

ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF an Application by Natural Resource Gas Limited for an order or orders approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of gas as of April 1, 2014;

AND IN THE MATTER OF the Quarterly Rate Adjustment Mechanism.

APPLICATION

1. As part of the EB-2013-0412 Decision and Order dated December 16, 2013 the Board approved a PGCVA reference price of \$0.183683 per m³ and a gas supply charge of \$0.185376 per m³, both effective January 1, 2014.
2. Based on actual and forecast natural gas prices for the April, 2013 through March, 2014 period the PGCVA balance is projected to be a charge of approximately \$299.17 per residential customer.
3. NRG hereby applies to the Board for further orders effective April 1, 2014 as follows:
 - a) an order changing the reference price authorized by the Board's EB-2013-0412 Decision and Order for use in determining the amounts to be recorded in the Purchased Gas Commodity Variance Account (Account No. 179-27) by \$0.189379 per m³ from the Board approved level of \$0.183683 per m³ to \$0.373062 per m³;
 - b) an order changing the rates and other charges from those authorized by the Board's EB-2013-0412 Decision and Order to reflect a projected

\$0.201530 per m³ change in the gas supply charge from the Board approved level of \$0.185376 m³ to a projected cost of \$0.386906 per m³. This change is the sum of the change in the PGCVA reference price, the change required to prospectively clear the balance of the Gas Purchase Rebalancing Act and the continuation of the system gas supply cost approved in EB-2010-0018.

4. This application will be supported by written evidence that will be pre-filed with the Board and intervenors of record in EB-2010-0018.

5. Pursuant to the criteria established in the Board's EB-2008-0106 Decision, below is the Board's direction with respect to the timeline for processing the application:

- * Parties to this proceeding wishing to make comments on the application may do so by filing such submissions with the Board Secretary (two hard copies plus an electronic copy by e-mail) and NRG no later than 4:45 p.m. March 16, 2014.
- * NRG shall reply to any comments received by filing such replies with the Board Secretary (two hard copies plus an electronic copy by e-mail) and serving a copy on all parties who make submissions no later than 4:45 p.m., March 19, 2014.
- * The Board issues its Decision and Order by March 25, 2014 for implementation effective April 1, 2014.

6. The address of service for Natural Resource Gas Limited is:

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Dated at London, Ontario, this 11th day of March, 2014.

NATURAL RESOURCE GAS LIMITED

Brian Lippold
General Manager

NATURAL RESOURCE GAS LIMITED

INTRODUCTION

As part of the EB-2013-0412 Decision and Order dated December 16, 2013 the Board approved a Purchased Gas Commodity Variance Account (“PGCVA”) reference price of \$0.183683 per m³ and a gas supply charge of \$0.185376 per m³, both effective January 1, 2014.

In RP-2002-0147/EB-2003-0286 (Accounting Order dated January 30, 2004), the Board approved a Gas Purchase Rebalancing Account (“GPRA”) to record the increase (decrease) in the value of the gas inventory available for sale to sales service customers due to changes in NRG’s PGCVA reference price. This account was maintained in the EB-2010-0018 Rate Order dated February 17, 2011. In EB-2013-0412, the Board approved a GPRA rate of \$0.001330 per m³.

NRG is proposing to adjust the gas supply charge, the GPRA rate and the PGCVA reference price effective April 1, 2014 to reflect an updated forecast of gas costs, the projected balance in the PGCVA and the projected balance in the GPRA.

PGCVA

Updated Forecasts

Based on actual and forecast costs, the PGCVA account balance totals a charge of \$299.17 per residential customer for the twelve month period ending March, 2014 (Schedule 2).

The current forecast reflects the forecast for natural gas prices over the relevant period. These gas prices reflect current market conditions, including alternative energy prices, demand for natural gas, the weather outlook and the impact of current storage levels.

March, 2014

1 The PGCVA balance has been calculated using the most recent information available,
2 including actual volumes and costs through January, 2014. The remaining months in the
3 twelve-month period ending March 2014 are calculated using estimated prices based on
4 the best information available at the time of filing.

5
6 Forecast prices have been used for the period April, 2014 through March, 2015 period,
7 except where actual contracted prices are available.

8
9 The gas supply portfolio reflects the current and forecasted mix of delivery points utilized
10 by NRG for system gas purchases.

11
12 Gas Supply Portfolio

13 NRG's gas supply portfolio includes local production, deliveries of Western Canadian
14 gas at the Alberta border and purchases at Parkway on the Union Gas ("Union") system.
15 NRG also purchases additional gas or sheds excess gas when required. The requirement
16 for these purchases is discussed below. This gas may be Ontario Delivered gas, gas
17 purchased/sold at Dawn or additional deliveries/curtailments at Parkway or at the Alberta
18 border.

19
20 NRG is a direct purchase customer on the Union Gas system. Under its bundled
21 transportation contract, NRG is obligated to deliver a fixed amount of gas each day to
22 Union. This amount is determined by Union and is based on the expected annual volume
23 divided by 365 (366 in a leap year).

24
25 NRG is required to balance its total supply with its total demand on the Union Gas
26 system on an annual basis, at the time that the direct purchase contract with Union Gas is
27 renewed. This may entail NRG purchasing gas or shedding excess gas.

28
29 As indicated above, NRG is required to balance its supply with its demand on the Union
30 system to within +/- 4% at the end of the contract year under its bundled transportation

1 contract with Union. The bundled transportation contract year-end corresponds with the
2 end of NRG's fiscal year (September 30). NRG purchases additional balancing gas or
3 sells gas and/or reduces deliveries such that total demand on the Union system is offset
4 by the supply provided to Union Gas to remain within the contract parameters.

5
6 As shown in Schedule 3 on the Ontario Delivered Gas line, NRG purchased additional
7 gas in August, 2013, in the amount of 1,818,172 m³ (69,800 GJ) at a cost of \$284,426.
8 This additional gas was needed to ensure the NRG was within its contractual parameters
9 with Union Gas as of the year-end of the transportation contract, as noted above. The
10 price for this gas was \$4.075/GJ, as shown in Schedule 4. Similarly, NRG purchased an
11 additional 328,686 m³ (12,574 GJ) at a cost of \$50,925. The price for this gas was
12 \$4.05/GJ, as also shown in Schedule 4.

13 14 February and March Balancing Gas

15 Additional gas may be purchased in the period leading up to the end of February of each
16 year if required for NRG to meet its forecast banked gas account winter balancing
17 checkpoint on the Union Gas system if consumption is greater than forecast. The Board
18 approved this requirement for Bundled-T customers on Union's system in RP-2003-0063
19 (Decisions with Reasons, dated March 18, 2004).

20
21 For example, as shown in Schedule 3 in EB-2013-0412 on the Ontario Delivered Gas
22 line, NRG was required to purchase additional gas in February, 2013. The amount
23 purchased was 416,107 m³ (15,834 GJ) at a cost of \$55,894. This gas was required
24 because of higher than forecasted consumption primarily in the months of October and
25 November, 2012. The price for this gas was \$3.53/GJ.

26
27 Similarly, in order to meet its forecast banked gas account winter balancing checkpoint
28 on the Union Gas system, NRG was required to purchase additional gas in February,
29 2014. Based on the Direct Purchase Status Report received from Union Gas for the
30 month ending January 31, 2014, NRG was notified that it was required to purchase

1 115,523 GJ (3,060,212 m³) in order to meet the winter checkpoint balance at the end of
2 February.

3

4 The majority of this shortfall was due to the much colder than normal weather
5 experienced in December and January of this winter.

6

7 NRG purchases Services from Union on a bundled basis, whereby Union receives daily
8 quantities of natural gas (“Gas”) from NRG, and either stores or delivers Gas to NRG at
9 End User locations under a Southern Bundled T Gas Contract (“Contract”) made as of
10 October 1, 2004 and amended from time to time.

11

12 Pursuant to the Contract as amended, NRG was required to purchase natural gas by
13 February 28, 2014 in order to meet NRG’s Winter Checkpoint Quantity of 115,523 GJ as
14 fixed by Union.

15

16 NRG wrote in a letter to Union dated February 21, 2014 asking Union to waive any rights
17 it might have to require NRG to purchase natural gas before February 28, 2014. Union
18 refused to waive NRG’s contractual requirement to purchase natural gas for its Winter
19 Checkpoint Quantity even though NRG indicated it would purchase and supply the gas to
20 Union on March 2.

21

22 As at February 21, 2014 Southern Ontario was suffering the harshest winter weather in
23 60 years. This created unusual demands for natural gas for NRG’s customers and
24 impacted natural gas prices in the short term. As at February 21, 2014 natural gas prices
25 had gone for approximately \$38 per GJ.

26

27 After Union refused to waive any rights to require NRG to purchase gas by February 28,
28 2014, NRG went in to the marketplace in an attempt to purchase gas sufficient to meet
29 the Winter Checkpoint Quantity. It was able to purchase 90,027 GJ after February 21,
30 2014 at a cost of \$2,455,576, as shown in Schedule 3.

1 NRG was unable to purchase the remaining shortfall of 25,496 GJ in February 2014.
2 There was simply no gas available to be purchased and delivered at Dawn or any other
3 points on the Union system.

4

5 NRG informed Union of its intention to deliver the 25,496 GJ on March 2, 2014 but was
6 informed by Union that it would not be permitted to deliver this gas to Union and that the
7 25,496 GJ would be the subject of the “Surplus Sale Over Consumer Premium”.

8

9 Under Union’s R1 rate schedule, the charge for banked gas purchases are set at the higher
10 of the daily spot gas at dawn in the month of or the month following the month in which
11 gas is sold under the rate and shall not be less than Union’s approved weighted average
12 cost of gas.

13

14 NRG has received an invoice from Union charging its customers for the 25,496 GJ at a
15 cost of \$78.728 per GJ. The resulting total cost of this gas is \$2,007,250, as shown in
16 Schedule 3.

17

18 NRG has served notice on Union in writing that the \$78.728 per GJ cost is a penalty
19 provision and unenforceable under the Contract. Any disputes under the Contract are
20 subject to arbitration under Article 8 of the Contract. NRG has served notice on Union
21 fixing an arbitration to declare the Surplus Sale Over Consumer Premium amount
22 charged to it at \$78.728 per GJ to be unenforceable. NRG has intervened in Unions’
23 QRAM Application EB-2014-0050 and is seeking relief from the penalty provision.

24

25 NRG states that the proper amount in these exceptional circumstances is \$12.31 per GJ,
26 being the amount paid by Union for the gas used to balance its system.

27

28 In the interim, NRG seeks to record the increase in the value of the gas inventory
29 available for sale to its customers, including all amounts spent by and charged to NRG as
30 set out herein. It should be noted that the impact of this penalty (\$78.728 less \$12.31) to

1 the average residential customer is an additional cost of \$160/year, this impact is
2 evidenced by comparing Schedule 9 in this application, with Schedule 9 Alternative
3 found in Appendix D to this application.

