

Staff Cross Ex 2

ICC DOCKET #06-0744
CONSUMERS GAS COMPANY
J. GLENN ROBINSON, V.P
(812) 477-9030
consumersgasco@yahoo.com

OFFICIAL FILE

ILL. C. C. DOCKET NO. 06-0744

ICC Staff Cross Exhibit No. 2

Witness _____

Date 6-23-10 Reporter CB

POL 4.1 In Mr. Robinson's surrebuttal testimony, he states at page 10 that, "It seems to me that since Egyptian and Consumers have an affiliated interest, (S)staff feels that Egyptian is attempting to make a profit at Consumers(' expense. This is not true as Consumers gets preferences over all of Egyptian's transactions." Please state and explain every specific instance of a 'preference' that Egyptian granted Consumers during the reconciliation period and for the previous five years. For every 'preference' claimed, provide the value that that 'preference' provided, along with all supporting workpapers and documents.

Company's response:

Enclosed are the 2006 Egyptian transactions for the reconciliation period. Along with this information it should be noted that previous years PGA reconciliations, which were approved by staff, had Egyptian/Consumers transactions showing the same information. In every transaction which Consumers entered into with Egyptian the Gas Storage Agreement (GSA) was followed thus in every case Consumers saved at least \$.05/MMBtu as compared to other suppliers and NYMEX future prices which is considered. Specifically, the GSA state that,

Gas will be priced \$0.05/MMBTU less than the gas purchased from Buyer's primary gas source, J.D.Woodward Marketing or other gas Supplier, Plus the transportation charges equal to the amount charged by TETCO to transport gas to the delivery point.

Again, this is critical for C. A. Robinson as President of Consumers Gas, or for that matter any future President of Consumers Gas, to have this as the check and balance system between Consumers and Egyptian. The affiliated interest Consumers has with Egyptian and their gas sales agreement is the tool or contract which does not allow Egyptian to make unreasonable profits off Consumers Gas. This GSA, as C. A. Robinson's testimony says at page 10, that "It seems to me that since Egyptian and Consumers have an affiliated interest, staff feels that Egyptian is attempting to make a profit at Consumers expense. This is not true as Consumers gets preferences over all Egyptian's transaction."

In summary, C.A. has the knowledge from both Consumers and Egyptian, as their President, to save money for the Consumers rate payer. In all

cases when using this GSA, C.A. Robinson can use Egyptian for the lowest price gas or he can elect to use an alternate source such as UGM, thus not using Egyptian, and then get the best priced gas for Consumers customers. This GSA is a benefit to Consumers rate payers, and with the best information at the time of hedging allows Consumers to save it's ratepayers money. It is unfortunate that the hedged price of gas prior to December 2006 was not a benefit to Consumers. C.A. Robinson testimony states on page 5, line 135-127 "The hedging cost Consumers as the gas prices fell from December 2006 through March 2007. The intent of the hedging was to reduce Consumers' gas costs."

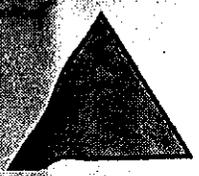
Then again as C.A. states on page 6, line 148-154 "The fact that hedging resulted in losses is hindsight, as the intent was to keep gas prices lower during the winter months. This did not happen in 2006/2007. If gas prices had increased during the hedging period Consumers would have been the beneficiary and Consumers would not be required to pay Egyptian any additional monies. There is always a risk in hedging gas and Consumers lost on the Egyptian hedges and any other company that would have hedged gas with Consumers.

Pol. 4.1
02.0744

EGYPTIAN GAS STORAGE CORPORATION

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EVANSVILLE, INDIANA 47716
FAX (812) 477-1377

TOLL FREE (800) 544-4609
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RIDGEWAY, IL (618) 272-5681



GAS STORAGE RESERVOIRS
MILLS RESERVOIR - GALLATIN COUNTY ILLINOIS

February 2, 2006

Consumers Gas Company
P.O. Box 5269
Evansville, IN

STATEMENT NO. 435

JANUARY 2006 GAS SALES

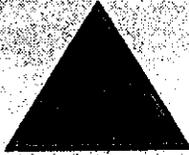
Lateral Line ----- 3,493 DTH @ \$12.26 \$ 42,824.18
(\$11.43 - .05 + .25 trans + .63 fuel charge)

TOTAL AMOUNT DUE.....\$ 42,824.18

2006-110

Thank You!

