

BOARD STAFF INTERROGATORY #5

INTERROGATORY

Ref: B1/T1/S1/para2

Please provide a variance analysis showing both the price variance and volume variance components of line 9 "Gas in storage" Col 1 vs Col 3.

RESPONSE

There are four elements that make up the balance in Gas in Storage – System supply volumes valued at the current PGVA Reference Price, the transportation cost associated with the Western T-Service volumes in storage, the associated fuel cost to inject/withdraw gas from storage and move gas easterly/westerly on Union's system and the accumulation of storage and transmission demand charges that are charged to gas costs over the winter period.

The table below provides a breakdown of the average of average amounts associated with each of these four components for the 2016 Board approved budget and the 2017 forecast. Further information about the variances seen in this table can be found in the response to FRPO Interrogatory #1 at Exhibit I.B1.EGDI.FRPO.1.

Average of Average Storage Balances

	2016 Board Approved Budget			2017 Forecast		
	10*6 m*3	\$/10*3 m*3	\$ million's	10*6 m*3	\$/10*3 m*3	\$ million's
System Supply Volumes	1,595.8	196.253	313.2	1,753.8	166.901	292.7
Western T Volumes	507.3	75.303	38.2	228.9	74.792	17.1
Storage and Transmission Fuel Cost			7.6			9.0
Demand & In Charges			<u>32.2</u>			<u>37.8</u>
			<u>391.1</u>			<u>356.6</u>

Witness: D. Small