4

5 Obligated Deliveries

6 Obligated deliveries to Union by NRG on behalf of both system gas customers and direct
7 purchase customers has been set at 2,294 GJ/day effective October 1, 2013, an increase
8 from the previous level of 2,063 GJ/day. The increase of 231 GJ/day reflects growing
9 volumes at NRG.

10

11 The direct purchase customer assignment was 187 GJ/day in January, 2014, increasing to
12 191 GJ/day in February, 2014, where it is forecast to remain through March, 2015. These
13 changes allow direct purchase customers to bring their supplies more in line with their
14 actual and projected consumption. This results in deliveries for system gas customers of
15 2,107 GJ/day in January, 2014 and 2,103 GJ/day in February, 2014 through October,
16 2014. In subsequent months, NRG is forecasting an increase in obligated deliveries to
17 2,136 GJ/day on behalf of system gas customers as a result of the increasing growth
18 being experienced by NRG.

19

20 The composition of these obligated system gas deliveries over this period is as follows.
21 Parkway deliveries are forecast to remain at 1,731 GJ/day over the entire period.
22 Obligated deliveries for system gas customers at AECO decline from 376 GJ/day in
23 January, 2014, declining to 372 GJ/day in February, 2014 and increasing to 405 GJ/day
24 in November, 2014.

25

26 The composition of the gas purchases for direct purchase and system gas customers for
27 the January, 2014 through March, 2015 period is shown in the following table. Please
28 note that these figures do not include the direct purchase deliveries associated with a
29 large ethanol plant served by NRG.

30

GJ/s per Day

Delivery Point	Jan., 2014	Feb., 2014 - Oct., 2014	Nov., 2014 - Mar., 2015
Direct Purchase	187	191	191
AECO	376	372	405
Parkway	1,731	1,731	1,731
Dawn	<u>0</u>	<u>0</u>	<u>0</u>
Total	2,294	2,294	2,327

1

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

4

5 The composition of the gas supply portfolio volumes for the April, 2013 through March,
6 2014 period is shown on the top of Schedule 3. This schedule shows the monthly volume
7 of gas purchased or forecast to be purchased from local producers, obligated deliveries at
8 Parkway and the Alberta border (Western), and balancing gas (Dawn or Ontario
9 delivered gas). Similarly, the composition of the gas supply portfolio volumes for the
10 April, 2014 through March, 2015 period is shown on the top of Schedule 6.

11

12 Gas Costs

13 NRG's actual and forecast gas costs for the April, 2013 through March, 2014 period, by
14 source of supply, are shown in Schedule 4 in \$/GJ. These prices are also shown in the
15 middle section of Schedule 3 in \$/m³. The conversion factor used is based on the heat
16 values used by Union Gas in their calculation of NRG's Banked Gas Account balances.
17 The conversion factors used are also shown in Schedule 4. All prices shown are actual
18 prices paid in April, 2013 through January, 2014. Prices for the remaining months in this
19 period are based on estimated and contracted prices to be paid in those months.

20

21 Prices for April, 2014 through March, 2015 are based on prices averaged over 10 days in
22 the period February 7, 2014 through February 26, 2014 (reports were not available for
23 February 10, 11, 17, 20, 27 or 28). These prices, which have been sourced from the Shell
24 Energy North America report entitled 'Daily Energy Market Update', have been utilized
25 in calculating the prices shown in Schedule 7 in \$/GJ and in the middle section of
26 Schedule 6 in \$/m³. The source of the foreign exchange rates used in the calculations is

1 the daily noon exchange rates for the 10-year lookup from the Bank of Canada that are
2 available on their website at www.bankofcanada.ca/rates/exchange.

3
4 Gas prices for each of the sources of supply are described below. In addition to the
5 above, contracted prices have been used where purchase decisions have been made.

6
7 NRG Corp. Pricing

8 The first source of supply noted in Schedules 4 and 7 is "Local Production (A)" and
9 "Local Production (B)". This refers to gas that is produced in NRG's franchise area and
10 purchased from a related company.

11
12 The Board issued a Decision and Order - Phase 2 for EB-2010-0018 dated May 17, 2012
13 in which the Board indicated that NRG would be permitted to recover from ratepayers a
14 maximum annual quantity of 1.0 million cubic metres of natural gas at a rate of \$8.486
15 per mcf (or \$0.3012/m³). This price, as set by the Board, can be seen in the line labeled
16 "Local Production (A)" of the price section of Schedule 3.

17
18 The remaining gas purchased from NRG Corp. is shown in the line labeled "Local
19 Production (B)". This gas is priced at the approved Union Gas Ontario landed reference
20 price for each quarter. The April, 2013 through June, 2013 price is \$0.207215 per m³,
21 reflecting the Board's Decision and Order in EB-2013-0033 dated March 19, 2013. The
22 July, 2013 through September, 2013 price is \$0.224994, reflecting the Board's Decision
23 and Order in EB-2013-0215 dated June 19, 2013. The October, 2013 through December,
24 2013 price is \$0.181632, reflecting the Board's Decision and Order in EB-2013-0316
25 dated September 19, 2013. The January, 2014 through March, 2014 price is \$0.185325,
26 reflecting the Board's Decision and Order in EB-2013-0413 dated December 19, 2013.
27 These prices are shown in Schedule 3.

28
29 The NRG Corp. prices over the April, 2014 through March, 2015 period shown in
30 Schedule 6 reflect the Board approved price of \$0.301200 per m³ for 1,000,000 m³ as

1 shown on the Local Production (A) line. The remaining gas forecast to be purchased
 2 from NRG Corp. is shown on the Local Production (B) line. The price forecast for this
 3 gas has been taken from the Union's QRAM application in EB-2014-0050 dated March 6,
 4 2014, where the Ontario landed reference price has been forecast as \$0.236288 per m³.

5

6 At the time this application was prepared the Union Gas QRAM price for April 1, 2014
 7 rates was not yet approved by the Board. Any differences between the applied for and
 8 Board approved Ontario landed reference price for Union will be reflected in NRG's next
 9 QRAM application and evidence.

10

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

13

14 Empress Pricing

15 The Empress price over the April, 2014 through March, 2015 period shown in Schedule 7
 16 (Western Deliveries) is based on a combination of actual contracted prices and forecasted
 17 prices. The average Empress delivery rate is \$4.945/GJ in April, 2014, 4.891/GJ in May,
 18 2014, \$4.875/GJ in June, 2014 through October, 2014 and \$3.796/GJ in November, 2014
 19 through March, 2015. Fuel costs of 4% are included in these rates.

20

21 The average Empress delivery price includes a mix of fixed price contracts over the
 22 April, 2014 through March, 2015 period. Over this period, the Empress delivery price
 23 includes a forecast price for the remainder of the purchases.

24

25 The following table shows the current mix of volumes and prices over the forecast
 26 period.

<u>Contracted?</u>	<u>Empress Deliveries</u>							
	<u>April</u>		<u>May</u>		<u>June - October</u>		<u>November - March</u>	
	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ
Yes	180	4.910	180	4.910	180	4.910	405	3.650
No	<u>192</u>	<u>4.610</u>	<u>192</u>	<u>4.509</u>	<u>192</u>	<u>4.478</u>	<u>0</u>	<u>4.608</u>
Total	372	4.755	372	4.703	372	4.687	405	3.650

with Fuel (4%)	4.945	4.891	4.875	3.796
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1

2 The prices shown for the 192 GJ/day that has not been contracted for in April, 2014
3 through March, 2015 are based on the average price forecasts from the February 7, 2014
4 through February 28, 2014 period.

5

6 The calculations used to forecast the Empress delivery prices are shown in the following
7 table. The only calculation used in the table is the calculation of the 10 day average.
8 The prices used are shown in the Daily Energy Market Report as the price at Empress,
9 AB in Cdn\$/GJ.

Empress Delivery Price Forecast

	<u>Apr-14</u>	<u>May-14</u>	<u>Jun-14</u> <u>Oct-14</u>	<u>Nov-14</u> <u>Mar-15</u>
7-Feb-14	4.39	4.35	4.32	4.44
12-Feb-14	4.41	4.36	4.33	4.45
13-Feb-14	4.50	4.44	4.41	4.51
14-Feb-14	4.44	4.38	4.34	4.46
18-Feb-14	4.54	4.47	4.43	4.56
19-Feb-14	4.79	4.63	4.61	4.73
21-Feb-14	5.03	4.79	4.77	4.88
24-Feb-14	4.59	4.49	4.47	4.64
25-Feb-14	4.70	4.59	4.55	4.71
26-Feb-14	4.71	4.59	4.55	4.70
10 Day Average	4.610	4.509	4.478	4.608

10

11 **Parkway Pricing**

12 The Parkway price over the April, 2014 through March, 2015 period shown in Schedule 7
13 is based on a combination of actual contracted prices and forecasted prices. The average
14 Parkway delivery rate forecast is \$4.964/GJ in April, 2014, \$4.888/GJ in May, 2014,
15 \$4.891/GJ in June, 2014 through October, 2014 and \$4.655/GJ in November, 2014
16 through March, 2015.

17

1 The average Parkway delivery price includes a mix of fixed price contracts and amounts
 2 that are not contracted for over this period. The following table shows the current mix of
 3 volumes and prices over the forecast period.

<u>Contracted?</u>	<u>Parkway Deliveries</u>							
	<u>April</u>		<u>May</u>		<u>June - October</u>		<u>November - March</u>	
	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ
Yes	600	4.340	600	4.340	600	4.340	1250	4.540
Yes	114	4.350	114	4.350	114	4.350	0	0.000
Yes	114	4.350	114	4.350	114	4.350	0	0.000
Yes	600	5.720	600	5.720	600	5.720	0	0.000
No	303	5.167	303	4.732	303	4.750	481	4.954
Total	1,731	4.964	1,731	4.888	1,731	4.891	1,731	4.655

4
 5 The prices shown for the 303 GJ/day that has not been contracted for in April, 2014
 6 through October, 2014 and the 481 GJ/day in November, 2014 through March, 2015 are
 7 based on the average price forecasts from the February 7, 2014 through February 28,
 8 2014 period.

9

10 The calculations used to forecast the Parkway delivery prices are shown in the following
 11 table. The prices used are shown in the Daily Energy Market Report as prices at Henry
 12 Hub along with a Niagara, ON basis. These two prices are added together to arrive at a
 13 proxy for the Parkway price. These prices from the Market Report are in US\$/MMBtu
 14 and as a result need to be converted to Cdn\$/GJ. This is accomplished through the use of
 15 a conversion factor of 1.054615 to convert MMBtu to GJ and through the use of the
 16 foreign exchange rate. The formula used is (Henry Hub Price + Niagara Basis) /
 17 1.054615 x Foreign Exchange Rate. These calculations are show below for each of the
 18 different pricing periods available.