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GAS STORAGE RESERVOIRS
MILLS RESERVOIR - GALLATIN COUNTY ILLINOIS

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March 3, 2006

Consumers Gas Company
P.O. Box 5269
Evansville, IN

STATEMENT NO. 437

FEBRUARY 2006 GAS SALES

Lateral Line ----- 3,723 DTH @ \$9.13..... \$ 33,990.98 804-140
(\$8.40 - .05 + .25 trans + .53 fuel charge)

TOTAL AMOUNT DUE.....\$ 33,990.98

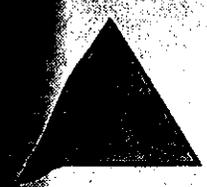
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Thank You!

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GAS STORAGE RESERVOIRS
MILES RESERVOIR - GALLATIN COUNTY ILLINOIS

April 3, 2006

Consumers Gas Company
P.O. Box 5269
Evansville, IN

STATEMENT NO. 439

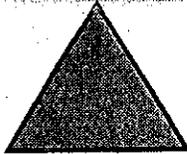
MARCH 2006 GAS BILLING

1.	<u>Gas Storage</u>	\$12,340.96	826
2.	<u>Pipeline - New Haven & Cottonwood</u>		
	Demand 300 DTH \$2.50/DTH	\$ 750.00	
	Transportation 2,443 DTH x \$0.15/DTH	\$ 366.45	
		\$ 1,116.45	858 T

TOTAL AMOUNT DUE.....\$13,457.41

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GAS STORAGE RESERVOIRS
MILLS RESERVOIR - GALLATIN COUNTY ILLINOIS

May 2, 2006

Consumers Gas Company
P.O. Box 5269
Evansville, IN

STATEMENT NO. 440

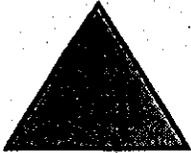
APRIL 2006 GAS BILLING

1.	<u>Gas Storage</u>	\$11,464.58	322
2.	<u>Pipeline - New Haven & Cottonwood</u>		
	Demand 300 DTH \$2.50/DTH	\$ 750.00	
	Transportation 850 DTH x \$0.15/DTH	\$ <u>127.50</u>	
		\$ 877.50	877.50

TOTAL AMOUNT DUE.....\$12,342.06

Thank You!

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GAS STORAGE RESERVOIRS
MILLS RESERVOIR - GALLATIN COUNTY ILLINOIS

June 1, 2006

Consumers Gas Company
P.O. Box 5269
Evansville, IN

STATEMENT NO. 441

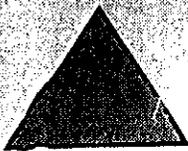
MAY 2006 GAS BILLING

1.	<u>Gas Storage</u>	\$14,072.54	<i>401-826</i>
2.	<u>Pipeline - New Haven & Cottonwood</u>		
	Demand 300 DTH \$2.50/DTH	\$ 750.00	
	Transportation 602 DTH x \$0.15/DTH	\$ 90.30	
		\$ 840.30	

TOTAL AMOUNT DUE.....\$14,912.84 *401-858-T*

Thank You!

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GAS STORAGE RESERVOIRS
MILLS RESERVOIR - GALLATIN COUNTY ILLINOIS

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June 14, 2006

11140
Consumers Gas Company

#442

Storage Gas for May 2006

31,000 DTH x (1.026 fuel charge) x (\$7.20 - .05) =	\$227,413.00
Less Partial Payment-----	-\$200,000.00
	=====

Total Payment Due \$ 27,413

NOTE: Consumer Gas paid transportation charge

Thank You!

227,413.00 - 31,000 = 219,251.84

*Bill 5/16 for 219,251.84
2,161.16 2/16*

31,000 dth x (1.028 fuel charge) x 6.88 = 219,251.84

*6.82 gas price
+.06 m gas fee

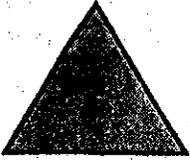
6.88*

POSTED

*227,413.00
4,916.86 Jan 2006

232,329.86*

7/14/06



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GAS STORAGE RESERVOIRS
MILLS RESERVOIR - GALLATIN COUNTY ILLINOIS

July 5, 2006

11140
Consumers Gas Company

2nd REVISION
#443

Storage Gas for June 2006

30,000 DTH x (1.028 fuel charge) x (\$6.34 - .05) = \$193,903.60
=====

Total Payment Due \$193,903.60

+ 4,907.69 *transport*

198,811.29

NOTE: Consumer Gas paid transportation charge

Thank You!

