

FRPO INTERROGATORY #13

INTERROGATORY

REF: Exhibit D1, Tab 2, Schedule 6 and EB-2015-0114 Exhibit D, Tab 2, Schedule 6 and EB-2016-0215 Exhibit D, Tab 2, Schedule 6

Preamble: We would like to understand better the costs underpinning EGD existing Market-based Storage.

For the Market-based storage in Line 1.4 of Column 1, please provide the cost of the storage for Fiscal 2018 on a per GJ of storage space basis

- a) What is the average deliverability of the contracts whose costs are included.
- b) For the previous 2 applications referenced above, please provide the cost of the storage for Fiscal 2017 and Fiscal 2016 on a per GJ of storage basis and the average deliverability underpinning each.

RESPONSE

- a) The forecast amount of \$18.9 million shown at Exhibit D1, Tab 2, Schedule 6, Item 1.4, in Column 1 was based upon an exchange rate of 1.3483 for those contracts payable in US funds and includes a forecast of \$1.2 million for the proposed increase in market-based storage effective April 1, 2018. For a comparison to prior years, this incremental amount should be removed from the \$18.9 million. As per Exhibit D1, Tab 2, Schedule 9, page 2 of 2, the Company has market-based storage contracts amounting to 24.4 PJ's of capacity (which excludes the proposed incremental storage) would result in an average cost of market-based storage of \$ 0.72 / GJ.

Also shown at Exhibit D1, Tab 2, Schedule 9, page 2 of 2 is the total maximum withdrawal for the third party storage contracts of 0.4 PJ's or 1.67%. The Company also identified those contracts which are deemed as Synthetic Storage which will have a lower cost than physical storage but also have a lot less deliverability. For example the three Synthetic Storage contracts identified have an average deliverability of 0.66% while the physical storage has an average deliverability of 1.90 %.

- b) In 2017 (EB-2016-0215 Exhibit D1, Tab 2, Schedule 6), the annual forecast for market-based storage was \$16.8 million and was based upon an average exchange rate of 1.2959 for 24.4 PJ's or an average of \$ 0.69 / GJ for 1.67 % deliverability. In 2016

Witness: D. Small

(EB-2015-0114 Exhibit D1, Tab 2, Schedule 5), the annual forecast for third party storage was \$15.6 million and was based upon an average exchange rate of 1.2226 for 24.4 PJ's or an average of \$ 0.64/GJ for 1.67 % deliverability.