	<u>Parkway Delivery Price Forecast</u>				
	<u>Henry Hub (US\$/MMBtu)</u>	<u>Niagara Basis</u>	<u>MMBtu -GJ</u>	<u>F/X</u>	<u>\$/ GJ (Cdn)</u>
<u>April-14</u>					
7-Feb-14	4.520	0.10	1.054615	1.1039	4.84
12-Feb-14	4.550	0.16	1.054615	1.0997	4.91
13-Feb-14	4.630	0.24	1.054615	1.0977	5.07
14-Feb-14	4.580	0.19	1.054615	1.0983	4.97

18-Feb-14	4.750	0.20	1.054615	1.0951	5.14
19-Feb-14	4.950	0.21	1.054615	1.1082	5.42
21-Feb-14	5.010	0.27	1.054615	1.1133	5.57
24-Feb-14	4.620	0.33	1.054615	1.1067	5.19
25-Feb-14	4.690	0.32	1.054615	1.1086	5.27
26-Feb-14	4.540	0.47	1.054615	1.1128	5.29

10 Day Average

5.167

May-14

7-Feb-14	4.490	-0.12	1.054615	1.1039	4.57
12-Feb-14	4.530	-0.08	1.054615	1.0997	4.64
13-Feb-14	4.590	-0.04	1.054615	1.0977	4.74
14-Feb-14	4.530	-0.03	1.054615	1.0983	4.69
18-Feb-14	4.660	-0.05	1.054615	1.0951	4.79
19-Feb-14	4.750	-0.05	1.054615	1.1082	4.94
21-Feb-14	4.770	-0.08	1.054615	1.1133	4.95
24-Feb-14	4.520	-0.09	1.054615	1.1067	4.65
25-Feb-14	4.570	-0.10	1.054615	1.1086	4.70
26-Feb-14	4.460	-0.04	1.054615	1.1128	4.66

10 Day Average

4.732

June-14 - October-14

7-Feb-14	4.520	-0.14	1.054615	1.1039	4.58
12-Feb-14	4.560	-0.10	1.054615	1.0997	4.65
13-Feb-14	4.620	-0.04	1.054615	1.0977	4.77
14-Feb-14	4.560	-0.05	1.054615	1.0983	4.70
18-Feb-14	4.690	-0.06	1.054615	1.0951	4.81
19-Feb-14	4.780	-0.06	1.054615	1.1082	4.96
21-Feb-14	4.800	-0.10	1.054615	1.1133	4.96
24-Feb-14	4.560	-0.10	1.054615	1.1067	4.68
25-Feb-14	4.600	-0.10	1.054615	1.1086	4.73
26-Feb-14	4.500	-0.08	1.054615	1.1128	4.66

10 Day Average

4.750

November-14 - March-15

7-Feb-14	4.680	-0.07	1.054615	1.1039	4.83
12-Feb-14	4.710	-0.06	1.054615	1.0997	4.85
13-Feb-14	4.760	-0.02	1.054615	1.0977	4.93
14-Feb-14	4.710	-0.01	1.054615	1.0983	4.89
18-Feb-14	4.810	-0.01	1.054615	1.0951	4.98
19-Feb-14	4.880	-0.01	1.054615	1.1082	5.12

21-Feb-14	4.880	0.00	1.054615	1.1133	5.15
24-Feb-14	4.690	0.00	1.054615	1.1067	4.92
25-Feb-14	4.740	-0.01	1.054615	1.1086	4.97
26-Feb-14	4.640	-0.01	1.054615	1.1128	4.89
10 Day Average					4.954

1

2 Dawn Pricing

3 NRG is not forecasting the need to purchase gas in September, 2014. This gas could be
4 required to ensure that NRG remains within its contract parameters with Union Gas. For
5 completeness, NRG has provided forecast price data for September, 2014. The
6 forecasted price for this Dawn gas is \$5.064/GJ and is based on price forecasts from the
7 February 7, 2014 through February 28, 2014 period for September, 2014 deliveries.

8

9 The calculations used to forecast the Dawn purchase price are shown in the following
10 table. The relevant prices used are shown in the Daily Energy Market Report as prices at
11 Henry Hub along with a Dawn, ON basis. These two prices are added together to arrive
12 at a proxy for the Dawn price. These prices from the Market Report are in US\$/MMBtu
13 and as a result need to be converted to Cdn\$/GJ. This is accomplished through the use of
14 a conversion factor of 1.054615 to convert MMBtu to GJ and through the use of the
15 foreign exchange rate. The formula used is (Henry Hub Price + Dawn Basis) / 1.054615
16 x Foreign Exchange Rate.

Dawn Delivery Price Forecast

	Henry Hub (US\$/MMBtu)	Dawn Basis	MMBtu -GJ	F/X	\$/ GJ (Cdn)
<u>September-14</u>					
7-Feb-14	4.520	0.16	1.054615	1.1039	4.90
12-Feb-14	4.560	0.20	1.054615	1.0997	4.96
13-Feb-14	4.620	0.26	1.054615	1.0977	5.08
14-Feb-14	4.560	0.25	1.054615	1.0983	5.01
18-Feb-14	4.690	0.24	1.054615	1.0951	5.12
19-Feb-14	4.780	0.24	1.054615	1.1082	5.28
21-Feb-14	4.800	0.20	1.054615	1.1133	5.28
24-Feb-14	4.560	0.20	1.054615	1.1067	5.00

25-Feb-14	4.600	0.20	1.054615	1.1086	5.05
26-Feb-14	4.500	0.22	1.054615	1.1128	<u>4.98</u>
10 Day Average					<u>5.064</u>

1

2 Other Forecast Assumptions

3 A number of other assumptions have been used to calculate the projected balance in the
4 PGCVA. As shown on Schedules 4 and 7, the fuel ratio for Western deliveries has been
5 forecast at 4.0%. This ratio has been reflected in the forecast prices shown in the
6 schedules for Western deliveries.

7

8 TCPL tolls have been forecast at a rate of \$1.5405/GJ. This rate reflects the current tolls
9 approved by the National Energy Board.

10

11 PGCVA Balance

12 The projected March, 2014 balance in the PGCVA is a debit of \$3,996,560.00 including a
13 debit of \$44,508.20 in accumulated interest, based on the Board's prescribed interest rate.
14 This estimate is based on actual and forecasted purchases and the balance brought
15 forward from March, 2013. The PGCVA debit amounts to a cost of approximately
16 \$299.17 for a typical residential customer consuming approximately 2,019 m³ per year.
17 These figures are shown on Schedule 2.

18

19 Proposed PGCVA Rate Changes

20 NRG proposes to adjust the reference price effective April 1, 2014 based on the projected
21 accumulated balance in the PGCVA as of the end of March, 2014 and the forecasted cost
22 of gas over the 12 month period beginning April, 2014 and ending March, 2015. The
23 reference price is set such that the projected PGCVA balance at the end of March, 2015 is
24 close to zero.

25

26 NRG's proposal will clear the PGCVA balance on a prospective basis, eliminating the
27 need for retroactive adjustments. This is consistent with NRG's past proposals in QRAM
28 applications, which have been accepted by the Board.

1

2 NRG proposes to change the reference price by \$0.189379 per m³ effective April 1, 2014,
3 from \$0.183683 per m³ to \$0.373062 per m³. The derivation of this rate is shown in
4 Schedule 5. This is the reference price required to bring the PGCVA balance close to
5 zero on a twelve month forecast basis. This change will also be reflected in the gas
6 commodity charge.

7

8 **GAS PURCHASE REBALANCING ACCOUNT**

9 The impact on the GPRA of the proposed April 1, 2014 PGCVA reference price change
10 from \$0.183683 per m³ to \$0.373062 per m³ is a debit of \$286,333.38, as shown on
11 Schedule 8. This figure is shown in column (J) of Schedule 8 and on the March, 2014
12 line. It is calculated as the change in the PGCVA reference price between March and
13 April, multiplied by the cumulative inventory balance at the end of March. This
14 cumulative inventory balance is the sum of the actual monthly inventory balances for
15 December, 2013 and forecasts for the subsequent months. These forecasts will be
16 replaced with actual balances for these months in subsequent QRAM applications as this
17 information becomes available. As well, the monthly inventory balances are based on a
18 deemed level of unaccounted for gas (“UFG”) of the total throughput volume, as shown
19 in column (E) of Schedule 8. The 0.0% is the Board approved level of UFG from EB-
20 2010-0018.

21

22 NRG proposes to adjust the gas commodity charge effective April 1, 2014 based on the
23 projected accumulated balance in the GPRA. The adjustment to the gas commodity
24 charge will be set such that the projected GPRA balance at the end of March, 2015, will
25 be close to zero. The rate required to achieve this is shown in column (K) on Schedule 8.
26 Column (P) shows the reduction of the inventory revaluation balance based on this rate of
27 \$0.013481 per m³ over the April, 2014 through March, 2015 period.

28

29 NRG’s proposal will clear the GPRA balance on a prospective basis, eliminating the need
30 for retroactive adjustments. This is consistent with NRG’s proposal for the continued

1 prospective clearance of the PGCVA. This change will also be reflected in the gas
2 commodity charge.

3 4 **GAS COMMODITY CHARGE**

5 The system gas supply cost of \$0.000363 per m³ will be maintained at the level approved
6 in EB-2010-0018. This figure represents the incremental costs over and above the
7 commodity and transportation costs that form the PGCVA reference price to the gas
8 supply function. These incremental costs are portions administrative and general
9 expenses, regulatory and consulting fees associated with the QRAM applications, return
10 on rate base (working cash allowance related to gas commodity) and income taxes. This
11 functionalization is unchanged from that approved in EB-2010-0018.

12
13 The change in the gas commodity charge proposed for April 1, 2014 is summarized
14 below. The change in the gas commodity charge reflects both the change in the PGCVA
15 reference price and the change in the recovery of the inventory revaluation amount in the
16 GPRA. The change in the gas commodity charge is as follows:

	EB-2013-0412	Proposed	
	Jan. 1, 2014	Apr. 1, 2014	Difference
18 PGCVA Reference Price	\$0.183683	\$0.373062	\$0.189379
19 GPRA Recovery	\$0.001330	\$0.013481	\$0.012151
20 System Gas Supply Cost	<u>\$0.000363</u>	<u>\$0.000363</u>	<u>\$0.000000</u>
21 Gas Commodity Charge	\$0.185376	\$0.386906	\$0.201530

22 23 24 25 26 **SUMMARY**

27 In summary, NRG proposes to change the reference price for amounts to be recorded in
28 the Purchased Gas Commodity Variance Account from \$0.183683 by \$0.189379 to
29 \$0.373062 per m³ effective April 1, 2014. Appendix B contains the accounting entries
30 related to the PGCVA.