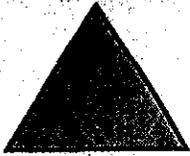
804-140

*30,000 dth x (1.028 fuel charge) x \$6.34 = 195,525.60
(1,622.00)*

*+ 6.28 gas cost
+ 0.06 mgas fee

6.34*

REC-111



EGYPTIAN GAS STORAGE CORPORATION

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GAS STORAGE RESERVOIRS
MILLS RESERVOIR - GALLATIN COUNTY ILLINOIS

August 1, 2006

Consumers Gas Company
P.O. Box 5269
Evansville, IN

STATEMENT NO. 445

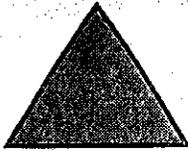
JULY 2006 GAS BILLING

1.	<u>Gas Storage</u>	\$14,504.52	401-826
2.	<u>Pipeline - New Haven & Cottonwood</u>		
	Demand 300 DTH \$2.50/DTH	\$ 750.00	
	Transportation 343 DTH x \$0.15/DTH	\$ 51.45	
		\$ 801.45	401-8587

TOTAL AMOUNT DUE.....\$15,305.97

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GAS STORAGE RESERVOIRS
MILLS RESERVOIR - GALLATIN COUNTY ILLINOIS

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September 1, 2006

Consumers Gas Company
P.O. Box 5269
Evansville, IN

STATEMENT NO. 446

AUGUST 2006 GAS BILLING

1.	<u>Gas Storage</u>	\$14,112.20	826
2.	<u>Pipeline - New Haven & Cottonwood</u>		
	Demand 300 DTH \$2.50/DTH	\$ 750.00	
	Transportation 354 DTH x \$0.15/DTH	\$ <u>53.10</u>	
		\$ 803.10	858-7

TOTAL AMOUNT DUE.....\$14,915.30

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EGYPTIAN GAS STORAGE CORPORATION

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GAS STORAGE RESERVOIRS
MILLS RESERVOIR • GALLATIN COUNTY ILLINOIS

October 3, 2006

Consumers Gas Company
P.O. Box 5269
Evansville, IN

STATEMENT NO. 447

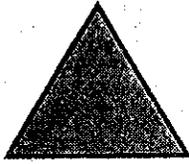
SEPTEMBER 2006 GAS BILLING

1.	<u>Gas Storage</u>	\$11,905.92	<i>401-826</i>
2.	<u>Pipeline – New Haven & Cottonwood</u>		
	Demand 300 DTH \$2.50/DTH	\$ 750.00	
	Transportation 2128 DTH x \$0.15/DTH	\$ 319.20	
		\$ 1,069.20	<i>858-T</i>

TOTAL AMOUNT DUE.....\$12,975.12

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GAS STORAGE RESERVOIRS
MILLS RESERVOIR - GALLATIN COUNTY ILLINOIS

November 1, 2006

Consumers Gas Company
P.O. Box 5269
Evansville, IN

STATEMENT NO. 448

OCTOBER 2006 GAS BILLING

1.	<u>Gas Storage</u>	\$11,851.43	826
2.	<u>Pipeline -- New Haven & Cottonwood</u>		
	Demand 300 DTH \$2.50/DTH	\$ 750.00	
	Transportation 1759 DTH x \$0.15/DTH	\$ 263.85	
		\$ 1,013.85	858 T

TOTAL AMOUNT DUE.....\$12,865.28

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GAS STORAGE RESERVOIRS
MILLS RESERVOIR - GALLATIN COUNTY ILLINOIS

December 5, 2006

Consumers Gas Company
P.O. Box 5269
Evansville, IN

STATEMENT NO. 449

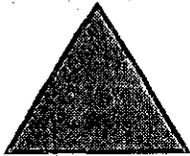
NOVEMBER 2006 GAS BILLING

1.	<u>Gas Storage</u>	\$11,881.18	828 828
2.	<u>Pipeline - New Haven & Cottonwood</u>		
	Demand 300 DTH \$2.50/DTH	\$ 750.00	
	Transportation 2,285 DTH x \$0.15/DTH	\$ <u>342.75</u>	
		\$ 1,092.75	858 858

TOTAL AMOUNT DUE.....\$12,973.93

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GAS STORAGE RESERVOIRS
MILLS RESERVOIR - GALLATIN COUNTY ILLINOIS

January 2, 2007

Consumers Gas Company
P.O. Box 5269
Evansville, IN

STATEMENT NO. 451

DECEMBER 2006 GAS SALES

Carmi, Omaha & Lateral Line - 31,000 DTH @ \$11.86 \$367,660.00
(\$11.06 - .05 + .24 trans + .61 fuel charge)

804-140

TOTAL AMOUNT DUE...\$367,660.00

Thank You!

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