



**EB-2011-0392**

**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, 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 as of January 1, 2012;

**AND IN THE MATTER OF** the quarterly rate adjustment mechanism.

By delegation, before: Adrian Pye

### **DECISION AND ORDER**

Natural Resource Gas Limited (“NRG”) filed an application dated December 6, 2011, with the Ontario Energy Board (the “Board”) for an order or orders approving or fixing just and reasonable rates and other charges for the sale and distribution of gas commencing January 1, 2012 (the “Application”). The Application was made pursuant to NRG’s approved Quarterly Rate Adjustment Mechanism (“QRAM”).

NRG provided written evidence in support of the proposed changes outlined in the Application. The Application and pre-filed evidence was provided by NRG to all parties of record in NRG’s most recent rates proceeding, EB-2010-0018. The Application also set out the dates for filing comments and the company’s reply to those comments.

On December 12, 2011, Board staff sought clarification of certain items including whether changes to the PCGVA would result in customers paying an additional charge or experience a rate decrease. In response, NRG clarified that although the amounts seem similar, they referred to two different amounts; one related to the Purchased Gas Commodity Variance Account (“PGCVA”) and the other referred to the gas commodity charge. The gas commodity charge is built into the PGCVA

The other issue that Board staff sought clarification on was the excess gas costs that NRG was directed to track from October 2010 as per the Board Decision in EB-2010-0018. Board staff submitted that the Board issued its Decision on commodity costs purchased from the related company and set a price of \$6.80 per mcf and that Decision was to be implemented as of December 6, 2010 (EB-2010-0018) and there was no retroactivity applied to the commodity costs. Prior to that, NRG was supposed to follow the methodology as directed in the Board's Decision in EB-2005-0544 and reset the purchase price on an annual basis (at the end of September every year). Since the price had to be reset based on the Board's methodology in EB-2005-0544 as of October 1, 2010, the Board in its December 6, 2010 Decision directed NRG to track any overpayments from October 1, 2010 to the date of the Decision (December 6, 2010). The overpayments were as a result of NRG failing to follow the Board order in the 2006 rates Decision (EB-2005-0544) and reflected the failure of NRG to set prices on an annual basis for gas purchased from the related company. In this proceeding Board staff sought an explanation as to why NRG had used a price of \$0.241357/m<sup>3</sup> when this price was implemented by the Board as of December 6, 2010 and did not apply to gas purchased prior to that date. Prior to December 6, 2010, NRG had to use the methodology in EB-2005-0544 to determine the cost of gas from the affiliate. In addition to seeking clarification on the above issue, Board staff also asked NRG to recalculate the overpayments from October 1, 2010 to December 5, 2010, based on the difference between the price of \$0.3012 cents/m<sup>3</sup> and the price as determined following the Board's methodology as directed in EB-2005-0544.

In response NRG submitted that it had implemented the new price mechanism as of November 1, 2010. NRG indicated that the price as per the methodology in EB-2005-0544 would be \$0.17189 m<sup>3</sup>. Accordingly, the difference between \$0.3012 cents/m<sup>3</sup> and \$0.17189 m<sup>3</sup> from October 1, 2010 to December 5, 2010 would total \$31,251.46. Of this, NRG claimed that it had already accounted for \$10,111.56 in the PGCV and \$5,091.93 was being tracked separately.

The issue here is of non-conformity to a prior decision. The Board's Decision in EB-2010-0018 was issued on December 6, 2010 and the decision on commodity costs was to be applied going forward, not retroactively. Accordingly, NRG was required to use the previous methodology as noted in EB-2005-0544 to calculate commodity purchases from the related company and was directed to track this amount from October 1, 2010 to the date of the Board's Decision (December 6, 2010) in the current rates proceeding.

NRG is currently tracking \$5,091.93 and an amount of \$10,111.56 has already been accounted for as noted in NRG's response dated December 15, 2011. The total amount

that has not been applied to the PGCVA is \$16,047.97 (\$31,251.46 – \$10,111.56- \$5,091.93). I have considered all the evidence on this issue and find that NRG shall make the appropriate adjustment in the PGCVA to ensure that \$21,139.90 (\$16,047.97 + \$5,091.93) is refunded to ratepayers in the next QRAM application.

