



EB-2010-0018

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 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
commencing October 1, 2010.

BEFORE: Ken Quesnelle
Presiding Member

Paul Sommerville
Board Member

RATE ORDER

Natural Resource Gas Limited ("NRG" or the "Applicant"), filed an application dated February 10, 2010 with the Ontario Energy Board under section 36 of the *Ontario Energy Board Act, 1998*, S.O. c.15, for an Order or Orders approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of natural gas for the 2011 fiscal year, commencing October 1, 2010. The Board assigned file number EB-2010-0018 to the Application.

The Board issued a Notice of Application and Hearing on March 1, 2010. The Town of Aylmer, Union Gas Limited ("Union"), Integrated Grain Processors Co-Operative Inc.

("IGPC") and Vulnerable Energy Consumers Coalition ("VECC") applied for and were granted intervenor status.

The parties agreed to settle some of the issues and filed a Settlement Agreement on August 18, 2010 which the Board accepted at the oral hearing. The Board issued a Decision on the unsettled issues on December 6, 2010 and approved the recovery of revenues from October 1, 2010 to the effective date of the rate order. The Board indicated that it expected NRG to file detailed supporting material, including all relevant calculations showing the impact of the Board's Decision on the Applicant's proposed revenue requirement, the allocation of the approved revenue requirement to the classes and the determination of the final rates, including bill impacts.

NRG filed the Draft Rate Order on December 29, 2010. The rate order was prepared using an effective date of February 1, 2011 and included a foregone revenue rate rider calculation to recover revenues from October 1, 2010 to January 31, 2011. Intervenors and Board staff were given twelve days to review and file comments on the Draft Rate Order. NRG was required to respond to comments within five days. The Board received comments from Board staff, VECC, IGPC and the Town of Aylmer. The Town of Aylmer did not specifically comment on the Draft Rate Order but supported the submission of IGPC.

Board staff in their comments sought clarification on the amount of the rate base. VECC too commented on the rate base and did not understand the reasons for the increase in rate base as a result of the Board Decision. In its reply of January 18, 2011, NRG noted that VECC was referring to the incorrect amount of the rate base and the starting point to make adjustments as per the Board Decision should be the amount in the schedule accompanying the Settlement Agreement.

VECC also noted different revenue deficiency/sufficiency numbers in the Draft Rate Order and sought clarification on the correct figure. In reply, NRG revised the attachments and provided the appropriate descriptions to reflect consistency throughout the rate order.

IGPC in its submission pointed to some minor discrepancies, that NRG clarified in reply. IGPC also sought to confirm whether NRG had included the Provincial Sales Tax ("PST") reduction related to station maintenance in the Draft Rate Order. NRG in reply confirmed that it had taken the PST reduction into account as per the Board Decision.

IGPC also indicated that although the PGTVA/REDA rate rider was recalculated with the assumption that Rate 6 was not responsible for regulatory costs attributable to the Union Gas hearing, the recalculation was not incorporated into the draft rate schedule. NRG included the appropriate rate riders in the tariff schedules accompanying its reply.

Board staff in their comments suggested that the amount of the system gas over recovery that has to be returned to ratepayers should be \$97,000 as noted in the Decision in place of the updated number that NRG had calculated in the Draft Rate Order. In reply, NRG agreed to revise the number to \$97,000.

While preparing the rate order NRG uncovered an error with respect to volumes allocated to the various tiers in rate classes 1, 2 and 4 and to the estimated Rate 3 Demand. NRG adjusted the volumes within the rate class tiers in the Draft Rate Order to make it consistent with the underlying revenues recovered through current rates. Board staff sought additional clarification on the impact of this adjustment on the revenue deficiency and the associated bill impact. Board staff also noted that the change had been made after the Board had issued its Decision and all the underlying assumptions in the load forecast were accepted by the Board.

Board staff further noted that although the Decision resulted in a revenue sufficiency as compared to a revenue deficiency in the Settlement Agreement, the bill impact for residential customers had increased from 2.7% as per the Settlement Agreement to 5.9% as a result of the Decision. Board staff sought further clarification on the bill impact. In reply, NRG provided an attachment that attempted to explain the increase in residential rates. On further requests, NRG provided a revised explanation that clarified the reasons for the increase. NRG indicated that some of the expenses including insurance were reallocated from IGPC to other rate classes as a result of the Board Decision. In addition, NRG had discovered an error in the volumes allocated to the different tiers which resulted in rates being revised upwards. NRG further added that its goal was to bring the Revenue to Cost ratio as close to unity as possible. This resulted in higher costs for Rate 1 residential customers and subsequently a rate increase.

