



EB-2005-0555

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

AND IN THE MATTER OF an application by Natural Resource
Gas Ltd., pursuant to section 36(1) of the *Ontario Energy Board
Act, 1998*, for an order or orders approving or fixing just and
reasonable rates and other charges for the sale, distribution,
transmission, and storage of gas.

BEFORE: Paul Vlahos
Presiding Member

DECISION AND ORDER

Natural Resource Gas Ltd. (“NRG” or the “Company”) filed an application dated December 20, 2005 for an Order or Orders to dispense with the September 30, 2005 balances in its non-commodity related deferral/variance accounts. The non-commodity variance/deferral accounts are the Purchased Gas Transportation Variance Account, the Gas Cost Difference Recovery Variance Account, and the Regulatory Expense Deferral Account. The Board assigned file number EB-2005-0555 to NRG’s application.

The Purchased Gas Transportation Variance Account is an ongoing account. It has a credit balance of \$82,930 (\$68,032 plus interest of \$14,898) as of September 30, 2005. The Company proposed that this account be cleared by way of a one-time rebate to all customers in proportion their final fiscal 2005 (October to September) delivery volumes. Based on the final fiscal 2005 delivery volumes of 25,000,324 m³, this would result in a rebate of \$0.0033172 per m³ delivered in fiscal 2005. The rebate for a typical residential customer will be approximately \$7.00.

The Gas Cost Difference Recovery Variance Account was established in a previous Board decision (RP-2004-0167) to accumulate the difference between gas costs that the Company recovers from ratepayers and \$177,265. This amount is one third of the \$531,794 that the Board authorized NRG to collect over three years in Board decision RP-2002-0147/EB-2002-0004. The Gas Cost Difference Recovery Variance Account has a credit balance of \$2,771 as of September 30, 2005. The Company proposed that this balance not be cleared at this time and that the account be continued. This account is due to be closed during fiscal 2008 when the full Board-authorized amount is recovered.

The Regulatory Expense Deferral Account has debit balance of \$148 (\$126 plus interest of \$22) as of September 30, 2005. The Company proposed that this balance not be cleared and that the account be continued at the present time as it may be required to record future costs associated with Board generic matters.

The Board issued a Notice of Application dated February 1, 2006. Pursuant to publication of Notice of Application, Union Gas Limited applied for and was granted intervenor status. The proceeding was designated as a written hearing and a procedural order was issued on February 28, 2006 setting March 6, 2006 as the deadline for submissions on the Application and March 9, 2006 as the deadline for NRG's reply submissions. Board staff submitted interrogatories. Union Gas Limited did not participate.

The Board finds the Company's proposals reasonable and approves them.

THE BOARD ORDERS THAT:

1. The credit balance of \$82,930 in the Purchased Gas Transportation Variance Account as at September 30, 2005 shall be cleared by way of a one-time rebate to all customers in proportion to their final fiscal 2005 delivery volumes. The rebate shall be reflected in customers' bills as soon as the required billing programming changes are made.
2. The credit balance of \$2,771 in the Gas Cost Difference Recovery Variance Account as of September 30, 2005 shall not be cleared at this time. This account shall be continued.

3. The debit balance of \$148 in the Regulatory Expense Deferral Account as of September 30, 2005 shall not be cleared at this time. This account shall be continued to record NRG's costs associated with Board generic proceedings.

DATED at Toronto, March 28, 2006

ONTARIO ENERGY BOARD

Original signed by

Peter H. O'Dell
Assistant Board Secretary