

EDG'S RESPONSE TO STAFF TECHNICAL REPORT AND ANALYSIS

I. BILLED REVENUE AND ACTUAL GAS COSTS

Staff reviewed PGA/ACA rates on a sample of customer bills and found “All rates charged to natural gas consumers agreed with approved rates, without exception.” Staff also reviewed invoices for all natural gas purchases made during the review period and recommended no adjustments.

II. RELIABILITY ANALYSIS AND GAS SUPPLY PLANNING

Reserve Margins

On page 4 of the Staff Memorandum, Staff recommends the Company “continue to monitor its pipeline contracts and maintain an appropriate reserve margin for each service area.” The Company accepts this recommendation.

III. HEDGING

Staff recommends that EDG “continue to evaluate its hedging strategy in response to changing market dynamics as to how much the existing hedging strategy actually benefits its customers, while balancing market price risk.” Staff further recommends EDG continue evaluating appropriate volumes for each of the hedging instruments used. The Company agrees with these recommendations.

IV. EDG'S RESPONSE TO ACA ACCOUNT BALANCES

RECOMMENDED BY STAFF

At pages 6 and 7 of the Staff Memorandum, Staff recommends that the Commission issue an order requiring EDG to adjust the balances in its 2019-2020 ACA filing to reflect the ending (over)/under recovery balances for the ACA, TOP, TC, and refund accounts per the following table:

Description + Under-recovery (-) Over-recovery	8-31-20 Ending Balances Per Filing	Staff Adjustments For 2019-2020 ACA	8-31-20 Staff Recommended Ending Balances
South System: Firm ACA	(\$911,540)	\$0	(\$911,540)
Interruptible ACA	\$0	\$0	\$0
Take-or-Pay (TOP)	\$0	\$0	\$0
Transition Cost (TC)	\$0	\$0	\$0
Refund	\$0	\$0	\$0
North System: Firm ACA	(\$343,516)	\$3,000	(\$343,516)
Interruptible ACA	\$0	\$0	\$0
Take-or-Pay (TOP)	\$0	\$0	\$0
Transition Cost (TC)	\$0	\$0	\$0
Refund	\$0	\$0	\$0
Northwest System: Firm ACA	(\$105,833)	\$0	(\$105,833)
Interruptible ACA	\$0	\$0	\$0
Take-or-Pay (TOP)	\$0	\$0	\$0
Transition Cost (TC)	\$0	\$0	\$0
Refund	\$0	\$0	\$0

EDG accepts this recommendation.