As a result of this explanation being filed, VECC filed a letter objecting to NRG making a change in the revenue to cost ratios from the original application. VECC maintained that NRG had not applied to change the ratios and the proposed ratios were not discussed during the settlement negotiations or during the oral hearing.

On January 28, 2011, NRG filed a revised draft rate order that based on discussions with Board staff and parties to the proceeding, was intended to accommodate the concerns raised. NRG made certain revisions to the calculations and changed the proposed implementation date to March 1, 2011. On February 4, 2011 the Board issued a letter asking NRG to provide further clarification on the changes made to the volumes within the tiers of the rate classes after the Decision had been issued. The Board was essentially seeking assurance that the revenue requirement had not further increased by approximately \$56,000 as a result of uncovering the error.

In a reply letter dated February 9, 2011, NRG confirmed that correcting the error did not result in an increase to the Board approved revenue requirement. Rather, the change would allow NRG to recover approved revenues through rates.

The Board is concerned that NRG has made changes to the volumes allocated to the different tiers within a rate class after the Board has issued its Decision. However, the correction seems minor and does not alter the total volumes allocated to a rate class or the underlying load forecast. The Board approves NRG's request to incorporate the volumes changes in the rate order.

The Board has reviewed the draft Accounting Orders and directs NRG to make the following changes:

1. Account number 623 refers to Cost of Gas and should be consistent throughout all deferral/variance accounts. The accounting entry for the Gas Purchase Rebalancing Account describes Accounts No. 623 as Gas Purchases.
2. The description in the International Financial Reporting Standards ("IFRS") deferral account should state, "to record as a debit (credit) in Deferral Account No. 179-41 the actual incurred incremental one-time administrative costs caused by the transition of accounting policies, procedures, systems and processes to compliance with IFRS".

THE BOARD ORDERS THAT:

1. The Tariff of Rates and Charges set out in Appendix "A" of this Rate Order is approved, effective March 1, 2011 for natural gas consumed or estimated to have been consumed on and after such date.

2. The Tariff of Rates and Charges set out in Appendix “A” of this Order supersedes all previous distribution rate schedules approved by the Board for NRG and is final in all respects.
3. NRG shall notify customers of the rate changes no later than with the first bill reflecting the new rates.
4. NRG shall continue the deferral and variance accounts as set forth in Appendix “B” subject to the changes directed earlier in this rate order. NRG shall record simple interest on the monthly opening balances, calculated at the Board approved short term rate.

DATED at Toronto, February 17, 2011

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

APPENDIX "A"

TO

BOARD ORDER EB-2010-0018

DATED FEBRUARY 17, 2011

NATURAL RESOURCE GAS LIMITED

PROPOSED RATE TARIFFS

RATE 1 - General Service Rate

Rate Availability

The entire service area of the Company.

Eligibility

All customers.

Rate

a)	Monthly Fixed Charge	\$13.50
b)	Delivery Charge	
	First 1,000 m ³ per month	15.2693 cents per m ³
	All over 1,000 m ³ per month	10.5114 cents per m ³
c)	Gas Supply Charge and System Gas Refund Rate Rider (if applicable)	Schedule A
d)	Rate Riders	
	Forgone Revenue Rate Rider - effective until September 30, 2011	\$ 1.41/customer
	PGTVA/REDA Rate Rider - effective until September 30, 2011	\$ 2.50/customer
	System Gas Over-Recovery Rate Rider - effective until September 30, 2011	\$(0.014134)/m ³
	Applies to System Gas Supply deliveries	

Meter Readings

Gas consumption by each customer under this rate schedule shall be determined by monthly meter reading, provided that in circumstances beyond the control of the company such as strikes or non-access to a meter, the company may estimate the consumption each month as of the scheduled date of the regular monthly meter reading and render a monthly bill to the customer thereof.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Bundled Direct Purchase Delivery

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Effective: October 01, 2010

Implementation: All bills rendered on or after March 1, 2011

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NATURAL RESOURCE GAS LIMITED

RATE 2 - Seasonal Service

Rate Availability

The entire service area of the company.

Eligibility

All customers.