31

1 NRG also proposes to change the gas supply charge from \$0.185376 to \$0.386906 per m³
2 effective April 1, 2014. This change reflects the change in the PGCVA reference price,
3 as described above, the change related to the recovery of the GPRA balance, also as
4 described above, and the continuation of the system gas supply cost. These changes
5 apply to all system gas customers served under Rates 1, 2, 3, 4, 5 and 6.

6

7 The proposed rate schedules are attached as Appendix A. The proposed customer notices
8 are attached as Appendix C.

9

10 Schedule 9 provides a residential bill comparison showing the impact of the proposed
11 changes on a year over year basis for the appropriate quarter as well as the annual bill
12 impact of the most recent quarterly change. The annual bill impact related to the change
13 in the commodity charges on a customer consuming approximately 2,009 m³ is a increase
14 of \$404.95.

15

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE

HISTORICAL TWELVE MONTH PERIOD - APRIL, 2013 TO MARCH, 2014

<u>Act/Fcst</u>	<u>Month</u>	<u>Purchase Cost (\$'s)</u>	<u>M*3</u>	<u>Actual/Forecast Price (\$/M*3)</u>	<u>Reference Price (\$/M*3)</u>	<u>Unit Rate Difference (\$/M*3)</u>	<u>Monthly PGCVA (\$'s)</u>	<u>Y-T-D PGCVA (\$'s)</u>	<u>Monthly Interest (\$'s)</u>	<u>Y-T-D Interest (\$'s)</u>	<u>Total PGCVA (\$'s)</u>	<u>Total Y-T-D PGCVA (\$'s)</u>	<u>Average Residential Consumption (M*3)</u>	<u>Monthly Interest Rate</u>
								(1)		(2)				
Actual	April	340,750	1,747,021	0.195046	0.194355	(0.000691)	-1,207.19	54,805.23	68.62	-43,652.36	-1,138.57	11,152.87	182.8	1.47%
Actual	May	344,472	1,744,962	0.197410	0.194355	(0.003055)	-5,330.86	49,474.37	67.14	-43,585.22	-5,263.72	5,889.15	83.2	1.47%
Actual	June	335,473	1,694,956	0.197924	0.194355	(0.003569)	-6,049.30	43,425.07	60.61	-43,524.61	-5,988.69	-99.54	44.6	1.47%
Actual	July	335,177	1,735,676	0.193110	0.200282	0.007172	12,448.27	55,873.34	53.20	-43,471.41	12,501.47	12,401.93	31.9	1.47%
Actual	August	613,586	3,576,371	0.171567	0.200282	0.028715	102,695.48	158,568.82	68.44	-43,402.97	102,763.92	115,165.85	33.8	1.47%
Actual	September	367,395	2,023,008	0.181608	0.200282	0.018674	37,777.64	196,346.46	194.25	-43,208.72	37,971.89	153,137.74	41.0	1.47%
Actual	October	349,044	1,933,605	0.180515	0.183191	0.002676	5,174.33	201,520.79	240.52	-42,968.20	5,414.85	158,552.59	106.5	1.47%
Actual	November	363,276	1,896,591	0.191541	0.183191	(0.008350)	-15,836.53	185,684.26	246.86	-42,721.34	-15,589.67	142,962.92	215.2	1.47%
Actual	December	376,566	1,940,468	0.194059	0.183191	(0.010868)	-21,089.00	164,595.26	227.46	-42,493.88	-20,861.54	122,101.38	341.1	1.47%
Actual	January	384,867	1,927,788	0.199642	0.183683	(0.015959)	-30,765.56	133,829.70	201.63	-42,292.25	-30,563.93	91,537.45	399.2	1.47%
Forecast	February	2,837,901	4,144,662	0.684712	0.183683	(0.501029)	-2,076,595.98	-1,942,766.28	163.94	-42,128.31	-2,076,432.04	-1,984,894.59	293.2	1.47%
Forecast	March	<u>2,487,295</u>	<u>2,602,358</u>	<u>0.955785</u>	0.183683	(0.772102)	<u>-2,009,285.52</u>	<u>-3,952,051.80</u>	<u>-2,379.89</u>	<u>-44,508.20</u>	<u>-2,011,665.41</u>	<u>-3,996,560.00</u>	<u>246.2</u>	1.47%
	Total	9,135,802	26,967,464	0.338771			-4,008,064.22	-3,952,051.80	-787.22	-44,508.20	-4,008,851.44	-3,996,560.00	2,018.7	

PGCVA Balance per M*3 Purchased (\$/M*3) (\$0.148199)
Forecast Average Residential Consumption per Customer 2,018.7 M*3
Estimated Impact on Average Residential Customer \$299.17 Customer Charge

(1) Includes balance of 56,012.42 as of March, 2013
(2) Includes balance of -43,720.98 as of March, 2013

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

HISTORICAL TWELVE MONTH PERIOD - APRIL, 2013 TO MARCH, 2014

	<u>Apr-13</u>	<u>May-13</u>	<u>Jun-13</u>	<u>Jul-13</u>	<u>Aug-13</u>	<u>Sep-13</u>	<u>Oct-13</u>	<u>Nov-13</u>	<u>Dec-13</u>	<u>Jan-14</u>	<u>Feb-14</u>	<u>Mar-14</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Local Production (A)	82,192	84,931	82,192	84,931	84,931	82,192	84,931	82,192	84,931	84,931	76,715	84,932	1,000,000
Local Production (B)	170,970	135,547	136,001	132,953	134,984	129,987	131,144	164,959	150,319	137,897	123,285	115,068	1,663,114
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	1,176,268	1,200,381	1,162,806	1,195,112	1,211,247	1,176,305	1,401,718	1,355,093	1,400,917	1,400,705	1,283,921	1,421,483	15,385,954
Western Delivery	317,592	324,103	313,958	322,680	327,037	305,839	315,812	294,347	304,301	304,255	275,921	305,483	3,711,327
Ontario Delivered Gas	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,818,172</u>	<u>328,686</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,384,821</u>	<u>675,391</u>	<u>5,207,070</u>
Total	1,747,021	1,744,962	1,694,956	1,735,676	3,576,371	2,023,008	1,933,605	1,896,591	1,940,468	1,927,788	4,144,662	2,602,358	26,967,464
<u>Price (\$/m3)</u>													
Local Production (A)	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	
Local Production (B)	0.207215	0.207215	0.207215	0.224994	0.224994	0.224994	0.181632	0.181632	0.181632	0.185325	0.185325	0.185325	
Dawn Delivery	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Parkway Delivery	0.174335	0.176993	0.176985	0.177119	0.174834	0.173999	0.171736	0.179963	0.181354	0.186612	0.207587	0.245904	
Western Delivery	0.151924	0.154844	0.157615	0.146535	0.134599	0.130029	0.127588	0.160743	0.169778	0.178751	0.194979	0.215477	
Ontario Delivered Gas	0.000000	0.000000	0.000000	0.000000	0.156435	0.154934	0.000000	0.000000	0.000000	0.000000	1.029669	2.971984	
<u>Total Gas Cost (\$)</u>													
Local Production (A)	24,756	25,581	24,756	25,581	25,581	24,756	25,581	24,756	25,581	25,581	23,107	25,582	301,200
Local Production (B)	35,427	28,087	28,182	29,914	30,371	29,246	23,820	29,962	27,303	25,556	22,848	21,325	332,040
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	205,065	212,459	205,799	211,677	211,767	204,676	240,725	243,867	254,062	261,389	266,525	349,548	2,867,559
Western Delivery	48,250	50,185	49,485	47,284	44,019	39,768	40,294	47,314	51,664	54,386	53,799	65,825	592,271
Ontario Delivered Gas	0	0	0	0	284,426	50,925	0	0	0	0	2,455,576	2,007,250	4,798,178
TCPL Transportation	<u>27,251</u>	<u>28,160</u>	<u>27,251</u>	<u>20,721</u>	<u>17,423</u>	<u>18,024</u>	<u>18,625</u>	<u>17,377</u>	<u>17,956</u>	<u>17,956</u>	<u>16,046</u>	<u>17,765</u>	<u>244,554</u>
Total	340,750	344,472	335,473	335,177	613,586	367,395	349,044	363,276	376,566	384,867	2,837,901	2,487,295	9,135,802

NATURAL RESOURCE GAS LIMITED

ACTUAL AND FORECAST GAS PRICES

HISTORICAL TWELVE MONTH PERIOD - APRIL, 2013 TO MARCH, 2014

	<u>Apr-13</u>	<u>May-13</u>	<u>Jun-13</u>	<u>Jul-13</u>	<u>Aug-13</u>	<u>Sep-13</u>	<u>Oct-13</u>	<u>Nov-13</u>	<u>Dec-13</u>	<u>Jan-14</u>	<u>Feb-14</u>	<u>Mar-14</u>
<u>Local Production</u>												
Local Production (A) (\$/GJ)	7.873	7.775	7.783	7.741	7.846	7.873	7.868	7.860	7.863	7.862	7.979	7.979
Local Production (B) (\$/GJ)	5.416	5.349	5.354	5.783	5.861	5.881	4.745	4.740	4.742	4.838	4.909	4.909
<u>Dawn</u> (\$/GJ)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<u>Parkway</u> (\$/GJ)	4.557	4.569	4.573	4.552	4.554	4.548	4.486	4.696	4.735	4.871	5.499	6.514
<u>Western Deliveries</u> (\$/GJ)	3.971	3.997	4.073	3.766	3.506	3.399	3.333	4.195	4.432	4.666	5.165	5.708
Fuel Ratio (%)	2.72%	1.23%	1.98%	1.73%	0.74%	0.77%	2.05%	3.19%	5.05%	5.59%	4.00%	4.00%
<u>TCPL Transportation</u> (\$/GJ)												
TCPL Toll	2.242900	2.242900	2.242900	1.650400	1.540500	1.540500	1.540500	1.540500	1.540500	1.540500	1.540500	1.540500
GJ/day (TCPL)	405	405	405	405	405	390	390	376	376	376	372	372
Delivery Commitment Credit (\$/GJ)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GJ/day (Obligated)	1,905	1,905	1,905	1,905	1,905	1,890	2,121	2,107	2,107	2,107	2,103	2,103
<u>Ontario Delivered Gas</u> (\$/GJ)	0.000	0.000	0.000	0.000	4.075	4.050	0.000	0.000	0.000	0.000	27.276	78.728
Heat Value (GJ/103m3)	38.26	38.74	38.70	38.91	38.39	38.26	38.28	38.32	38.30	38.31	37.75	37.75

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT

PROJECTED TWELVE MONTH FORWARD PERIOD - APRIL, 2014 TO MARCH, 2015
(WITH CHANGE IN REFERENCE PRICE)

