

Reply to the Attention of Laura Brazil
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Our File No. 231915
Date April 22, 2016

RESS

Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Attention: Kristen Walli
Board Secretary
boardsec@ontarioenergyboard.ca

Dear Ms. Walli:

**Re: CPA Responses to Interrogatories
EB-2016-0004**

We are counsel to the Canadian Propane Association (the “CPA”), an intervenor in this proceeding.

Enclosed are CPA’s responses to the interrogatories of Northeast Midstream LP in accordance with the Decision and Procedural Order No. 2, issued by the Board on March 9, 2016.

Yours truly,



Laura Brazil

/cs
Attach.
cc by email: Intervenors in EB-2016-0004

ONTARIO ENERGY BOARD

**Application under the Ontario Energy Board's own motion to consider
potential alternative approaches to recover costs of expanding natural
gas service to communities that are not currently served**

**CANADIAN PROPANE ASSOCIATION RESPONSES
TO INTERROGATORIES OF NORTHEAST MIDSTREAM LP**

**CANADIAN PROPANE ASSOCIATION (CPA) RESPONSES TO INTERROGATORIES
OF NORTHEAST MIDSTREAM LP (NORTHEAST)**

Interrogatory 1

Reference

Exhibit 9 Tab 9 page 9-11, Figures 1 and 3

Preamble

The CPA has provided information on the residential, auto and wholesale costs of propane in Ontario. Northeast Midstream would like to better understand this information.

- a) Please complete the following table with the data that was used to create the residential propane curve in Figure 1 and the propane/gas curve in Figure 3:

| Year | Figure 3 | | Figure 1 | | |
|----------|----------------------------|--------------------------------|----------------------------------|--------------------------------|-----------------------|
| | Union's Delivered Gas Cost | Sarnia Wholesale Propane Price | Annual Residential Propane Price | Annual Residential Consumption | Annual Cost of Energy |
| Col. (1) | Col. (2) | Col. (3) | Col. (4) | Col. (5) | Col. (6) |
| 2006 | | | | | |
| 2007 | | | | | |
| 2008 | | | | | |
| 2009 | | | | | |
| 2010 | | | | | |
| 2011 | | | | | |
| 2012 | | | | | |
| 2013 | | | | | |
| 2014 | | | | | |
| 2015 | | | | | |

- b) Please provide the annual volume weighted average price of residential propane (i.e., total annual sales of residential propane ÷ total annual consumption of residential propane) for 2006 to 2015, using aggregated data from the actual residential pricing provided to GPMi, if available.
- c) In the discussion of Figure 1, GPMi states: "Prior to 2011, there was minimal difference between fuel costs based on auto propane prices and costs based on residential propane prices. However, since 2012, residential propane prices have been significantly lower

than auto propane prices." Please explain the reasons for this recent disconnect in the pricing relationship between residential and auto propane prices.

CPA Response

1 (a)

| Year | Figure 3 | | Figure 1 | | |
|----------|----------------------------------|--------------------------------------|----------------------------------------|--------------------------------------|--------------------------|
| | Union's Delivered Gas Cost | Sarnia Wholesale Propane Price | Annual Residential Propane Price | Annual Residential Consumption | Annual Cost of Energy |
| Col. (1) | Col. (2) | Col. (3) | Col. (4) | Col. (5) | Col. (6) |
| | (c/m3) | (cpg) | (\$/I) | (I) | |
| 2006 | 32.44 | 105.9 | 0.616 | 3296 | 2,030 |
| 2007 | 27.50 | 125.2 | 0.657 | 3296 | 2,165 |
| 2008 | 36.76 | 146.8 | 0.685 | 3296 | 2,258 |
| 2009 | 15.34 | 93.2 | 0.611 | 3296 | 2,014 |
| 2010 | 13.09 | 127.2 | 0.675 | 3296 | 2,225 |
| 2011 | 13.77 | 154.6 | 0.704 | 3296 | 2,320 |
| 2012 | 8.80 | 102.2 | 0.596 | 3296 | 1,964 |
| 2013 | 11.85 | 119.8 | 0.650 | 3296 | 2,142 |
| 2014 | 22.59 | 136.0 | 0.770 | 3296 | 2,538 |
| 2015 | 11.17 | 51.5 | 0.512 | 3296 | 1,688 |

1 (b) This data is not available.

1 (c) As described in CPA's Evidence, auto propane prices do not reflect the prices paid by residential propane customers. They are not relevant to the matters raised in this proceeding.