Rate

For all gas consumed from:	April 1 through October 31:	November 1 through March 31:
a) Monthly Fixed Charge	\$15.00	\$15.00
b) Delivery Charge		
First 1,000 m ³ per month	13.6663 cents per m ³	17.4955 cents per m ³
Next 24,000 m ³ per month	9.4656 cents per m ³	15.6678 cents per m ³
All over 25,000 m ³ per month	6.1649 cents per m ³	15.2624 cents per m ³
c) Gas Supply Charge and System Gas Refund Rate Rider (if applicable)		Schedule A
d) Rate Riders		
Forgone Revenue Rate Rider - effective until September 30, 2011		\$ 0.24/customer
PGTVA/REDA Rate Rider - effective until September 30, 2011		\$14.00/customer
System Gas Over-Recovery Rate Rider - effective until September 30, 2011		\$ (0.014134)/m ³
Applies to System Gas Supply deliveries		

Meter Readings

Gas consumption by each customer under this rate schedule shall be determined by monthly meter reading, provided that in circumstances beyond the control of the company such as strikes or non-access to a meter, the company may estimate the consumption each month as of the scheduled date of the regular monthly meter reading and render a monthly bill to the customer thereof.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Bundled Direct Purchase Delivery

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Effective: October 01, 2010

Implementation: All bills rendered on or after March 01, 2011

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NATURAL RESOURCE GAS LIMITED

RATE 3 - Special Large Volume Contract Rate

Rate Availability

Entire service area of the company.

Eligibility

A customer who enters into a contract with the company for the purchase or transportation of gas:

- a) for a minimum term of one year;
- b) that specifies a combined daily contracted demand for firm and interruptible service of at least 700 m³; and
- c) a qualifying annual volume of at least 113,000 m³.

Rate

1. Bills will be rendered monthly and shall be the total of:

- a) A Monthly Customer Charge:

A Monthly Customer Charge of \$150.00 for firm or interruptible customers; or
A Monthly Customer Charge of \$175.00 for combined (firm and interruptible) customers.

- b) A Monthly Demand Charge:

A Monthly Demand Charge of 29.0451 cents per m³ for each m³ of daily contracted firm demand.

- c) A Monthly Delivery Charge:

- (i) A Monthly Firm Delivery Charge for all firm volumes of 3.7310 cents per m³,
- (ii) A Monthly Interruptible Delivery Charge for all interruptible volumes to be negotiated between the company and the customer not to exceed 10.9612 cents per m³ and not to be less than 7.9412 per m³.

- d) Gas Supply Charge and System Gas Refund Rate Rider (if applicable) Schedule A

- e) Overrun Gas Charges:

Overrun gas is available without penalty provided that it is authorized by the company in advance. The company will not unreasonably withhold authorization.

If, on any day, the customer should take, without the company's approval in advance, a volume of gas in excess of the maximum quantity of gas which the company is obligated to deliver to the customer on such day, or if, on any day, the customer fails to comply with any curtailment notice reducing the customer's take of gas, then,

- (i) the volume of gas taken in excess of the company's maximum delivery obligation for such day, or
- (ii) the volume of gas taken in the period on such day covered by such curtailment notice (as determined by the company in accordance with its usual practice) in excess of the volume of gas authorized to be taken in such period by such curtailment notice,

as the case may be, shall constitute unauthorized overrun volume.

Any unauthorized firm overrun gas taken in any month shall be paid for at the Rate 3 Firm Delivery Charge in effect at the time the overrun occurs. In addition, the Contract Demand level shall be adjusted to the actual maximum daily volume taken and the Demand Charges stated above shall apply for the whole contract year,

including retroactively, if necessary, thereby requiring recomputation of bills rendered previously in the contract year.

Any unauthorized interruptible overrun gas taken in any month shall be paid for at the Rate 1 Delivery Charge in effect at the time the overrun occurs plus any Gas Supply Charge applicable.

For any unauthorized overrun gas taken, the customer shall, in addition, indemnify the company in respect of any penalties or additional costs imposed on the company by the company's suppliers, any additional gas cost incurred or any sales margins lost as a consequence of the customer taking the unauthorized overrun volume.

f)	Rate Riders	
	Rate Rider for Foregone Revenue effective until September 30, 2011	\$132.09/customer
	Rate Rider for PGTVA/REDA effective until September 30, 2011	\$120.00/customer
	System Gas Over-Recovery Rate Rider - effective until September 30, 2011	\$ (0.014134)/m ³
	Applies to System Gas Supply deliveries	

2. In negotiating the Monthly Interruptible Commodity Charge referred to in 1(c)(ii) above, the matters to be considered include:

- a) The volume of gas for which the customer is willing to contract;
- b) The load factor of the customer's anticipated gas consumption, the pattern of annual use, and the minimum annual quantity of gas which the customer is willing to contract to take or in any event pay for;
- c) Interruptible or curtailment provisions;
- d) Competition.

