

EGDI – ADDITIONAL RESPONSE TO
QUESTIONS SUBMITTED BY
FRPO – JULY 20, 2013

Ref: EB-2013-0046, Exhibit I, Tab 7, Schedule 5 and 7

RESPONSE

The Company contracts for transportation capacity to meet peak and winter seasonal demands and as such does not release any of that capacity via an assignment to third parties during the winter for a month, a week or a day. The Company does recognize that at times during the winter season that the total contracted capacity may be surplus compared to the demand on a particular day and the Company may be able to accommodate an exchange with a third party between two points generating transactional services revenue. This is only done with authorization of Gas Control. For example in January 2012 the Company entered into a number of exchange deals for a total of 4,710,766GJ's. This can be done without an assignment of capacity. This does not constitute a release of assets.

The Company has also stated that throughout the summer there will be temporary surplus capacity in relation to the daily summer demand and that exchanges of volumes will occur on days throughout the summer. The Company has also discussed that by entering into a monthly or seasonal transaction it is possible to gain additional value than waiting to enter into a deal on the day. While there is an expectation that an exchange for the entire summer may occur the Company will only enter into such a transaction once it is comfortable with a level of volume and if there is a willing participant and an ability to determine the value of such a deal. During the winter months the Company will begin to evaluate the level of anticipated daily exchanges that might be available during the upcoming summer. Included in this evaluation will be the need to accumulate STS Injection credits but will also include a review of the daily exchanges done the previous summer. The Company entered into a total of 20 Empress to Dawn exchange deals of varying amounts and duration in 2012. For 2012, pricing started to look favourable in early winter. Also, weather in early winter started to indicate that there would be room for some level of capacity releases for the following summer. As such Gas Control began to turn capacity over to Gas Supply in late November in small increments to market for the benefit of ratepayers and the Company. Gas Control continued this over the winter and into the spring releasing capacity in measured amounts as the winter continued to be mild. Please see attached table on page 2.

EGDI – ADDITIONAL RESPONSE TO
QUESTIONS SUBMITTED BY
FRPO – JULY 20, 2013

<u>Trade date</u>	<u>Term</u>	<u>Volume</u> GJ's/day
11/23/2011	Apr-Oct	15,408
11/30/2011	Apr-Oct	10,000
11/30/2011	Apr-Oct	5,000
12/2/2011	Apr-Oct	5,136
12/7/2011	Apr-Oct	5,000
12/12/2011	Apr-Oct	5,136
12/14/2011	Apr-Oct	5,136
12/15/2011	Apr-Oct	4,200
12/21/2011	Apr-Oct	9,984
12/21/2011	Apr-Oct	5,065
12/21/2011	Apr-Oct	10,000
1/11/2012	Apr-Oct	10,000
1/17/2012	Apr-Oct	7,500
2/1/2012	Apr-Oct	4,391
3/21/2012	May-Sept	5,000
3/26/2012	May-Oct	5,275
9/26/2012	Oct	5,000
10/15/2012	Nov	10,272
10/23/2012	Nov	7,913
10/23/2012	Nov	6,858

EGDI – ADDITIONAL RESPONSE TO
QUESTIONS SUBMITTED BY
FRPO – JULY 20, 2013

REF: EB-2013-0046, Exhibit I, Tab 7, Schedule 15

RESPONSE

As per Issue #2 of the Settlement Agreement in EB-2013-0046 (Exhibit N1, Tab 1, Schedule 1, page 12 of 13) "The issue is whether, instead of the credit to ratepayers of \$13.97 million recorded in the 2012 TSDA, the full net revenues of \$18.63 million from capacity release exchange transactions in 2012 should be recorded in the transportation component of the PGVA." The difference of \$4.66 million represents the shareholder portion of Transactional Services revenue pertaining to capacity release net revenues as per the current 75/25 sharing mechanism of Transportation Optimization.