<u>Month</u>	<u>Purchase Cost (\$'s)</u>	<u>M*3</u>	<u>Forecast Price (\$/M*3)</u>	<u>Reference Price (\$/M*3)</u>	<u>Unit Rate Difference (\$/M*3)</u>	<u>Monthly PGCVA (\$'s)</u>	<u>Y-T-D PGCVA (\$'s)</u> (1)	<u>Monthly Interest (\$'s)</u>	<u>Y-T-D Interest (\$'s)</u> (2)	<u>Total PGCVA (\$'s)</u>	<u>Total Y-T-D PGCVA (\$'s)</u>	<u>Average Residential Consumption (M*3)</u>	<u>Monthly Interest Rate</u>
April	382,752	1,871,258	0.204542	0.373062	0.168520	315,344.45	-3,636,707.35	-4,841.26	-49,349.46	310,503.19	-3,686,056.81	186.6	1.47%
May	389,234	1,926,967	0.201993	0.373062	0.171069	329,644.30	-3,307,063.05	-4,454.97	-53,804.43	325,189.33	-3,360,867.48	89.7	1.47%
June	378,179	1,871,258	0.202099	0.373062	0.170963	319,915.93	-2,987,147.12	-4,051.15	-57,855.58	315,864.78	-3,045,002.70	53.1	1.47%
July	389,210	1,926,967	0.201981	0.373062	0.171081	329,667.42	-2,657,479.70	-3,659.26	-61,514.84	326,008.16	-2,718,994.54	40.9	1.47%
August	389,210	1,926,967	0.201981	0.373062	0.171081	329,667.42	-2,327,812.28	-3,255.41	-64,770.25	326,412.01	-2,392,582.53	42.8	1.47%
September	378,179	1,871,258	0.202099	0.373062	0.170963	319,915.93	-2,007,896.35	-2,851.57	-67,621.82	317,064.36	-2,075,518.17	58.5	1.47%
October	389,210	1,926,967	0.201981	0.373062	0.171081	329,667.42	-1,678,228.93	-2,459.67	-70,081.49	327,207.75	-1,748,310.42	118.7	1.47%
November	359,165	1,897,483	0.189285	0.373062	0.183777	348,713.81	-1,329,515.12	-2,055.83	-72,137.32	346,657.98	-1,401,652.44	202.7	1.47%
December	369,562	1,954,066	0.189125	0.373062	0.183937	359,425.08	-970,090.04	-1,628.66	-73,765.98	357,796.42	-1,043,856.02	321.8	1.47%
January	369,562	1,954,066	0.189125	0.373062	0.183937	359,425.08	-610,664.96	-1,188.36	-74,954.34	358,236.72	-685,619.30	355.2	1.47%
February	338,371	1,784,318	0.189636	0.373062	0.183426	327,290.29	-283,374.67	-748.06	-75,702.40	326,542.23	-359,077.07	293.2	1.47%
March	<u>369,562</u>	<u>1,954,066</u>	<u>0.189125</u>	0.373062	0.183937	<u>359,425.08</u>	<u>76,050.41</u>	<u>-347.13</u>	<u>-76,049.53</u>	<u>359,077.95</u>	<u>0.88</u>	<u>246.2</u>	<u>1.47%</u>
Total	4,502,195	22,865,642	0.196898			4,028,102.21	76,050.41	-31,541.33	-76,049.53	3,996,560.88	0.88	2,009.4	

PGCVA Balance per M*3 Purchased (\$/M*3) \$0.000000
Forecast Average Residential Consumption per Customer 2,009.4 M*3
Estimated Impact on Average Residential Customer \$0.00 Customer Rebate

(1) Includes March, 2014 year-to-date balance of (\$3,952,051.80) (See Schedule 2)
(2) Includes March, 2014 year-to-date balance of (\$44,508.20) (See Schedule 2)

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

PROJECTED TWELVE MONTH FORWARD PERIOD - APRIL, 2014 TO MARCH, 2015

	<u>Apr-14</u>	<u>May-14</u>	<u>Jun-14</u>	<u>Jul-14</u>	<u>Aug-14</u>	<u>Sep-14</u>	<u>Oct-14</u>	<u>Nov-14</u>	<u>Dec-14</u>	<u>Jan-15</u>	<u>Feb-15</u>	<u>Mar-15</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Local Production (A)	82,192	84,932	82,192	84,932	84,932	82,192	84,932	82,192	84,932	84,932	76,708	84,932	1,000,000
Local Production (B)	117,808	115,068	117,808	115,068	115,068	117,808	115,068	117,808	115,068	115,068	123,292	115,068	1,400,000
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	1,375,629	1,421,483	1,375,629	1,421,483	1,421,483	1,375,629	1,421,483	1,375,629	1,421,483	1,421,483	1,283,921	1,421,483	16,736,821
Western Delivery	295,629	305,483	295,629	305,483	305,483	295,629	305,483	321,854	332,583	332,583	300,397	332,583	3,728,821
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	1,871,258	1,926,967	1,871,258	1,926,967	1,926,967	1,871,258	1,926,967	1,897,483	1,954,066	1,954,066	1,784,318	1,954,066	22,865,642
<u>Price (\$/m3)</u>													
Local Production (A)	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	
Local Production (B)	0.236288	0.236288	0.236288	0.236288	0.236288	0.236288	0.236288	0.236288	0.236288	0.236288	0.236288	0.236288	
Dawn Delivery	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Parkway Delivery	0.187391	0.184522	0.184635	0.184635	0.184635	0.184635	0.184635	0.175726	0.175726	0.175726	0.175726	0.175726	
Western Delivery	0.186674	0.184635	0.184031	0.184031	0.184031	0.184031	0.184031	0.143299	0.143299	0.143299	0.143299	0.143299	
Ontario Delivered Gas	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
<u>Total Gas Cost (\$)</u>													
Local Production (A)	24,756	25,582	24,756	25,582	25,582	24,756	25,582	24,756	25,582	25,582	23,104	25,582	301,200
Local Production (B)	27,837	27,189	27,837	27,189	27,189	27,837	27,189	27,837	27,189	27,189	29,132	27,189	330,803
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	257,781	262,295	253,989	262,456	262,456	253,989	262,456	241,734	249,792	249,792	225,618	249,792	3,032,148
Western Delivery	55,186	56,403	54,405	56,218	56,218	54,405	56,218	46,121	47,659	47,659	43,047	47,659	621,199
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
TCPL Transportation	17,192	17,765	17,192	17,765	17,765	17,192	17,765	18,717	19,341	19,341	17,469	19,341	216,845
Total	382,752	389,234	378,179	389,210	389,210	378,179	389,210	359,165	369,562	369,562	338,371	369,562	4,502,195

NATURAL RESOURCE GAS LIMITED

GAS PURCHASE REBALANCING ACCOUNT

APRIL, 2013 THROUGH MARCH, 2015

Month	Purchase Volume (M ³) A	Throughput Volume (M ³) B	Direct Purchase Volume (M ³) C	System Sales Volume (M ³) D=B-C	Deemed U.F.G. (M ³) E	System Sales + U.F.G. (M ³) F=D+E	Monthly Inventory Balance (M ³) G=A-F	Cumulative Inventory (M ³) H (1)	Reference Price (\$/M ³) I	Inventory Revaluation (\$s) J	Inventory Rate (\$/M ³) K	Inventory Recovery (\$s) L=KxD	Y-T-D GPRA Balance (\$s) M (2)	Monthly Interest (\$s) N	Y-T-D Interest (\$s) O (3)	Total Y-T-D GPRA (\$s) P=M+O	Monthly Interest Rate
April	1,747,021	4,640,342	2,729,795	1,910,547	0	1,910,547	-163,526	-3,984,583	0.194355	0.00	(0.000431)	-823.45	-80.56	0.91	5,770.45	5,689.89	1.47%
May	1,744,962	3,500,674	2,579,763	920,911	0	920,911	824,051	-3,160,532	0.194355	0.00	(0.000431)	-396.91	-477.47	-0.10	5,770.35	5,292.88	1.47%
June	1,694,956	3,006,363	2,524,984	481,379	0	481,379	1,213,577	-1,946,954	0.194355	-11,539.60	(0.000431)	-207.47	-12,224.54	-0.58	5,769.77	-6,454.77	1.47%
July	1,735,676	2,497,288	2,133,774	363,514	0	363,514	1,372,162	-574,792	0.200282	0.00	0.000208	75.61	-12,148.93	-14.98	5,754.79	-6,394.14	1.47%
August	3,576,371	3,686,538	2,824,082	862,456	0	862,456	2,713,915	2,139,122	0.200282	0.00	0.000208	179.39	-11,969.54	-14.88	5,739.91	-6,229.63	1.47%
September	2,023,008	4,136,394	2,756,526	1,379,868	0	1,379,868	643,140	2,782,262	0.200282	-47,551.64	0.000208	287.01	-59,234.15	-14.66	5,725.25	-53,508.90	1.47%
October	1,933,605	5,056,273	2,997,296	2,058,977	0	2,058,977	-125,372	2,656,890	0.183191	0.00	0.003042	6,263.41	-52,970.74	-72.56	5,652.69	-47,318.05	1.47%
November	1,896,591	6,248,568	3,094,687	3,153,881	0	3,153,881	-1,257,290	1,399,599	0.183191	0.00	0.003042	9,594.11	-43,376.63	-64.89	5,587.80	-37,788.83	1.47%
December	1,940,468	6,753,081	3,155,208	3,597,873	0	3,597,873	-1,657,405	-257,806	0.183191	-126.84	0.003042	10,944.73	-32,558.74	-53.14	5,534.66	-27,024.08	1.47%
January	1,927,788	7,081,813	3,043,619	4,038,194	0	4,038,194	-2,110,406	-2,368,212	0.183683	0.00	0.001330	5,370.80	-27,187.94	-39.88	5,494.78	-21,693.16	1.47%
February	4,144,662	5,821,595	2,807,462	3,014,133	0	3,014,133	1,130,529	-1,237,683	0.183683	0.00	0.001330	4,008.80	-23,179.14	-33.31	5,461.47	-17,717.67	1.47%
March	2,602,358	5,621,595	2,744,961	2,876,634	0	2,876,634	-274,276	-1,511,960	0.183683	-286,333.38	0.001330	3,825.92	-305,686.60	-28.39	5,433.08	-300,253.52	1.47%
April	1,871,258	4,621,595	2,685,665	1,935,930	0	1,935,930	-64,672	-1,576,631	0.373062	0.00	0.013481	26,098.27	-279,588.33	-374.47	5,058.61	-274,529.72	1.47%
May	1,926,967	3,621,595	2,661,298	960,297	0	960,297	966,670	-609,961	0.373062	0.00	0.013481	12,945.76	-266,642.57	-342.50	4,716.11	-261,926.46	1.47%
June	1,871,258	3,133,595	2,638,035	495,560	0	495,560	1,375,698	765,737	0.373062	0.00	0.013481	6,680.64	-259,961.93	-326.64	4,389.47	-255,572.46	1.47%
July	1,926,967	3,137,595	2,646,622	490,973	0	490,973	1,435,994	2,201,731	0.373062	0.00	0.013481	6,618.81	-253,343.12	-318.45	4,071.02	-249,272.10	1.47%
August	1,926,967	3,245,595	2,639,204	606,391	0	606,391	1,320,576	3,522,307	0.373062	0.00	0.013481	8,174.76	-245,168.36	-310.35	3,760.67	-241,407.69	1.47%
September	1,871,258	3,141,595	2,699,547	442,048	0	442,048	1,429,210	4,951,517	0.373062	0.00	0.013481	5,959.25	-239,209.11	-300.33	3,460.34	-235,748.77	1.47%
October	1,926,967	5,121,595	2,783,246	2,338,349	0	2,338,349	-411,382	4,540,135	0.373062	0.00	0.013481	31,523.28	-207,685.83	-293.03	3,167.31	-204,518.52	1.47%
November	1,897,483	5,921,595	2,807,687	3,113,908	0	3,113,908	-1,216,425	3,323,710	0.373062	0.00	0.013481	41,978.59	-165,707.24	-254.42	2,912.89	-162,794.35	1.47%
December	1,954,066	5,421,595	2,795,357	2,626,238	0	2,626,238	-672,172	2,651,539	0.373062	0.00	0.013481	35,404.31	-130,302.93	-202.99	2,709.90	-127,593.03	1.47%
January	1,954,066	6,421,595	2,824,409	3,597,186	0	3,597,186	-1,643,120	1,008,419	0.373062	0.00	0.013481	48,493.66	-81,809.27	-159.62	2,550.28	-79,258.99	1.47%
February	1,784,318	5,821,595	2,807,462	3,014,133	0	3,014,133	-1,229,815	-221,396	0.373062	0.00	0.013481	40,633.53	-41,175.74	-100.22	2,450.06	-38,725.68	1.47%
March	1,954,066	<u>5,621,595</u>	<u>2,744,961</u>	2,876,634	0	2,876,634	-922,568	-1,143,964	0.373062	0.00	0.013481	38,779.90	-2,395.84	-50.44	2,399.62	3.78	1.47%