3. In each contract year, the customer shall take delivery from the company, or in any event pay for it if available and not accepted by the customer, a minimum volume of gas as specified in the contract between the parties. Overrun volumes will not contribute to the minimum volume. The rate applicable to the shortfall from this minimum shall be 3.1530 cents per m³ for firm gas and 5.4412 cents per m³ for interruptible gas.

4. The contract may provide that the Monthly Demand Charge specified in Rate Section 1 above shall not apply on all or part of the daily contracted firm demand used by the customer during the testing, commissioning, phasing in, decommissioning and phasing out of gas-using equipment for a period not to exceed one year (the transition period). In such event, the contract will provide for a Monthly Firm Delivery Commodity Charge to be applied on such volume during the transition of 5.7163 cents per m³ and a gas supply commodity charge as set out in Schedule A, if applicable. Gas purchased under this clause will not contribute to the minimum volume.

Bundled Direct Purchase Delivery

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Effective: October 01, 2010

Implementation: All bills rendered on or after March 01, 2011

EB-2010-0018

NATURAL RESOURCE GAS LIMITED

RATE 4 - General Service Peaking

Rate Availability

The entire service area of the company.

Eligibility

All customers whose operations, in the judgment of Natural Resource Gas Limited, can readily accept interruption and restoration of gas service with 24 hours notice.

Rate

For all gas consumed from:	April 1 through December 31:	January 1 through March 31:
a) Monthly Fixed Charge	\$15.00	\$15.00
b) Delivery Charge		
First 1,000 m ³ per month	14.6669 cents per m ³	18.8433 cents per m ³
All over 1,000 m ³ per month	10.5029 cents per m ³	16.8748 cents per m ³
c) Gas Supply Charge and System Gas Refund Rate Rider (if applicable)		Schedule A
d) Rate Riders		
Rate Rider for Foregone Revenue - effective until September 30, 2011		\$ 5.56/customer
Rate Rider for PGTVA/REDA - effective until September 30, 2011		\$ 9.51/customer
System Gas Over-Recovery Rate Rider - effective until September 30, 2011		\$(0.014134)/m ³
Applies to System Gas Supply deliveries		

Meter Readings

Gas consumption by each customer under this rate schedule shall be determined by monthly meter reading provided that in circumstances beyond the control of the company such as strikes or non-access to a meter, the company may estimate the consumption each month as of the scheduled date of the regular monthly meter reading and render a monthly bill to the customer thereof.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Bundled Direct Purchase Delivery

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Effective: October 01, 2010

Implementation: All bills rendered on or after March 01, 2011

EB-2010-0018

NATURAL RESOURCE GAS LIMITED

RATE 5 - Interruptible Peaking Contract Rate

Rate Availability

Entire service area of the company.

Eligibility

A customer who enters into a contract with the company for the purchase or transportation of gas:

- a) for a minimum term of one year;
- b) that specifies a daily contracted demand for interruptible service of at least 700 m³; and
- c) a qualifying annual volume of at least 50,000 m³.

Rate

1. Bills will be rendered monthly and shall be the total of:

a) Monthly Fixed Charge \$150.00.

b) A Monthly Delivery Charge:

A Monthly Delivery Charge for all interruptible volumes to be negotiated between the company and the customer not to exceed 8.4612 cents per m³ and not to be less than 5.4612 per m³.

c) Gas Supply Charge and System Gas Refund Rate Rider (if applicable) Schedule A

d) Overrun Gas Charge:

Overrun gas is available without penalty provided that it is authorized by the company in advance. The company will not unreasonably withhold authorization.

If, on any day, the customer should take, without the company's approval in advance, a volume of gas in excess of the maximum quantity of gas which the company is obligated to deliver to the customer on such day, or if, on any day, the customer fails to comply with any curtailment notice reducing the customer's take of gas, then

- (i) the volume of gas taken in excess of the company's maximum delivery obligation for such day, or
- (ii) the volume of gas taken in the period on such day covered by such curtailment notice (as determined by the company in accordance with its usual practice) in excess of the volume of gas authorized to be taken in such period by such curtailment notice,

as the case may be, shall constitute unauthorized overrun volume.

Any unauthorized overrun gas taken in any month shall be paid for at the Rate 1 Delivery Charge in effect at the time the overrun occurs plus any applicable Gas Supply Charge.

For any unauthorized overrun gas taken, the customer shall, in addition, indemnify the company in respect of any penalties or additional costs imposed on the company by the company's suppliers, any additional gas cost incurred or any sales margins lost as a consequence of the customer taking the unauthorized overrun volume.