EGDI – ADDITIONAL RESPONSE TO
QUESTIONS SUBMITTED BY
FRPO – JULY 20, 2013

REF: EB-2013-0046, Exhibit I, Tab 7, Schedule 14

RESPONSE

The Company filed as an attachment to its pre-filed evidence Appendix D which was intended to provide supporting documentation to Table 4 of the evidence (see page 20 of 21). The attached table on page 5 provides the various unit rates and back-up for the calculations for the information provided on Appendix D, Item #'s 1 through 17 for the month of April 2012.

Item #		Item #		Item #	
	TCPPL - Empress to Eastern Zone FT Toll		TCPPL - Empress to Iroquois FT Toll		
1.	- Demand Charge	\$/GJ/Mwh	1.	- Demand Charge	\$/GJ/Mwh
2.		\$/GJ	2.		\$/GJ
3.	- Commodity Toll	\$/GJ	3.	- Commodity Toll	\$/GJ
4.	100% Load Factor FT Toll	\$/GJ	4.	100% Load Factor FT Toll	\$/GJ
5.	IT Bid Floor	\$/GJ	5.	IT Bid Floor	\$/GJ
	TCPPL - Empress to Southwest Zone FT Toll			TCPPL - Empress to Southwest Zone FT Toll	
6.	- Demand Charge	\$/GJ/Mwh	6.	- Demand Charge	\$/GJ/Mwh
7.		\$/GJ	7.		\$/GJ
8.	- Commodity Toll	\$/GJ	8.	- Commodity Toll	\$/GJ
9.	100% Load Factor FT Toll	\$/GJ	9.	100% Load Factor FT Toll	\$/GJ
10.	IT Bid Floor	\$/GJ	10.	IT Bid floor	\$/GJ
	Long-haul FT RAM Formula			Long-haul FT RAM Formula	
	Long-haul FT RAM credit =	(Unutilized Daily Quantity) X [(100% load factor Long-haul FT toll x 1.1)] - FT Long-haul Commodity]		Long-haul FT RAM credit =	(Unutilized Daily Quantity) X [(100% load factor Long-haul FT toll x 1.1)] - FT Long-haul Commodity]
		(Unutilized Daily Quantity) X [(2,24290 x 1.1)] - .14377]			(Unutilized Daily Quantity) X [(2,18376 x 1.1)] - .14034]
		(Unutilized Daily Quantity) X (2,32342)			(Unutilized Daily Quantity) X (2,26179)
	Total Release in the month of April 12	GJ		Total Release in the month of April 12	GJ
	Daily quantity	GJ		Daily quantity	GJ
	FT Capacity Released	75000		FT Capacity Released	26956
		2,250,000			808,660
	Transportation Charges Empress to Eastern Zone FT Demand Toll (75,000 GJ/day X \$63.84842/GJ/mth)	\$'(000's)		Transportation Charges Empress to Eastern Zone FT Demand Toll (26,956 GJ/day X \$62.15396/GJ/mth)	\$'(000's)
11.		4,788.6			1,675.4
12.	FT RAM Credit (75000 GJ X 30 X \$2.32342/GJ)	\$(,227.7)		FT RAM Credit (26956 GJ X 30 X \$2.26179/GJ)	\$(,829.1)
13.	Empress to Southwest Zone IT Toll (75000 GJ X 30 X \$2.08224/GJ)	4,685.0		Empress to Southwest Zone IT Toll (75000 GJ X 30 X \$2.08224/GJ)	1,683.9
14.	Net Transportation Cost (item # 11 + item # 12 + item # 13)	4,246.0		Net Transportation Cost (item # 11 + item # 12 + item # 13)	1,530.2
15.	Net Transportation Savings (item # 11 minus item # 14)	542.6		Net Transportation Savings (item # 11 minus item # 14)	145.2
	Avg per unit savings- \$(/GJ)	0.241173			Avg per unit savings- \$(/GJ)
16.	Additional volume that could be moved through IT (G)'s) (item # 15 / \$2.08224)	260,603		Additional volume that could be moved through IT (G)'s) (item # 15 / \$2.08224)	69,732