

ONTARIO ENERGY BOARD STAFF INTERROGATORIES
ON TESTIMONY OF CHRISTOPHER G. GULICK, NORTHEAST MIDSTREAM LP
Ontario Energy Board Community Expansion Proceeding
EB-2016-0004

Interrogatory # 1

Ref: Evidence of Northeast Midstream, Testimony of Christopher G. Gulick, Page 3

Mr. Gulick in his testimony has submitted that an expansion supplied by a new pipeline connection should consider the incremental gas transportation and commodity costs associated with the incremental pipeline, storage, and/or peak shaving capacity required to support the new load, and the projected amount of gas to be delivered using that incremental capacity. Mr. Gulick further notes that the Ontario Energy Board (OEB) has previously rejected the estimation of incremental gas costs as adding too much complexity to the Profitability Index (PI) metric.

Please explain why the OEB should revisit this issue when it has already determined that including incremental costs to the PI calculation adds more complexity to the PI metric than required.

Interrogatory # 2

Ref: Evidence of Northeast Midstream, Testimony of Christopher G. Gulick, Page 3

Mr. Gulick in his testimony agrees that simulating changes in gas portfolio costs as part of calculating a rolling twelve month PI would add an unnecessary level of complexity. However, My Gulick does note that LDCs in Ontario provide quarterly Weighted Average Cost of Gas (WACOG) forecasts and submit annual gas supply plans to the OEB which could allow it to monitor for long term changes in fixed and variable costs.

- a) Please explain the fixed and variable costs that are referred to in the above reference.
- b) Has Mr. Gulick used the information provided in the quarterly WACOG forecasts to monitor long term changes in fixed and variable costs? If yes, please provide the results of the analysis.

Interrogatory # 3

Ref: Evidence of Northeast Midstream, Testimony of Christopher G. Gulick, Page 4

Mr. Gulick in his testimony states that in some cases LDCs should consider alternatives other than pipelines such Liquefied Natural Gas (LNG) or Compressed Natural Gas (CNG) for supplying customers in an expansion territory.

Currently most cases involving an expansion require a leave to construct approval from the OEB for the pipeline that would serve the new community. Although the OEB requires an applicant to conduct the EBO 188 PI analysis, there is currently no requirement that the applicant compare this analysis against a “no pipeline” option such as CNG or LNG. Does Northeast Midstream recommend that the OEB insert a requirement that the costs of CNG or LNG (or any other alternative to building a pipeline) be compared to the pipeline option? Does Northeast Midstream have any suggestions for the OEB regarding how such an analysis should be conducted?

Interrogatory # 4

Ref: Evidence of Northeast Midstream, Testimony of Christopher G. Gulick, Page 7

The testimony notes that the Province of Ontario is moving towards legislation that would use a cap and trade approach to price carbon emissions in order to achieve certain climate change goals.

- a) Has Mr. Gulick considered the carbon emissions impact of trucking the LNG from the liquefaction facility to the distribution network with respect to a LNG supply option?
- b) Please provide an opinion on whether the Ontario Government’s initiative to price carbon emissions should have an impact on determinations made by the OEB with respect to approval of natural gas pipelines versus LNG/CNG alternatives.