- e) Rate Riders
 - Rate Rider for Foregone Revenue effective until September 30, 2011 \$359.58/customer
 - Rate Rider for PGTVA/REDA effective until September 30, 2011 \$ 94.37/customer
 - System Gas Over-Recovery Rate Rider - effective until September 30, 2011 \$ (0.014134)/m³
 - Applies to System Gas Supply deliveries

2. In negotiating the Monthly Interruptible Commodity Charge referred to in 1(c) above, the matters to be considered include:
- a) The volume of gas for which the customer is willing to contract;
 - b) The load factor of the customer's anticipated gas consumption and the pattern of annual use and the minimum annual quantity of gas which the customer is willing to contract to take or in any event pay for;
 - c) Interruptible or curtailment provisions;
 - d) Competition.
3. In each contract year, the customer shall take delivery from the company, or in any event pay for it if available and not accepted by the customer, a minimum volume of gas of 50,000 m³. Overrun volumes will not contribute to the minimum volume. The rate applicable to the shortfall from this annual minimum shall be 5.6702 cents per m³ for interruptible gas.

Bundled Direct Purchase Delivery

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Effective: October 01, 2010

Implementation: All bills rendered on or after March 01, 2011

EB-2010-0018

NATURAL RESOURCE GAS LIMITED

RATE 6 – Integrated Grain Processors Co-Operative Aylmer Ethanol Production Facility

Rate Availability

Rate 6 is available to the Integrated Grain Processors Co-Operative, Aylmer Ethanol Production Facility only.

Eligibility

Integrated Grain Processors Co-Operative's ("IGPC") ethanol production facility located in the Town of Aylmer

Rate

1. Bills will be rendered monthly and shall be the total of:
 - a) Monthly Customer Charge of \$150.00 for firm services
 - b) A Monthly Demand Charge:

A Monthly Demand Charge of 18.1692 cents per m³ for each m³ of daily contracted firm demand.
 - c) A Monthly Delivery Charge:
 - (i) A Monthly Firm Delivery Charge for all firm volumes of 3.7310 cents per m³,
 - (ii) A Monthly Interruptible Delivery Charge for all interruptible volumes to be negotiated between the company and IGPC not to exceed 10.9612 cents per m³ and not to be less than 7.9412 per m³.
 - d) Gas Supply Charge and System Gas Refund Rate Rider (if applicable) Schedule A
 - e) Overrun Gas Charges:

Overrun gas is available without penalty provided that it is authorized by the company in advance. The company will not unreasonably withhold authorization.

If, on any day, IGPC should take, without the company's approval in advance, a volume of gas in excess of the maximum quantity of gas which the company is obligated to deliver to IGPC on such day, or if, on any day, IGPC fails to comply with any curtailment notice reducing IGPC's take of gas, then,

 - (i) the volume of gas taken in excess of the company's maximum delivery obligation for such day, or
 - (ii) the volume of gas taken in the period on such day covered by such curtailment notice (as determined by the company in accordance with its usual practice) in excess of the volume of gas authorized to be taken in such period by such curtailment notice,

as the case may be, shall constitute unauthorized overrun volume.

Any unauthorized firm overrun gas taken in any month shall be paid for at the Rate 6 Firm Delivery Charge in effect at the time the overrun occurs. In addition, the Contract Demand level shall be adjusted to the actual maximum daily volume taken and the Demand Charges stated above shall apply for the whole contract year, including retroactively, if necessary, thereby requiring recomputation of bills rendered previously in the contract year.

Any unauthorized interruptible overrun gas taken in any month shall be paid for at the Rate 1 Delivery Charge in effect at the time the overrun occurs plus any Gas Supply Charge applicable.

For any unauthorized overrun gas taken, IGPC shall, in addition, indemnify the company in respect of any penalties or additional costs imposed on the company by the company's suppliers, any additional gas cost incurred or any sales margins lost as a consequence of the customer taking the unauthorized overrun volume.
 - f) Rate Riders
Rate Rider for Foregone Revenue effective until September 30, 2011 \$ (5,731.18) /customer

Rate Rider for PGTVA/REDA effective until September 30, 2011	\$(24,009.29) /customer
System Gas Over-Recovery Rate Rider - effective until September 30, 2011	\$ (0.014134)/m ³
Applies to System Gas Supply deliveries	

2. In negotiating the Monthly Interruptible Commodity Charge referred to in 1(c)(ii) above, the matters to be considered include:

- a) The volume of gas for which IGPC is willing to contract;
- b) The load factor of IGPC's anticipated gas consumption, the pattern of annual use, and the minimum annual quantity of gas which IGPC is willing to contract to take or in any event pay for;
- c) Interruptible or curtailment provisions;
- d) Competition.