(1) Includes balance of -3,821,057 as of March, 2013
(2) Includes balance of 742.89 as of March, 2013
(3) Includes balance of 5,769.54 as of March, 2013

NATURAL RESOURCE GAS LIMITED

RESIDENTIAL BILL COMPARISONS

QUARTERLY BILL IMPACT

	Quarter Starting 01-Apr-13 <u>EB-2013-0052</u>	Quarter Starting 01-Apr-14 <u>EB-2014-0053</u>	\$ Change	Percent Change
Average Residential Consumption for Quarter	329.4	329.4		
Monthly Charges	\$40.50	\$40.50	\$0.00	0.0%
Delivery Charges	\$50.73	\$51.58	\$0.85	1.7%
Total Commodity Charges	<u>\$64.00</u>	<u>\$127.45</u>	<u>\$63.45</u>	<u>99.1%</u>
Total Customer Charges	\$155.23	\$219.53	\$64.30	41.4%

ANNUAL BILL IMPACT

	01-Jan-14 <u>EB-2013-0412</u>	01-Apr-14 <u>EB-2014-0053</u>	\$ Change	Percent Change
Average Residential Consumption	2,009.4	2,009.4		
Monthly Charges	\$162.00	\$162.00	\$0.00	0.0%
Delivery Charges	\$314.67	\$314.67	\$0.00	0.0%
Total Commodity Charges	<u>\$372.49</u>	<u>\$777.45</u>	<u>\$404.95</u>	<u>108.7%</u>
Total Customer Charges	\$849.17	\$1,254.12	\$404.95	47.7%

RATES USED

	01-Apr-13 <u>EB-2013-0052</u>	01-Jan-14 <u>EB-2013-0412</u>	01-Apr-14 <u>EB-2014-0053</u>
Monthly charge	13.50	13.50	13.50
Delivery Charge	0.154014	0.156601	0.156601
Total Commodity Charge	0.194287	0.185376	0.386906

**APPENDIX "A" TO
DECISION AND ORDER
BOARD FILE No. EB-2014-0053
DATED MARCH XX, 2014**

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
	Rate Rider for Shared Tax Savings - effective until September 30, 2014	\$(0.11)
b)	Delivery Charge	
	First 1,000 m ³ per month	15.6601 cents per m ³
	All over 1,000 m ³ per month	10.6527 cents per m ³
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: April 01, 2014

Implementation: All bills rendered on or after April 01, 2014

EB-2014-0053

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
Rate Rider for Shared Tax Savings – effective until September 30, 2014	\$(0.19)	\$(0.19)
b) Delivery Charge		
First 1,000 m ³ per month	14.5236 cents per m ³	18.3068 cents per m ³
Next 24,000 m ³ per month	9.4826 cents per m ³	15.6960 cents per m ³
All over 25,000 m ³ per month	6.1698 cents per m ³	15.2899 cents per m ³
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: April 01, 2014

Implementation: All bills rendered on or after April 01, 2014

EB-2014-0053

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.

Rate Rider for Shared Tax Savings - effective until September 30, 2014 \$(8.34)

- b) A Monthly Demand Charge:

A Monthly Demand Charge of 29.0974 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 3.8521 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.

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: April 01, 2014

Implementation: All bills rendered on or after April 01, 2014

EB-2014-0053

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
Rate Rider for Shared Tax Savings - effective until September 30, 2014	\$(0.55)	\$(0.55)
b) Delivery Charge		
First 1,000 m ³ per month	15.1257cents per m ³	19.2963 cents per m ³
All over 1,000 m ³ per month	10.5218 cents per m ³	16.9052 cents per m ³
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: April 01, 2014

Implementation: All bills rendered on or after April 01, 2014

EB-2014-0053

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. |
| | Rate Rider for Shared Tax Savings - effective until September 30, 2014 | \$(3.02) |

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.

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 7.0069 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: April 01, 2014

Implementation: All bills rendered on or after April 01, 2014

EB-2014-0053

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

Rate Rider for Shared Tax Savings - effective until September 30, 2014 \$(301.10)

b) A Monthly Demand Charge:

A Monthly Demand Charge of 18.3951 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 3.7976 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.

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: April 01, 2014

Implementation: All bills rendered on or after April 01, 2014

EB-2014-0053

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-2014-0053)	37.3062 cents per m ³
GPRA Recovery Rate	(EB-2014-0053)	1.3481 cents per m ³
System Gas Fee	(EB-2010-0018)	<u>0.0363</u> cents per m ³
Total Gas Supply Charge		<u>38.6906</u> cents per m ³

Note:

PGCVA means Purchased Gas Commodity Variance Account

GPRA means Gas Purchase Rebalancing Account

Effective: April 01, 2014

Implementation: All bills rendered on or after April 01, 2014

EB-2014-0053

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: April 01, 2014

Implementation: All bills rendered on or after April 01, 2014

EB-2014-0053

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: April 01, 2014

Implementation: All bills rendered on or after April 01, 2014

EB-2014-0053

**APPENDIX "B" TO
DECISION AND ORDER
BOARD FILE No. EB-2014-0053
DATED MARCH XX, 2014**

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-2014-0053
DATED MARCH XX, 2014**

IMPORTANT INFORMATION ABOUT YOUR GAS BILL

On all bills rendered by NRG on or after April 1, 2014, the price we charge for the gas commodity and transportation portion of your bill will be increasing by \$0.201530 per cubic meter to \$0.386906 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 March, 2015. 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 increase by approximately \$405 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.

APPENDIX "D"

ALTERNATIVE CALCULATIONS

BOARD FILE No. EB-2014-0053

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE

HISTORICAL TWELVE MONTH PERIOD - APRIL, 2013 TO MARCH, 2014

<u>Act/Fcst</u>	<u>Month</u>	<u>Purchase Cost (\$'s)</u>	<u>M*3</u>	<u>Actual/Forecast Price (\$/M*3)</u>	<u>Reference Price (\$/M*3)</u>	<u>Unit Rate Difference (\$/M*3)</u>	<u>Monthly PGCVA (\$'s)</u>	<u>Y-T-D PGCVA (\$'s)</u>	<u>Monthly Interest (\$'s)</u>	<u>Y-T-D Interest (\$'s)</u>	<u>Total PGCVA (\$'s)</u>	<u>Total Y-T-D PGCVA (\$'s)</u>	<u>Average Residential Consumption (M*3)</u>	<u>Monthly Interest Rate</u>
								(1)		(2)				
Actual	April	340,750	1,747,021	0.195046	0.194355	(0.000691)	-1,207.19	54,805.23	68.62	-43,652.36	-1,138.57	11,152.87	182.8	1.47%
Actual	May	344,472	1,744,962	0.197410	0.194355	(0.003055)	-5,330.86	49,474.37	67.14	-43,585.22	-5,263.72	5,889.15	83.2	1.47%
Actual	June	335,473	1,694,956	0.197924	0.194355	(0.003569)	-6,049.30	43,425.07	60.61	-43,524.61	-5,988.69	-99.54	44.6	1.47%
Actual	July	335,177	1,735,676	0.193110	0.200282	0.007172	12,448.27	55,873.34	53.20	-43,471.41	12,501.47	12,401.93	31.9	1.47%
Actual	August	613,586	3,576,371	0.171567	0.200282	0.028715	102,695.48	158,568.82	68.44	-43,402.97	102,763.92	115,165.85	33.8	1.47%
Actual	September	367,395	2,023,008	0.181608	0.200282	0.018674	37,777.64	196,346.46	194.25	-43,208.72	37,971.89	153,137.74	41.0	1.47%
Actual	October	349,044	1,933,605	0.180515	0.183191	0.002676	5,174.33	201,520.79	240.52	-42,968.20	5,414.85	158,552.59	106.5	1.47%
Actual	November	363,276	1,896,591	0.191541	0.183191	(0.008350)	-15,836.53	185,684.26	246.86	-42,721.34	-15,589.67	142,962.92	215.2	1.47%
Actual	December	376,566	1,940,468	0.194059	0.183191	(0.010868)	-21,089.00	164,595.26	227.46	-42,493.88	-20,861.54	122,101.38	341.1	1.47%
Actual	January	384,867	1,927,788	0.199642	0.183683	(0.015959)	-30,765.56	133,829.70	201.63	-42,292.25	-30,563.93	91,537.45	399.2	1.47%
Forecast	February	2,837,901	4,144,662	0.684712	0.183683	(0.501029)	-2,076,595.98	-1,942,766.28	163.94	-42,128.31	-2,076,432.04	-1,984,894.59	293.2	1.47%
Forecast	March	<u>793,900</u>	<u>2,602,358</u>	<u>0.305070</u>	0.183683	(0.121387)	<u>-315,892.38</u>	<u>-2,258,658.66</u>	<u>-2,379.89</u>	<u>-44,508.20</u>	<u>-318,272.27</u>	<u>-2,303,166.86</u>	<u>246.2</u>	1.47%
	Total	7,442,407	26,967,464	0.275977			-2,314,671.08	-2,258,658.66	-787.22	-44,508.20	-2,315,458.30	-2,303,166.86	2,018.7	