With respect to commodity rates effective January 1, 2012, I have considered the evidence and find that it is appropriate to adjust NRG's rates to reflect the projected changes in gas costs and prospective recovery of the projected twelve-month balances of the gas supply deferral accounts for the period ending December, 2012. I also find that it is appropriate to adjust NRG's reference prices to reflect the projected changes in gas costs. To the extent that any additional adjustments are necessary with respect to the tracking of costs as mandated in the EB-2010-0018 proceeding and for which a decision has been made in this proceeding, these adjustments will be made in NRG's next QRAM application.

Pursuant to section 36(4.1) of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B, I have considered all deferral account balances related to the commodity cost of gas and am adjusting rates, as set out below, to dispose of the forecasted account balances with the exception of the \$21,139.90 that is to be cleared in the next QRAM application.

**IT IS ORDERED THAT:**

1. The rates approved for Natural Resource Gas Limited as part of Decision and Order EB-2011-0301 dated September 20, 2011 shall be superseded by the rates as provided in Appendix "A" and attached to this Rate Order.
2. The rates shall be effective January 1, 2012 and shall be implemented in Natural Resource Gas Limited's first billing cycle commencing in January 2012.
3. The reference price for use in determining the amounts to be recorded in the PGCVA (Account No. 179-27) shall decrease by \$0.005171 per m<sup>3</sup> from the Board approved level of \$0.206383 per m<sup>3</sup> to **\$0.201212** per m<sup>3</sup> as shown in Schedule "A" of Appendix "A" attached to this Rate Order.
4. The balance in the Gas Purchase Rebalancing Account be prospectively cleared. The resulting gas supply charge will decrease from the Board approved level of \$0.202318 per m<sup>3</sup> to **\$0.199097** per m<sup>3</sup> as noted in Schedule "A" of Appendix "A" attached to this Rate Order.

5. The appropriate form of customer notice as set out in Appendix "C" shall accompany each customer's first bill or invoice following the implementation of this Order.

**DATED** at Toronto, December 21, 2011

**ONTARIO ENERGY BOARD**

*Original signed by*

Adrian Pye  
Manager, Licence Applications

**APPENDIX "A" TO  
DECISION AND ORDER  
BOARD FILE NO. EB-2011-0392  
DATED: December 21, 2011**

## NATURAL RESOURCE GAS LIMITED

### 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 <sup>3</sup> per month	15.2693 cents per m <sup>3</sup>
	All over 1,000 m <sup>3</sup> per month	10.5114 cents per m <sup>3</sup>
c)	Gas Supply Charge and System Gas Refund Rate Rider (if applicable)	Schedule A

#### 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: January 01, 2012

Implementation: All bills rendered on or after January 01, 2012

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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 <sup>3</sup> per month	13.6663 cents per m <sup>3</sup>	17.4955 cents per m <sup>3</sup>
Next 24,000 m <sup>3</sup> per month	9.4656 cents per m <sup>3</sup>	15.6678 cents per m <sup>3</sup>
All over 25,000 m <sup>3</sup> per month	6.1649 cents per m <sup>3</sup>	15.2624 cents per m <sup>3</sup>
c) Gas Supply Charge and System Gas Refund Rate Rider (if applicable)		Schedule A

**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: January 01, 2012

Implementation: All bills rendered on or after January 01, 2012

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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 m<sup>3</sup>; and
- c) a qualifying annual volume of at least 113,000 m<sup>3</sup>.

#### 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 m<sup>3</sup> for each m<sup>3</sup> 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 m<sup>3</sup>,
- (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 m<sup>3</sup> and not to be less than 7.9412 per m<sup>3</sup>.

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.

