



EB-2007-0092

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

AND IN THE MATTER OF an Application pursuant to section 36 of the *Ontario Energy Board Act*, 1998, by Natural Resource Gas Ltd. for an order or orders to dispense with the balances in the non-commodity related deferral accounts as of September 30, 2006.

BEFORE: Gordon Kaiser
Presiding Member and Vice Chair

Ken Quesnelle
Member

DECISION AND ORDER

Natural Resource Gas Ltd. ("NRG" or the "Company") filed an application with the Ontario Energy Board (the "Board") dated March 21, 2007 for an Order or Orders to dispose of September 30, 2006 balances in its non-commodity related deferral/variance accounts. The company has the following non-commodity variance/deferral accounts: Purchase Gas Transportation Variance Account, the Gas Cost Difference Recovery Variance Account, and the Regulatory Expense Deferral Account. The Board assigned file number EB-2007-0092 to NRG's application.

The Purchased Gas Transportation Variance Account is an ongoing account. It has a credit balance of \$87,287.86 as of September 30, 2006. The Company proposed that this account be cleared by way of a one-time rebate to all customers in proportion to their final fiscal 2006 (October to September) delivery volumes. Based on final fiscal 2006 delivery volumes of 22,726,575 m³, this would result in a rebate of \$0.003841 per m³ delivered in fiscal 2006. The rebate for a typical residential customer will be approximately \$7.12.

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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 is the second year of respective recovery. The Gas Cost Difference Recovery Variance Account has a debit balance of \$10,942 as of September 30, 2006. 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 a credit balance of \$155 as of September 30, 2006. 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 April 5, 2007. The proceeding was designated as a written hearing and Procedural Order No. 1 was issued on May 9, 2007 setting May 23, 2007 as the deadline for submissions on the Application and May 25, 2007 as the deadline for NRG's reply submissions. Board staff submitted interrogatories and the Company filed responses. There were no further submissions from intervenors or Board Staff in this application. NRG re-filed its argument-in-chief on May 24, 2007 as its reply argument to comply with the Procedural Order No. 1 filing requirements.

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

THE BOARD ORDERS THAT:

1. The credit balance of \$87,287.86 in the Purchased Gas Transportation Variance Account as at September 30, 2006 shall be cleared by way of a one-time rebate to all customers in proportion to their final fiscal 2006 delivery volumes. The rebate shall be reflected in customers' bills as soon as the required billing programming changes are made.
2. The debit balance of \$10,942 in the Gas Cost Difference Recovery Variance Account as of September 30, 2006 shall not be cleared at this time. This account shall be continued.

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3. The credit balance of \$155 in the Regulatory Expense Deferral Account as of September 30, 2006 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, May 30, 2007
ONTARIO ENERGY BOARD

Original signed by

Peter H. O'Dell
Assistant Board Secretary