GAS COSTS, TRANSPORTATION AND STORAGE

REF: Ex. B, Tab 4, Schedule 1, PG. 4,5

Preamble: EGD evidence states: "The Company and intervenors participated in a System Reliability proceeding (EB-2010-0231) and the outcome of that proceeding has been included as a part of the 2012 gas supply portfolio. As per the EB-2010-0231 Settlement Agreement the Company assigned 50,000 Gj/day of TCPL shorthaul capacity to Direct Purchase customers and has acquired 50,000 Gj/day of TCPL STFT from November to March. The Company also incorporated in its plan the acquisition of 200,000 Gj/day of TCPL STFT for three winter months which was also agreed upon as part of the settlement agreement as a substitute for traditional peaking services.

1. What was the total cost of System Reliability built into 2011 rates?
2. What were the actual costs of System Reliability in 2011?
3. How is the variance between the forecast and actual for these costs treated (i.e., to what account would the variance accrue and would variances be cleared)?
4. What is the forecast for 2012 System Reliability costs?

REF: EB-2010-0146 Ex. 1, Tab 4, Schedule 12

Preamble: In response to FRPO's IR 12 in the 2011 proceeding, EGD stated in the second paragraph: "...The 2011 gas supply revenues reflect the 2011 forecast of Gas Costs to Operations (at the October 1, 2010 QRAM reference price) in the amount of $1,416.30 million (Exhibit B, Tab 1, Schedule 2, page 1, Row 25, Col. 1) including changes to the Company's 2011 gas supply portfolio relative to the 2010 gas supply portfolio as well as storage and storage associated transportation costs. Changes to these elements are not captured through the Company's QRAM rate changes.

5. Please describe the nature of the "storage and associated storage associated transportation costs".
6. With respect to System Reliability, how are these costs incurred, tracked and recovered?

REF: Ex. B, Tab 4, Schedule 1, page 5, para. 11

7. What actions did EGD take with customers who had their CDS nominations cut? What were the cost consequences of the cut and how were they costs accounted for and recovered?

Preamble: EGD states: In addition, the Company did not receive deliveries as a result of one of the peaking suppliers having their supplies cut. This has led the Company to lower the amount of traditional peaking supplies that it will plan to acquire in 2012. To compensate for this reduction the Company has included an additional 75,000 Gj/day of TCPL STFT for three winter months. The Company has also taken an assignment of 26,956 Gj/day of TCPL-FT Empress to Iroquois capacity.

8. Peaking Supplies
    a. How were the EGD peaking supplies contracted (e.g., Demand contract)?
    b. What were the operational effects of EGD not receiving the peaking supplies?
    c. What were the cost consequences of the failure to deliver and how were they handled?

9. Additional STFT
    a. What are the cost implications of the additional 75,000 GJ's of STFT?
    b. Please provide the incremental STFT cost along with the estimated reduction in contracted peaking service?
    c. How does EGD intend to recover the incremental cost?

10. FT Empress-Iroquois
    a. What is the term of the contract EGD accepted?
    b. How does EGD propose that the April to October demand charges of this contract be handled?

11. Approvals
    a. Please file the Settlement Agreement for System Reliability from EB-2010-0231.
    b. Respectfully, does EGD believe that the System Reliability Agreement allows EGD to make discretionary changes each year to the composition of the measures it takes for System Reliability?
    c. What specific approval(s) is EGD seeking for System Reliability in this proceeding?

REF: Ex. B, Tab 2, Schedule 6

12. Cross Bore
    a. Please provide the number of investigation for sewer lateral blockage that resulted in gas investigation in 2011
    b. Please provide the actual cost in 2011 for:
        i. Investigations
        ii. Required repairs
        iii. Incidents

REF: Ex. B, Tab 3, Schedule 1,2

Preamble: The Customer Charge is increasing to $70/month for 2012 for Rate 6

13. Based upon your last cost allocation study, what percentage of the annual fixed costs per customer does the annualized customer charge cover?