

EDG’S RESPONSE TO STAFF TECHNICAL REPORT AND ANALYSIS

I. BILLED REVENUE AND ACTUAL GAS COSTS

EDG agrees with Staff’s recommended adjustment for the North System to correct an understatement of purchased gas costs in the amount of \$3,000.00 and with Staff’s recommended adjustment for the Northwest System to correct an overstatement of storage transportation costs in the amount of \$945.32, as found and agreed to in the prior Case No. GR-2019-0124.

II. RELIABILITY ANALYSIS AND GAS SUPPLY PLANNING

Storage Planning.

EDG agrees with Staff that storage plans must allow for flexibility in responding to the possibility of warmer than expected weather. The Company targets 90% full on Southern Star and agrees with Staff that we were above target. We accept the recommendation to continue to monitor our October planned balances to accommodate a potential warmer fall or winter than projected. Staff’s memorandum also references the target for ANR and PEPL at ** [REDACTED]

[REDACTED]

[REDACTED]

** allowing needed flexibility if we experience a warmer than average November,

Other than this clarification for ANR and PEPL, the Company agrees with Staff’s recommendation and agrees to continue monitoring October ending storage balances.

Reserve Margins

On page 5 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 the appropriate volumes associated with various hedging instruments going forward. The Company agrees with this recommendation.

IV. RESPONSE TO ACA ACCOUNT BALANCES RECOMMENDED BY STAFF

At pages 6 of 7 of the Staff Memorandum, Staff recommends that the Commission issue an order requiring EDG to adjust the balances in its 2018-2019 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	8-31-19 Ending Balances Per Filing	Staff Adjustments For 2018-2019 ACA	8-31-19 Staff Recommended Ending Balances
South System: Firm ACA	(\$1,052,608)	\$0	(\$1,052,608)
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	(\$119,501)	\$3,000	(\$116,501)
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	\$102,536	(\$945)	\$101,591
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.