

BOMA INTERROGATORY #20

INTERROGATORY

Ref: Ibid; 2016 TSDA

- (a) Please describe how EGD's gas loans operate to generate revenues for storage optimization. Please give an example, and advise of a typical loan/storage transaction.
- (b) What part of the \$7,277.2 was obtained through gas loans?

RESPONSE

- a) A detailed description of storage optimization transactions was provided in EB-2012-0046 Exhibit C, Tab 1, Schedule 6 at page 9 of 21.

An example of a typical storage optimization transaction occurs when a third party has supply at its disposal in a month such as April but does not have a market for that supply until August. The third party approaches EGD about the possibility of storing their gas for that period of time. If EGD could accommodate such a request – an injection in April and a withdrawal in August - it will do so. The fee for this service will be based upon the price differentials between April and August which generates the Storage Optimization. There are rare occasions when a third party approaches EGD about the possibility of EGD loaning gas to the counterparty, typically for a number of days or until the following month. Again if EGD can accommodate such a request it shall.

- b) In 2016, EGD did do a few minor loan deals that generated less than \$60,000.

Witness: D. Small