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For immediate release

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OEB approves rate changes for Natural Resource Gas Limited

Toronto – The Ontario Energy Board has approved decreases to the natural gas supply rates Natural Resource Gas Limited (NRG) bills its customers. The changes to gas supply charges are effective July 1, 2006.

The charges for consumers purchasing their natural gas from NRG (system gas customers) will reflect a decrease in forecast prices of natural gas over the next 12 months. If no other changes take place during the year, a typical residential system gas supply customer using 2,000 m³ per year will see an overall decrease of about \$56 on their annual bill.

Consumers who buy their natural gas from a natural gas marketer (direct purchase customers) will likely see no changes to their delivery charges.

This rate change is the result of a decrease in the forecast of the market price for natural gas. NRG's forecast, prepared in May 2006 predicted lower prices, decreasing from 41.1586 ¢/m³ to 38.3419 ¢/m³ for the next 12-month period. Ontario natural gas distributors must pass through to the customer the actual cost for purchasing the natural gas with no markup.

Natural gas utilities forecast the price of natural gas on a quarterly basis to determine what they expect to pay for the natural gas they supply to their customers over a twelve-month period. While extreme weather is difficult to predict, it can have an impact on the price of natural gas. Supply disruptions like those caused by the hurricanes in the southern United States and Gulf of Mexico last year, and the increasing price of oil on the world market, puts upward pressure on natural gas prices. Similarly, the relatively mild winter this year has put downward pressure on natural gas prices.

Natural gas commodity rates are approved by the Board and can change every three months to reflect changes in the forecast of market prices. Adjusting rates on a quarterly basis helps ensure consumers are billed at a rate that more closely reflects the market price of natural gas and reduces the risk of larger rate changes that could result from less frequent adjustments.

The Ontario Energy Board regulates the province's electricity and natural gas sectors in the public interest. It envisions a healthy and efficient energy sector with informed consumers, and works towards this vision through regulatory processes that are effective, fair and transparent.

For more information on the Board, please visit our Web site at www.oeb.gov.on.ca or contact the Consumer Relations Centre at 416-314-2455 or toll-free at 1-877-632-2727.

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