3. In each contract year, IGPC shall take delivery from the company, or in any event pay for it if available and not accepted by the IGPC, a minimum volume of gas as specified in the contract between the parties. Overrun volumes will not contribute to the minimum volume. The rate applicable to the shortfall from this minimum shall be 3.1530 cents per m³ for firm gas and 5.4412 cents per m³ for interruptible gas.

4. The contract may provide that the Monthly Demand Charge specified in Rate Section 1 above shall not apply on all or part of the daily contracted firm demand used by the IGPC during the testing, commissioning, phasing in, decommissioning and phasing out of gas-using equipment for a period not to exceed one year (the transition period). In such event, the contract will provide for a Monthly Firm Delivery Commodity Charge to be applied on such volume during the transition of 5.7163 cents per m³ and a gas supply commodity charge as set out in Schedule A, if applicable. Gas purchased under this clause will not contribute to the minimum volume.

Bundled Direct Purchase Delivery

Where IGPC elects under this rate schedule to directly purchase its gas from a supplier other than NRG, IGPC or its agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to IGPC if it elects said Bundled T transportation service.

Unless otherwise authorized by NRG, IGPC, when delivering gas to NRG under direct purchase arrangements, must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Effective: October 01, 2010

Implementation: All bills rendered on or after March 01, 2011

EB-2010-0018

NATURAL RESOURCE GAS LIMITED

SCHEDULE A – Gas Supply Charges

Rate Availability

Entire service area of the company.

Eligibility

All customers served under Rates 1, 2, 3, 4, 5 and 6.

Rate

The Gas Supply Charge applicable to all sales customers shall be made up of the following charges:

PGCVA Reference Price	(EB-2010-0366)	22.8146 cents per m ³
GPRA Recovery Rate	(EB-2010-0366)	(0.4427) cents per m ³
System Gas Fee	(EB-2010-0018)	<u>0.0363</u> cents per m ³
Total Gas Supply Charge		<u>22.4082</u> cents per m ³

Note:

PGCVA means Purchased Gas Commodity Variance Account

GPRA means Gas Purchase Rebalancing Account

Deferral and Variance Accounts

Rate Rider for System Gas Refund effective until September 30, 2011 (1.4134) cents per m³

Effective: January 01, 2011

Implementation: All bills rendered on or after March 01, 2011

EB-2010-0018

NATURAL RESOURCE GAS LIMITED

RATE BT1 – Bundled Direct Purchase Contract Rate

Availability

Rate BT1 is available to all customers or their agent, who enter into a Receipt Contract for delivery of gas to NRG. The availability of this option is subject to NRG obtaining a satisfactory agreement or arrangement with Union Gas and NRG's gas supplier for direct purchase volume and DCQ offsets.

Eligibility

All customers electing to purchase gas directly from a supplier other than NRG must enter into a Bundled T-Service Receipt Contract with NRG either directly or through their agent, for delivery of gas to NRG at a mutually acceptable delivery point.

Rate

For gas delivered to NRG at any point other than the Ontario Point of Delivery, NRG will charge a customer or their agent, all approved tolls and charges incurred by NRG to transport the gas to the Ontario Point of Delivery.

Note:

Ontario Point of Delivery means Dawn or Parkway on the Union Gas System as agreed to by NRG and NRG's customer or their agent.

Effective: October 01, 2010

Implementation: All bills rendered on or after March 01, 2011

NATURAL RESOURCE GAS LIMITED

Transmission Service

Availability

Transmission Service charges shall be applied to Natural Resource Gas Corp.

Eligibility

Only Natural Resource Gas Corp. shall be charged the Transmission Service Rate. Fees and Charges will be applied only in those months that NRG Corp. delivers gas to a delivery point on NRG's system.

Rate

Administrative Charge	\$250/month
Transportation Rate	\$ 0.95/mcf

Effective: October 01, 2010

Implementation: All bills rendered on or after March 01, 2011

APPENDIX "B"

TO

BOARD ORDER EB-2010-0018

DATED FEBRUARY 17, 2011

Accounting Order

Deferral Account to Record

Regulatory Expense Deferral Account

Note: Account numbers are in accordance with the Uniform System of Accounts for Gas Utilities, Class A, prescribed under the Ontario Energy Board Act.

Accounting Entries for Regulatory Expense Deferral Account (REDA)

To record monthly as a debit (credit) in Deferral Account No. 179-21 (REDA) the cost for participating in generic proceedings and Union Gas proceedings, including a main rates case.