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 m<sup>3</sup> for firm gas and 5.4412 cents per m<sup>3</sup> 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 m<sup>3</sup> 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: January 01, 2012

Implementation: All bills rendered on or after January 01, 2012

EB-2011-0392

## 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 <sup>3</sup> per month	14.6669 cents per m <sup>3</sup>	18.8433 cents per m <sup>3</sup>
All over 1,000 m <sup>3</sup> per month	10.5029 cents per m <sup>3</sup>	16.8748 cents per m <sup>3</sup>
c) Gas Supply Charge and System Gas Refund Rate Rider (if applicable)		Schedule A

#### 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: January 01, 2012

Implementation: All bills rendered on or after January 01, 2012

EB-2011-0392

## 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 m<sup>3</sup>; and
- c) a qualifying annual volume of at least 50,000 m<sup>3</sup>.

#### 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 m<sup>3</sup> and not to be less than 5.4612 per m<sup>3</sup>.

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.

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 m<sup>3</sup>. 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 m<sup>3</sup> 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: January 01, 2012

Implementation: All bills rendered on or after January 01, 2012

EB-2011-0392

## 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 m<sup>3</sup> for each m<sup>3</sup> 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 m<sup>3</sup>,
  - (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 m<sup>3</sup> and not to be less than 7.9412 per m<sup>3</sup>.
- 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.

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 m<sup>3</sup> for firm gas and 5.4412 cents per m<sup>3</sup> 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 m<sup>3</sup> 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: January 01, 2012

Implementation: All bills rendered on or after January 01, 2012

EB-2011-0392

**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-2011-0392)	20.61212 cents per m <sup>3</sup>
GPRA Recovery Rate	(EB-2011-0392)	(0.2478) cents per m <sup>3</sup>
System Gas Fee	(EB-2010-0018)	<u>0.0363</u> cents per m <sup>3</sup>
Total Gas Supply Charge		<u>19.9097</u> cents per m <sup>3</sup>

Note:

PGCVA means Purchased Gas Commodity Variance Account

GPRA means Gas Purchase Rebalancing Account

Effective: January 01, 2012

Implementation: All bills rendered on or after January 01, 2012

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**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: January 01, 2012

Implementation: All bills rendered on or after January 01, 2012

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**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: January 01, 2012

Implementation: All bills rendered on or after January 01, 2012

EB-2011-0392

**APPENDIX "B" TO  
DECISION AND ORDER  
BOARD FILE NO. EB-2011-0392  
DATED: December 21, 2011**

**NATURAL RESOURCE GAS LIMITED**

**Accounting Entries for the 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.

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.

**APPENDIX "C" TO  
DECISION AND ORDER  
BOARD FILE NO. EB-2011-0392  
DATED: December 21, 2011**

## **IMPORTANT INFORMATION ABOUT YOUR GAS BILL**

On all bills rendered by NRG on or after January 1, 2012, the price we charge for the gas commodity and transportation portion of your bill will be decreasing by \$0.003221 per cubic meter to \$0.199097 per cubic meter. The Ontario Energy Board (OEB) has approved this change to reflect the prices that NRG expects that it will be paying to its gas suppliers through to the end of December, 2012. On your gas bill this cost is on the line entitled "Gas Commodity".

As a regulated utility, NRG is permitted to recover what it pays for the purchase of gas plus any costs reasonably associated with this purchase but with no mark up or 'profit'. The price the utility charges you is based on the forecasted gas and transportation costs to NRG, which are periodically reviewed by the OEB and reconciled with actual costs. The gas commodity portion gets adjusted regularly throughout the year as the price of the gas commodity changes.

How will this price change impact you? That will depend on the amount of gas that you use. For a typical residential customer who consumes approximately 2,009 cubic meters of gas annually, this price change will cause your annual heating costs to decrease by approximately \$6 per year. For customers who have arranged to have their gas supplied by a gas marketer/broker, the price may or may not change depending on the terms of the contract the customer has with the gas marketer/broker.

If you have any questions about this rate change, please do not hesitate to contact us at 519-773-5321. We thank you for continuing to make natural gas your fuel of choice.