.019029	0.002939	12,071.61	12,071.61	0.00	0.00	12,071.61	12,071.61	108.9
Forecast	November	70,081	5,080,698	0.013794	0.019029	0.005235	26,597.45	38,669.06	33.70	33.70	26,631.15	38,702.76	202.7
Forecast	December	<u>73,453</u>	<u>5,654,298</u>	<u>0.012991</u>	0.019029	0.006038	<u>34,140.65</u>	<u>72,809.71</u>	<u>107.95</u>	<u>141.65</u>	<u>34,248.60</u>	<u>72,951.36</u>	<u>321.8</u>
	Total	524,551	29,144,307	0.017998			30,027.94	72,809.71	2,226.05	141.65	32,253.99	72,951.36	1,978.9

PGTVA Balance per M\*3 Purchased (\$/M\*3) \$0.002503  
Forecast Average Residential Consumption per Customer 1,978.9 M\*3  
Estimated Impact on Average Residential Customer \$4.95 Customer Rebate

(1) Includes balance of 20,386.51 as of December, 2007  
(2) Includes balance of (4.75) as of December, 2007

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS TRANSPORTATION VARIANCE ACCOUNT - PROJECTED BALANCE

PROJECTED TWELVE MONTH FORWARD PERIOD - JANUARY, 2009 TO DECEMBER, 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)
January	75,618	5,933,000	0.012745	0.019029	0.006284	37,282.97	110,092.68	203.26	344.91	37,486.23	110,437.59	355.2
February	76,306	6,010,000	0.012697	0.019029	0.006332	38,055.32	148,148.00	307.34	652.25	38,362.66	148,800.25	293.2
March	74,284	5,627,000	0.013201	0.019029	0.005828	32,794.16	180,942.16	413.58	1,065.83	33,207.74	182,007.99	246.2
April	65,779	4,058,000	0.016210	0.019029	0.002819	11,439.50	192,381.66	505.13	1,570.96	11,944.63	193,952.62	186.6
May	63,751	3,604,000	0.017689	0.019029	0.001340	4,829.36	197,211.02	537.07	2,108.03	5,366.43	199,319.05	89.7
June	61,886	3,180,000	0.019461	0.019029	(0.000432)	(1,373.76)	195,837.26	550.55	2,658.58	(823.21)	198,495.84	53.1
July	61,843	3,112,000	0.019872	0.019029	(0.000843)	(2,623.42)	193,213.84	546.71	3,205.29	(2,076.71)	196,419.13	40.9
August	62,472	3,308,000	0.018885	0.019029	0.000144	476.35	193,690.19	539.39	3,744.68	1,015.74	197,434.87	42.8
September	63,496	3,497,000	0.018157	0.019029	0.000872	3,049.38	196,739.57	540.72	4,285.40	3,590.10	201,024.97	58.5
October	65,014	4,116,866	0.015792	0.019029	0.003237	13,326.29	13,326.29	0.00	0.00	13,326.29	13,326.29	118.7
November	70,763	5,097,505	0.013882	0.019029	0.005147	26,236.86	39,563.15	37.20	37.20	26,274.06	39,600.35	202.7
December	<u>74,178</u>	<u>5,677,341</u>	<u>0.013066</u>	0.019029	0.005963	<u>33,853.98</u>	<u>73,417.13</u>	<u>110.45</u>	<u>147.65</u>	<u>33,964.43</u>	<u>73,564.78</u>	<u>321.8</u>
Total	815,391	53,220,712	0.015321			197,346.99	73,417.13	4,291.40	147.65	201,638.39	73,564.78	2,009.4

PGTVA Balance per M\*3 Purchased (\$/M\*3) \$0.001382  
Forecast Average Residential Consumption per Customer 2,009.4 M\*3  
Estimated Impact on Average Residential Customer \$2.78 Customer Rebate

(1) Includes Dec., 2008 year-to-date balance of \$72,809.71 (See Schedule 10)  
(2) Includes Dec., 2008 year-to-date balance of \$141.65 (See Schedule 10)



NATURAL RESOURCE GAS LIMITED

RESIDENTIAL BILL COMPARISONS

QUARTERLY BILL IMPACT

	Quarter Starting 01-Jan-08 <u>EB-2007-0927</u>	Quarter Starting 01-Jan-09 <u>EB-2008-0377</u>	\$ Change	Percent Change
Average Residential Consumption for Quarter	894.6	894.6		
Monthly Charges	\$34.50	\$34.50	\$0.00	0.0%
Delivery Charges	\$136.87	\$136.87	\$0.00	0.0%
Total Commodity Charges	<u>\$273.04</u>	<u>\$321.42</u>	<u>\$48.38</u>	<u>17.7%</u>
Total Customer Charges	\$444.42	\$492.80	\$48.38	10.9%

ANNUAL BILL IMPACT

	01-Oct-08 <u>EB-2008-0284</u>	01-Jan-09 <u>EB-2008-0377</u>	\$ Change	Percent Change
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>\$782.55</u>	<u>\$721.96</u>	<u>(\$60.59)</u>	<u>-7.7%</u>
Total Customer Charges	\$1,227.98	\$1,167.40	(\$60.59)	-4.9%

RATES USED

	01-Jan-08 <u>EB-2007-0927</u>	01-Oct-08 <u>EB-2008-0284</u>	01-Jan-09 <u>EB-2008-0377</u>
Monthly charge	11.50	11.50	11.50
Delivery Charge	0.152999	0.152999	0.152999
Total Commodity Charge	0.305213	0.389444	0.359292