

ICC Docket No. 11-0280
North Shore Gas Company's Response to
Staff Data Requests DAS 9.01-9.19
Dated: August 3, 2011

REQUEST NO. DAS 9.17:

With regard to Mr. Connery's statement that "the Utilities believe that the few months of balances which fall above the proposed ranges show that the LVT group utilized storage capacity paid for and belonging to sales customers. If economics drove the LVT balances (which would be fully inclusive of all diversity) to those levels then sales customers suffered economic harm due to the unavailability of that space." (NS-PGL Ex. 30.0, p. 16)

- a. For the other months in this time period, is it the Companies position that sales customers are not being economically harmed?
- b. For those months where the net usage of transportation customers is less than the maximum, are sales customers economically advantaged by having access to more than their proportional share of the storage if the price is relatively low?
- c. For those "few months of balances which fall above the proposed ranges" for Peoples Gas, are North Shore customers economically advantaged by having access to more than their proportional share of the storage if the price is relatively low?
- d. Provide the daily injections for each Company during these "few months" as a percentage of total possible injections into each storage asset.
- e. Could a single spring target accomplish the same goal as the fall target?
- f. If so, what would that spring target need to be?

RESPONSE:

- a. Yes
- b.-c. Please see the response to Staff data request DAS 9.16(c).
- d. Please see the response to Staff data request DAS 10.02.
- e. Yes, it would be helpful. However, like Nicor Gas' storage withdrawal factor, it would also fall short of the goal of the month-end ranges—which is to provide for an equitable allocation of storage year-round. See NS-PGL Ex. 30.0, 14:308 – 15:322.
- f. See the response to subpart (e) of this data request. Notwithstanding the Utilities' opposition to this approach, if the Commission were to impose only a spring inventory requirement in addition to the existing winter requirement, it should be that the Allowable Bank inventory may not exceed 56% for North Shore or 37% for Peoples Gas of capacity on March 31.

OFFICIAL FILE

I.C.C. DOCKET NO. 11-0280-0881

ICC Staff Cross Exhibit No. 10

Witness Connery

Date 9/11 Reporter AS

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SUPPLEMENTAL RESPONSE:

b. Possibly, but not necessarily. The question assumes that sales customers would use more than their allocated share of storage but, that is not necessarily the case. The relatively low price may remain an unattractive investment if the forward curve is flat or downward sloping (backwardated). Also see the response to Staff data request DAS 9.16 regarding concerns about net activity.

c. No. North Shore manages its storage balances independent from the Peoples Gas storage balances.