Debit/Credit Account No. 179-21 Regulatory Expense Deferral Account (REDA)

Credit/Debit - Account No. 251 Accounts Payable

To record, as a debit (credit) in Deferral Account No. 179-22, interest on the balance in Deferral Account

Debit/Credit - Account No. 179-22 Regulatory Expense Deferral Account (REDA)

Credit/Debit - Account No. 323 Other Interest Expense

Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

To record the collection of the balance recorded in the account as of September 30, 2009 from REDA Rate Rider:

Credit Account No. 179-21 Regulatory Expense Deferral Account (REDA) by REDA Rate Rider to collect \$172,801

Debit Account No. 140 Accounts Receivable - Customers

To record the collection of the balance of associated carrying charges as of September 30, 2009 from REDA Rate Rider:

Credit Account No. 179-22 Other Interest Expense by REDA Rate Rider to collect \$1,106

Debit Account No. 140 Accounts Receivable – Customers

Accounting Order

Deferral Account to Record

Purchased Gas Commodity Variance Account

Note: Account numbers are in accordance with the Uniform System of Accounts for Gas Utilities, Class A, prescribed under the Ontario Energy Board Act.

Accounting Entries for Purchased Gas Commodity Variance Account (PGCVA)

To record monthly as a debit (credit) in Deferral Account No. 179-27 (PGCVA) the decrease (increase) to reflect the projected changes in gas costs and prospective recovery of the balances of the gas supply deferral accounts approved by the Board for rate making purposes.

Debit/Credit Account No. 179-27 Purchased Gas Commodity Variance Account
(PGCVA)

Credit/Debit Account No. 623 Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179-28, interest on the balance in Deferral Account

Debit/Credit Account No. 179-28 Purchased Gas Commodity Variance Account
(PGCVA)

Credit/Debit - Account No. 323 Other Interest Expense

Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

Accounting Order

Deferral Account to Record

Accounting Entries for the Purchased Gas Transportation Variance Account

Note: Account numbers are in accordance with the Uniform System of Accounts for Gas Utilities, Class A, prescribed under the Ontario Energy Board Act.

Accounting Entries for Purchased Gas Transportation Variance Account (PGTVA)

To record the collection of the balance recorded in the account as of September 30, 2009 from the PGTVA Rate Rider:

Debit Account No. 179-29 Purchased Gas Transportation Variance Account (PGTVA) by PGTVA Rate Rider to collect \$198,811

Credit Account No. 140 Accounts Receivable - Customers

To record the collection of the balance recorded for associated carrying charges as of September 30, 2009:

Debit Account No. 179-30 Other Interest Expense by PGTVA Rate Rider to collect \$3,390

Credit Account No. 140 Accounts Receivable - Customers

Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

Effective September 30, 2011 and immediately thereafter upon completion of the annual audit the residual balances remaining in the above accounts shall be transferred to PGTVA 1-5 and PGTVA 6 respectively, and the above accounts closed.

Accounting Order

Deferral Account to Record

Accounting Entries for the Gas Purchase Rebalancing Account

Note: Account numbers are in accordance with the Uniform System of Accounts for Gas Utilities, Class A, prescribed under the Ontario Energy Board Act.

Accounting Entries for Gas Purchase Rebalancing Account (GPRA)

To record monthly as a debit (credit) in Deferral Account No. 179-35 (GPRA) the decrease (increase) in the value of gas inventory available for sale to sales service customers due to changes in NRG's PGCVA reference price approved by the Board for rate making purposes.

Debit/Credit - Account No. 179-35 Gas Purchase Rebalancing Account ("GPRA")

Credit/Debit - Account No. 623 Gas Purchases

To record monthly as a debit (credit) in Deferral Account No. 179-36 (GPRA), interest on the balance in Deferral Account

Debit/Credit - Account No. 179-36 Interest on GPRA

Credit/Debit - Account No. 323 Other Interest Expense

Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

Accounting Order

Deferral Account to Record

Revenues Recovered Through the Transportation Service Charges

Note: Account numbers are in accordance with the Uniform System of Accounts for Gas Utilities, Class A, prescribed under the Ontario Energy Board Act.

As indicated in its Decision dated December 6, 2010, the Board authorized NRG to establish a deferral account to record the revenues recovered through the Board authorized Transportation service Charges.

Accounting Entries for Transportation Service Charges Revenues

Deferral Account No. 179 Other Deferred Revenues – Transportation Service Charge Revenues

To record, as a debit (credit) in Deferral Account No. 179-39 the actual revenues recovered through the operation of the Board authorized Transportation Service Charge and the Transportation Service Administration Fee.