PGCVA Balance per M*3 Purchased (\$/M*3) (\$0.085405)
 Forecast Average Residential Consumption per Customer 2,018.7 M*3
 Estimated Impact on Average Residential Customer \$172.41 Customer Charge

(1) Includes balance of 56,012.42 as of March, 2013
 (2) Includes balance of -43,720.98 as of March, 2013

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

HISTORICAL TWELVE MONTH PERIOD - APRIL, 2013 TO MARCH, 2014

	<u>Apr-13</u>	<u>May-13</u>	<u>Jun-13</u>	<u>Jul-13</u>	<u>Aug-13</u>	<u>Sep-13</u>	<u>Oct-13</u>	<u>Nov-13</u>	<u>Dec-13</u>	<u>Jan-14</u>	<u>Feb-14</u>	<u>Mar-14</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Local Production (A)	82,192	84,931	82,192	84,931	84,931	82,192	84,931	82,192	84,931	84,931	76,715	84,932	1,000,000
Local Production (B)	170,970	135,547	136,001	132,953	134,984	129,987	131,144	164,959	150,319	137,897	123,285	115,068	1,663,114
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	1,176,268	1,200,381	1,162,806	1,195,112	1,211,247	1,176,305	1,401,718	1,355,093	1,400,917	1,400,705	1,283,921	1,421,483	15,385,954
Western Delivery	317,592	324,103	313,958	322,680	327,037	305,839	315,812	294,347	304,301	304,255	275,921	305,483	3,711,327
Ontario Delivered Gas	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,818,172</u>	<u>328,686</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,384,821</u>	<u>675,391</u>	<u>5,207,070</u>
Total	1,747,021	1,744,962	1,694,956	1,735,676	3,576,371	2,023,008	1,933,605	1,896,591	1,940,468	1,927,788	4,144,662	2,602,358	26,967,464
<u>Price (\$/m3)</u>													
Local Production (A)	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	
Local Production (B)	0.207215	0.207215	0.207215	0.224994	0.224994	0.224994	0.181632	0.181632	0.181632	0.185325	0.185325	0.185325	
Dawn Delivery	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Parkway Delivery	0.174335	0.176993	0.176985	0.177119	0.174834	0.173999	0.171736	0.179963	0.181354	0.186612	0.207587	0.245904	
Western Delivery	0.151924	0.154844	0.157615	0.146535	0.134599	0.130029	0.127588	0.160743	0.169778	0.178751	0.194979	0.215477	
Ontario Delivered Gas	0.000000	0.000000	0.000000	0.000000	0.156435	0.154934	0.000000	0.000000	0.000000	0.000000	1.029669	0.464703	
<u>Total Gas Cost (\$)</u>													
Local Production (A)	24,756	25,581	24,756	25,581	25,581	24,756	25,581	24,756	25,581	25,581	23,107	25,582	301,200
Local Production (B)	35,427	28,087	28,182	29,914	30,371	29,246	23,820	29,962	27,303	25,556	22,848	21,325	332,040
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	205,065	212,459	205,799	211,677	211,767	204,676	240,725	243,867	254,062	261,389	266,525	349,548	2,867,559
Western Delivery	48,250	50,185	49,485	47,284	44,019	39,768	40,294	47,314	51,664	54,386	53,799	65,825	592,271
Ontario Delivered Gas	0	0	0	0	284,426	50,925	0	0	0	0	2,455,576	313,856	3,104,783
TCPL Transportation	<u>27,251</u>	<u>28,160</u>	<u>27,251</u>	<u>20,721</u>	<u>17,423</u>	<u>18,024</u>	<u>18,625</u>	<u>17,377</u>	<u>17,956</u>	<u>17,956</u>	<u>16,046</u>	<u>17,765</u>	<u>244,554</u>
Total	340,750	344,472	335,473	335,177	613,586	367,395	349,044	363,276	376,566	384,867	2,837,901	793,900	7,442,407

NATURAL RESOURCE GAS LIMITED

ACTUAL AND FORECAST GAS PRICES

HISTORICAL TWELVE MONTH PERIOD - APRIL, 2013 TO MARCH, 2014

	<u>Apr-13</u>	<u>May-13</u>	<u>Jun-13</u>	<u>Jul-13</u>	<u>Aug-13</u>	<u>Sep-13</u>	<u>Oct-13</u>	<u>Nov-13</u>	<u>Dec-13</u>	<u>Jan-14</u>	<u>Feb-14</u>	<u>Mar-14</u>
<u>Local Production</u>												
Local Production (A) (\$/GJ)	7.873	7.775	7.783	7.741	7.846	7.873	7.868	7.860	7.863	7.862	7.979	7.979
Local Production (B) (\$/GJ)	5.416	5.349	5.354	5.783	5.861	5.881	4.745	4.740	4.742	4.838	4.909	4.909
<u>Dawn</u> (\$/GJ)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<u>Parkway</u> (\$/GJ)	4.557	4.569	4.573	4.552	4.554	4.548	4.486	4.696	4.735	4.871	5.499	6.514
<u>Western Deliveries</u> (\$/GJ)	3.971	3.997	4.073	3.766	3.506	3.399	3.333	4.195	4.432	4.666	5.165	5.708
Fuel Ratio (%)	2.72%	1.23%	1.98%	1.73%	0.74%	0.77%	2.05%	3.19%	5.05%	5.59%	4.00%	4.00%
<u>TCPL Transportation</u> (\$/GJ)												
TCPL Toll	2.242900	2.242900	2.242900	1.650400	1.540500	1.540500	1.540500	1.540500	1.540500	1.540500	1.540500	1.540500
GJ/day (TCPL)	405	405	405	405	405	390	390	376	376	376	372	372
Delivery Commitment Credit (\$/GJ)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GJ/day (Obligated)	1,905	1,905	1,905	1,905	1,905	1,890	2,121	2,107	2,107	2,107	2,103	2,103
<u>Ontario Delivered Gas</u> (\$/GJ)	0.000	0.000	0.000	0.000	4.075	4.050	0.000	0.000	0.000	0.000	27.276	12.310
Heat Value (GJ/103m3)	38.26	38.74	38.70	38.91	38.39	38.26	38.28	38.32	38.30	38.31	37.75	37.75

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT

PROJECTED TWELVE MONTH FORWARD PERIOD - APRIL, 2014 TO MARCH, 2015
(WITH CHANGE IN REFERENCE PRICE)

Month	Purchase Cost (\$'s)	M*3	Forecast Price (\$/M*3)	Reference Price (\$/M*3)	Unit Rate Difference (\$/M*3)	Monthly PGCVA (\$'s)	Y-T-D PGCVA (\$'s) (1)	Monthly Interest (\$'s)	Y-T-D Interest (\$'s) (2)	Total PGCVA (\$'s)	Total Y-T-D PGCVA (\$'s)	Average Residential Consumption (M*3)	Monthly Interest Rate
April	382,752	1,871,258	0.204542	0.298417	0.093875	175,664.37	-2,082,994.29	-2,766.86	-47,275.06	172,897.51	-2,130,269.35	186.6	1.47%
May	389,234	1,926,967	0.201993	0.298417	0.096424	185,805.86	-1,897,188.43	-2,551.67	-49,826.73	183,254.19	-1,947,015.16	89.7	1.47%
June	378,179	1,871,258	0.202099	0.298417	0.096318	180,235.85	-1,716,952.58	-2,324.06	-52,150.79	177,911.79	-1,769,103.37	53.1	1.47%
July	389,210	1,926,967	0.201981	0.298417	0.096436	185,828.98	-1,531,123.60	-2,103.27	-54,254.06	183,725.71	-1,585,377.66	40.9	1.47%
August	389,210	1,926,967	0.201981	0.298417	0.096436	185,828.98	-1,345,294.62	-1,875.63	-56,129.69	183,953.35	-1,401,424.31	42.8	1.47%
September	378,179	1,871,258	0.202099	0.298417	0.096318	180,235.85	-1,165,058.77	-1,647.99	-57,777.68	178,587.86	-1,222,836.45	58.5	1.47%
October	389,210	1,926,967	0.201981	0.298417	0.096436	185,828.98	-979,229.79	-1,427.20	-59,204.88	184,401.78	-1,038,434.67	118.7	1.47%
November	359,165	1,897,483	0.189285	0.298417	0.109132	207,076.16	-772,153.63	-1,199.56	-60,404.44	205,876.60	-832,558.07	202.7	1.47%
December	369,562	1,954,066	0.189125	0.298417	0.109292	213,563.81	-558,589.82	-945.89	-61,350.33	212,617.92	-619,940.15	321.8	1.47%
January	369,562	1,954,066	0.189125	0.298417	0.109292	213,563.81	-345,026.01	-684.27	-62,034.60	212,879.54	-407,060.61	355.2	1.47%
February	338,371	1,784,318	0.189636	0.298417	0.108781	194,099.88	-150,926.13	-422.66	-62,457.26	193,677.22	-213,383.39	293.2	1.47%
March	<u>369,562</u>	<u>1,954,066</u>	<u>0.189125</u>	0.298417	0.109292	<u>213,563.81</u>	<u>62,637.68</u>	<u>-184.88</u>	<u>-62,642.14</u>	<u>213,378.93</u>	<u>-4.46</u>	<u>246.2</u>	<u>1.47%</u>
Total	4,502,195	22,865,642	0.196898			2,321,296.34	62,637.68	-18,133.94	-62,642.14	2,303,162.40	-4.46	2,009.4	

PGCVA Balance per M*3 Purchased (\$/M*3) (\$0.000000)
Forecast Average Residential Consumption per Customer 2,009.4 M*3
Estimated Impact on Average Residential Customer \$0.00 Customer Charge

(1) Includes March, 2014 year-to-date balance of (\$2,258,658.66) (See Schedule 2)
(2) Includes March, 2014 year-to-date balance of (\$44,508.20) (See Schedule 2)

