

CME INTERROGATORY #2

INTERROGATORY

Ref: Exhibit C1, Tab 2, Schedule 1, pages 1 and 2 of 12

At Table 1, EGD sets out a Summary of Gas Sales and Transportation Volumes which include 2015 Actual, 2016 Board-approved Budget, and 2017 Budget. That Table shows that the Total Volumes, Gas Sales and Transportation for 2015 was actually 11,931.8 10^6m^3 . The 2017 Budget is 11,752.2 10^6m^3 . While the 2017 Budget for Total Volumes, Gas Sales and Transportation is less than the 2015 Actual, EGD goes on to show at Table 2 that the Total Number of both General Service Customers and Contract Market Customers are anticipated to increase from 2015 Actual as compared to the 2017 Budget. CME wishes to understand why EGD anticipates that the Total Volumes, Gas Sales and Transportation will decrease in 2017 while the Average Number of Customers increases. Please provide an explanation as to why the 2017 Budget for Total Volumes, Gas Sales and Transportation is less than the 2015 Actual while the Average Number of Customers is increasing over the same time period.

RESPONSE

The total volumes listed in Table 1 represent un-normalized volumes. The volumetric decrease of 179.6 10^6m^3 between 2015 Actual and 2017 Forecast is made up of a decrease in General Service volumes of 229.9 10^6m^3 that is partially offset by the increase in Contract Market volumes of 50.3 10^6m^3 . The decrease in General Service volumes of 229.9 10^6m^3 from 2015 Actual to 2017 Forecast is primarily driven by lower degree days forecasted in 2017 versus the actual 2015 degree days. The 2017 Forecast Degree Day of 3,639 is 71 degree days lower than the 2015 Actual Degree Day of 3,710. The decrease in General Service volumes is also driven by a slight decline in normalized average use per customer. The higher number of customers forecasted (an increase of 59,243 in 2017 as compared to 2015 Actual) have partially offset the volumes reduction driven by the two factors as mentioned above.

Witness: M. Suarez

	<u>2015 Actual</u>	<u>2017 Budget</u>	<u>2017 Budget vs 2015 Actual</u>
General Service Volumes	10 003.9	9 774.0	(229.9)
Contract Market Volumes	1 927.9	1 978.2	50.3
Total Volumes, Gas Sales and Transportation	<u>11 931.8</u>	<u>11 752.2</u>	<u>(179.6)</u>
Degree Day (Central)	3 710	3 639	(71.0)
Customers, Gas Sales and Transportation (Average)	2 094 681	2 153 924	59 243

Witness: M. Suarez