Debit/Credit - Account No. 179-39 Other Deferred Revenues- Transportation Service Revenues

Credit/Debit - Account No. 579 Miscellaneous Operating Revenues

To record, as a debit (credit) in Deferral Account No. 179-40, interest on the balance in Deferral Account

Debit/Credit - Account No.179-40 Other Deferred Revenues- Transportation Service Revenues

Credit/Debit - Account No. 323 Other Interest Expense

Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

Accounting Order

Deferral Account to Record the Costs Incurred to Convert to the International Financial Reporting Standard

Note: Account numbers are in accordance with the Uniform System of Accounts for Gas Utilities, Class A, prescribed under the Ontario Energy Board Act.

As indicated in its Decision dated December 6, 2010, the Board authorized NRG to establish a deferral account to record the costs incurred to convert to the International Financial Reporting Standard ("IFRS").

Accounting Entries for IFRS Conversion Costs

To record, as a debit (credit) in Deferral Account No. 179-41 the actual costs incurred to convert accounting policies and processes from their current compliance with Canadian Generally Accepted Accounting Principles to their future compliance with International Financial Reporting Standards (IFRS).

Debit/Credit - Account No. 179-41 Other Deferred Charges- IFRS Conversion Costs

Credit/Debit - Account No. 251 Accounts Payable

To record, as a debit (credit) in Deferral Account No. 179-42, interest on the balance in Deferral Account

Debit/Credit - Account No.179-42 Other Deferred Charges- IFRS Conversion Costs

Credit/Debit - Account No. 323 Other Interest Expense

Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

Accounting Order

Deferral Account to Record IGPC Pipeline Maintenance Deferral Account

Note: Account numbers are in accordance with the Uniform System of Accounts for Gas Utilities, Class A, prescribed under the Ontario Energy Board Act.

As indicated in its Decision dated December 6, 2010, the Board authorized NRG to establish the IGPC Pipeline Maintenance Deferral Account to record 50% of the forecast MIG Engineering maintenance costs for the IGPC pipeline.

Accounting Entries for IGPC Pipeline Maintenance Deferral Account

To record, as a debit in Deferral Account No. 179-43 50%, \$56,055 being the remaining balance of the forecast MIG Engineering Ltd. costs to provide administration, engineering and maintenance services for the IGPC pipeline.

Debit/Credit - Account No. 179-43 Other Deferred Charges - IGPC Pipeline Maintenance

Credit/Debit - Account No. 251 Accounts Payable

To record, as a debit (credit) in Deferral Account No. 179-44, interest on the balance in Deferral Account

Debit/Credit - Account No. 179-44 Other Deferred Charges - IGPC Pipeline Maintenance

Credit/Debit - Account No. 323 Other Interest Expense

Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

Accounting Order

Deferral Account to Record

Accounting Entries for the Purchased Gas Transportation Variance Account

Note: Account numbers are in accordance with the Uniform System of Accounts for Gas Utilities, Class A, prescribed under the Ontario Energy Board Act.

Accounting Entries for Purchased Gas Transportation Variance Account Rates 1 – 5 (PGTVA 1-5)

Effective October 1, 2010 NRG is authorized to reset the reference price for the PGTVA Fiscal 2011. Whereas formerly a single reference price was used effective October 1, 2010 two reference prices will be relied on:

A reference price of \$0.023909/m³ applicable to all customers in classes 1 through 5;

Debit/Credit Account No. 179-45 Purchased Gas Transportation Variance Account Rates 1 – 5 (PGTVA 1-5)

Credit/Debit Account No. 623 Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179, interest on the balance in Deferral Account

Debit/Credit Account No. 179-46 Interest on PGTVA 1-5

Credit/Debit Account No. 323 Other Interest Expense

Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

Accounting Order

Deferral Account to Record

Accounting Entries for the Purchased Gas Transportation Variance Account

Note: Account numbers are in accordance with the Uniform System of Accounts for Gas Utilities, Class A, prescribed under the Ontario Energy Board Act.

Accounting Entries for Purchased Gas Transportation Variance Account Rates 6 (PGTVA 6)

Effective October 1, 2010 NRG is authorized to reset the reference price for the PGTVA Fiscal 2011. Whereas formerly a single reference price was used effective October 1, 2010 two reference prices will be relied on:

A reference price of \$0.0105000/m³ applicable to IGPC exclusively.

Debit/Credit Account No. 179-47 Purchased Gas Transportation Variance Account Rates 6 (PGTVA 6)

Credit/Debit Account No. 623 Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179, interest on the balance in Deferral Account

Debit/Credit Account No. 179-48 Interest on PGTVA 6

Credit/Debit Account No. 323 Other Interest Expense

Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.