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

PROJECTED TWELVE MONTH FORWARD PERIOD - APRIL, 2014 TO MARCH, 2015

	<u>Apr-14</u>	<u>May-14</u>	<u>Jun-14</u>	<u>Jul-14</u>	<u>Aug-14</u>	<u>Sep-14</u>	<u>Oct-14</u>	<u>Nov-14</u>	<u>Dec-14</u>	<u>Jan-15</u>	<u>Feb-15</u>	<u>Mar-15</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Local Production (A)	82,192	84,932	82,192	84,932	84,932	82,192	84,932	82,192	84,932	84,932	76,708	84,932	1,000,000
Local Production (B)	117,808	115,068	117,808	115,068	115,068	117,808	115,068	117,808	115,068	115,068	123,292	115,068	1,400,000
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	1,375,629	1,421,483	1,375,629	1,421,483	1,421,483	1,375,629	1,421,483	1,375,629	1,421,483	1,421,483	1,283,921	1,421,483	16,736,821
Western Delivery	295,629	305,483	295,629	305,483	305,483	295,629	305,483	321,854	332,583	332,583	300,397	332,583	3,728,821
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	1,871,258	1,926,967	1,871,258	1,926,967	1,926,967	1,871,258	1,926,967	1,897,483	1,954,066	1,954,066	1,784,318	1,954,066	22,865,642
<u>Price (\$/m3)</u>													
Local Production (A)	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	
Local Production (B)	0.236288	0.236288	0.236288	0.236288	0.236288	0.236288	0.236288	0.236288	0.236288	0.236288	0.236288	0.236288	
Dawn Delivery	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Parkway Delivery	0.187391	0.184522	0.184635	0.184635	0.184635	0.184635	0.184635	0.175726	0.175726	0.175726	0.175726	0.175726	
Western Delivery	0.186674	0.184635	0.184031	0.184031	0.184031	0.184031	0.184031	0.143299	0.143299	0.143299	0.143299	0.143299	
Ontario Delivered Gas	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
<u>Total Gas Cost (\$)</u>													
Local Production (A)	24,756	25,582	24,756	25,582	25,582	24,756	25,582	24,756	25,582	25,582	23,104	25,582	301,200
Local Production (B)	27,837	27,189	27,837	27,189	27,189	27,837	27,189	27,837	27,189	27,189	29,132	27,189	330,803
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	257,781	262,295	253,989	262,456	262,456	253,989	262,456	241,734	249,792	249,792	225,618	249,792	3,032,148
Western Delivery	55,186	56,403	54,405	56,218	56,218	54,405	56,218	46,121	47,659	47,659	43,047	47,659	621,199
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
TCPL Transportation	<u>17,192</u>	<u>17,765</u>	<u>17,192</u>	<u>17,765</u>	<u>17,765</u>	<u>17,192</u>	<u>17,765</u>	<u>18,717</u>	<u>19,341</u>	<u>19,341</u>	<u>17,469</u>	<u>19,341</u>	<u>216,845</u>
Total	382,752	389,234	378,179	389,210	389,210	378,179	389,210	359,165	369,562	369,562	338,371	369,562	4,502,195

NATURAL RESOURCE GAS LIMITED
GAS PURCHASE REBALANCING ACCOUNT

APRIL, 2013 THROUGH MARCH, 2015

Month	Purchase Volume (M ³) A	Throughput Volume (M ³) B	Direct Purchase Volume (M ³) C	System Sales Volume (M ³) D=B-C	Deemed U.F.G. (M ³) E	System Sales + U.F.G. (M ³) F=D+E	Monthly Inventory Balance (M ³) G=A-F	Cumulative Inventory (M ³) H (1)	Reference Price (\$/M ³) I	Inventory Revaluation (\$) J	Inventory Rate (\$/M ³) K	Inventory Recovery (\$) L=KxD	Y-T-D GPRA Balance (\$) M (2)	Monthly Interest (\$) N	Y-T-D Interest (\$) O (3)	Total Y-T-D GPRA (\$) P=M+O	Monthly Interest Rate
April	1,747,021	4,640,342	2,729,795	1,910,547	0	1,910,547	-163,526	-3,984,583	0.194355	0.00	(0.000431)	-823.45	-80.56	0.91	5,770.45	5,689.89	1.47%
May	1,744,962	3,500,674	2,579,763	920,911	0	920,911	824,051	-3,160,532	0.194355	0.00	(0.000431)	-396.91	-477.47	-0.10	5,770.35	5,292.88	1.47%
June	1,694,956	3,006,363	2,524,984	481,379	0	481,379	1,213,577	-1,946,954	0.194355	-11,539.60	(0.000431)	-207.47	-12,224.54	-0.58	5,769.77	-6,454.77	1.47%
July	1,735,676	2,497,288	2,133,774	363,514	0	363,514	1,372,162	-574,792	0.200282	0.00	0.000208	75.61	-12,148.93	-14.98	5,754.79	-6,394.14	1.47%
August	3,576,371	3,686,538	2,824,082	862,456	0	862,456	2,713,915	2,139,122	0.200282	0.00	0.000208	179.39	-11,969.54	-14.88	5,739.91	-6,229.63	1.47%
September	2,023,008	4,136,394	2,756,526	1,379,868	0	1,379,868	643,140	2,782,262	0.200282	-47,551.64	0.000208	287.01	-59,234.15	-14.66	5,725.25	-53,508.90	1.47%
October	1,933,605	5,056,273	2,997,296	2,058,977	0	2,058,977	-125,372	2,656,890	0.183191	0.00	0.003042	6,263.41	-52,970.74	-72.56	5,652.69	-47,318.05	1.47%
November	1,896,591	6,248,568	3,094,687	3,153,881	0	3,153,881	-1,257,290	1,399,599	0.183191	0.00	0.003042	9,594.11	-43,376.63	-64.89	5,587.80	-37,788.83	1.47%
December	1,940,468	6,753,081	3,155,208	3,597,873	0	3,597,873	-1,657,405	-257,806	0.183191	-126.84	0.003042	10,944.73	-32,558.74	-53.14	5,534.66	-27,024.08	1.47%
January	1,927,788	7,081,813	3,043,619	4,038,194	0	4,038,194	-2,110,406	-2,368,212	0.183683	0.00	0.001330	5,370.80	-27,187.94	-39.88	5,494.78	-21,693.16	1.47%
February	4,144,662	5,821,595	2,807,462	3,014,133	0	3,014,133	1,130,529	-1,237,683	0.183683	0.00	0.001330	4,008.80	-23,179.14	-33.31	5,461.47	-17,717.67	1.47%
March	2,602,358	5,621,595	2,744,961	2,876,634	0	2,876,634	-274,276	-1,511,960	0.183683	-173,473.16	0.001330	3,825.92	-192,826.39	-28.39	5,433.08	-187,393.31	1.47%
April	1,871,258	4,621,595	2,685,665	1,935,930	0	1,935,930	-64,672	-1,576,631	0.298417	0.00	0.008415	16,290.85	-176,535.54	-236.21	5,196.87	-171,338.67	1.47%
May	1,926,967	3,621,595	2,661,298	960,297	0	960,297	966,670	-609,961	0.298417	0.00	0.008415	8,080.90	-168,454.64	-216.26	4,980.61	-163,474.03	1.47%
June	1,871,258	3,133,595	2,638,035	495,560	0	495,560	1,375,698	765,737	0.298417	0.00	0.008415	4,170.14	-164,284.50	-206.36	4,774.25	-159,510.25	1.47%
July	1,926,967	3,137,595	2,646,622	490,973	0	490,973	1,435,994	2,201,731	0.298417	0.00	0.008415	4,131.54	-160,152.96	-201.25	4,573.00	-155,579.96	1.47%
August	1,926,967	3,245,595	2,639,204	606,391	0	606,391	1,320,576	3,522,307	0.298417	0.00	0.008415	5,102.78	-155,050.18	-196.19	4,376.81	-150,673.37	1.47%
September	1,871,258	3,141,595	2,699,547	442,048	0	442,048	1,429,210	4,951,517	0.298417	0.00	0.008415	3,719.83	-151,330.35	-189.94	4,186.87	-147,143.48	1.47%
October	1,926,967	5,121,595	2,783,246	2,338,349	0	2,338,349	-411,382	4,540,135	0.298417	0.00	0.008415	19,677.21	-131,653.14	-185.38	4,001.49	-127,651.65	1.47%
November	1,897,483	5,921,595	2,807,687	3,113,908	0	3,113,908	-1,216,425	3,323,710	0.298417	0.00	0.008415	26,203.54	-105,449.60	-161.28	3,840.21	-101,609.39	1.47%
December	1,954,066	5,421,595	2,795,357	2,626,238	0	2,626,238	-672,172	2,651,539	0.298417	0.00	0.008415	22,099.79	-83,349.81	-129.18	3,711.03	-79,638.78	1.47%
January	1,954,066	6,421,595	2,824,409	3,597,186	0	3,597,186	-1,643,120	1,008,419	0.298417	0.00	0.008415	30,270.32	-53,079.49	-102.10	3,608.93	-49,470.56	1.47%
February	1,784,318	5,821,595	2,807,462	3,014,133	0	3,014,133	-1,229,815	-221,396	0.298417	0.00	0.008415	25,363.93	-27,715.56	-65.02	3,543.91	-24,171.65	1.47%
March	1,954,066	<u>5,621,595</u>	<u>2,744,961</u>	2,876,634	0	2,876,634	-922,568	-1,143,964	0.298417	0.00	0.008415	24,206.88	-3,508.68	-33.95	3,509.96	1.28	1.47%

(1) Includes balance of -3,821,057 as of March, 2013
(2) Includes balance of 742.89 as of March, 2013
(3) Includes balance of 5,769.54 as of March, 2013

NATURAL RESOURCE GAS LIMITED

RESIDENTIAL BILL COMPARISONS

QUARTERLY BILL IMPACT

	Quarter Starting 01-Apr-13 <u>EB-2013-0052</u>	Quarter Starting 01-Apr-14 <u>EB-2014-0053</u>	\$ Change	Percent Change
Average Residential Consumption for Quarter	329.4	329.4		
Monthly Charges	\$40.50	\$40.50	\$0.00	0.0%
Delivery Charges	\$50.73	\$51.58	\$0.85	1.7%
Total Commodity Charges	<u>\$64.00</u>	<u>\$101.19</u>	<u>\$37.19</u>	<u>58.1%</u>
Total Customer Charges	\$155.23	\$193.27	\$38.04	24.5%

ANNUAL BILL IMPACT

	01-Jan-14 <u>EB-2013-0412</u>	01-Apr-14 <u>EB-2014-0053</u>	\$ Change	Percent Change
Average Residential Consumption	2,009.4	2,009.4		
Monthly Charges	\$162.00	\$162.00	\$0.00	0.0%
Delivery Charges	\$314.67	\$314.67	\$0.00	0.0%
Total Commodity Charges	<u>\$372.49</u>	<u>\$617.28</u>	<u>\$244.78</u>	<u>65.7%</u>
Total Customer Charges	\$849.17	\$1,093.95	\$244.78	28.8%

RATES USED

	01-Apr-13 <u>EB-2013-0052</u>	01-Jan-14 <u>EB-2013-0412</u>	01-Apr-14 <u>EB-2014-0053</u>
Monthly charge	13.50	13.50	13.50
Delivery Charge	0.154014	0.156601	0.156601
Total Commodity Charge	0.194287	0.185376	0.307195