
FGA-NGTL-001(a)

Issue:

Fuel Policy

Reference:

Section 4.0, Evaluation of Fuel Policy

Request:

Please discuss how NGTL determines system fuel requirements on an annual basis. Please confirm whether it is based on the difference between gross receipts and gross deliveries.

Response:

NGTL interprets the questions as asking how Gas Used is forecasted on an annual basis. Gas Used is the volume of gas used in the operation, maintenance and construction of facilities. It is forecasted, on an annual basis, by applying recently observed usage ratios to forecasted gross receipts.

FGA-NGTL-001(b)

Issue:

Fuel Policy

Reference:

Section 4.0, Evaluation of Fuel Policy

Request:

Please provide a schedule identifying actual and forecast gross receipts for the years 2001, 2002, 2003 & 2004.

Response:

The table below shows the actual gross receipts for the years 2001, 2002 and 2003 and the forecasted gross receipts for 2004.

Year	Gross Receipts (Bcf/year)
2001	4,230
2002	4,144
2003	3,926
2004	3,851

FGA-NGTL-001(c)

Issue:

Fuel Policy

Reference:

Section 4.0, Evaluation of Fuel Policy

Request:

Please provide a schedule identifying actual and forecast gross deliveries for the years 2001, 2002, 2003 & 2004, also identifying gross deliveries to intra-Alberta and ex-Alberta delivery points for those years.

Response:

Please refer to the response to BR-NGTL-004.

FGA-NGTL-001(d)

Issue:

Fuel Policy

Reference:

Section 4.0, Evaluation of Fuel Policy

Request:

Please show the calculation of system fuel requirements for 2001, 2002, 2003 & 2004.

Response:

For the calculation of system fuel requirements please refer to the response to FGA-NGTL-001(a).

For the fuel percentage for the years 2001 – 2004 please refer to the response to AUMA/EDM/PICA-NGTL-011(c).

FGA-NGTL-001(e)

Issue:

Fuel Policy

Reference:

Section 4.0, Evaluation of Fuel Policy

Request:

Please discuss how the cost of system fuel is allocated among NGTL customers.

Response:

Fuel is supplied in kind by receipt shippers other than for FT-P service where the cost of fuel is included as part of the monthly charge.

FGA-NGTL-001(f)

Issue:

Fuel Policy

Reference:

Section 4.0, Evaluation of Fuel Policy

Request:

Please provide a schedule identifying how actual and forecast cost of system fuel was allocated among NGTL customers for the years 2001, 2002, 2003 & 2004. Please identify any difference in this regard between intra-Alberta and ex-Alberta customers.

Response:

In these years, the calculation for allocating fuel to NGTL customers is the same between intra-Alberta and ex-Alberta customers:

$$\frac{\text{Customer's total receipts (net of storage)}}{\text{Total system receipts (net of storage)}} \times \text{Usage Volume} = \text{Customer's Usage Volume}$$

FGA-NGTL-001(g)

Issue:

Fuel Policy

Reference:

Section 4.0, Evaluation of Fuel Policy

Request:

Please explain who is responsible for incurring system fuel costs.

Response:

Fuel is supplied in kind by receipt shippers (other than for FT-P service) and is required by all customers who transport gas.

FGA-NGTL-001(h)

Issue:

Fuel Policy

Reference:

Section 4.0, Evaluation of Fuel Policy

Request:

Is the cost of system fuel related to distance of haul? Please explain.

Response:

No. Please refer to the response to FGA-NGTL-001(f).

FGA-NGTL-001(i)

Issue:

Fuel Policy

Reference:

Section 4.0, Evaluation of Fuel Policy

Request:

Please provide a schedule identifying, on a total and percentage basis, actual and forecast gas on the NGTL system flowing to

- i) Alberta border delivery points; and
- ii) intra-Alberta customers

for the years 2001, 2002, 2003 & 2004.

Response:

Please refer to the response to BR-NGTL-004.

FGA-NGTL-001(j)

Issue:

Fuel Policy

Reference:

Section 4.0, Evaluation of Fuel Policy

Request:

Please provide a schedule identifying, on a total and percentage basis, the actual and forecast cost of system fuel allocated to

- i) Alberta border delivery points; and
- ii) intra-Alberta customers

for the years 2001, 2002, 2003 & 2004.

Response:

Fuel is taken in kind from receipt shippers with the exception of FT-P. There is no fuel allocated to delivery services.

NGTL cannot determine the actual cost of fuel, nor does it have an estimate of the cost of fuel.

FGA-NGTL-001(k)

Issue:

Fuel Policy

Reference:

Section 4.0, Evaluation of Fuel Policy

Request:

What actual and forecast fuel rates were charged to

- i) ex-Alberta customers
- ii) intra-Alberta customers

for the years 2001, 2002, 2003 & 2004?

Response:

Please refer to the responses to FGA-NGTL-001(g) and AUMA/EDM/PICA-NGTL-011(c).

FGA-NGTL-002(a)

Issue:

Board Direction re Fuel Costs

Reference:

Section 4.0, Evaluation of Fuel Policy
EUB Decision 2003-051, Appendix 5

The EUB states in Decision 2003-051, Appendix 5

“The Board directs NGTL to file a comprehensive Phase 2 GRA application that will also address/include the following items: ...

- NCG’s submission that intra-Alberta customers will continue to pay 100 per cent of fuel costs as long as 100 per cent of fuel is recovered at receipt points.”

Request:

Please provide all studies and analyses performed by or on behalf of NGTL to assess the above referenced submission by the NCG.

Response:

All information has been supplied in Section 4.0 of the Application.

FGA-NGTL-002(b)

Issue:

Board Direction re Fuel Costs

Reference:

Section 4.0, Evaluation of Fuel Policy
EUB Decision 2003-051, Appendix 5

The EUB states in Decision 2003-051, Appendix 5

“The Board directs NGTL to file a comprehensive Phase 2 GRA application that will also address/include the following items: ...

- NCG’s submission that intra-Alberta customers will continue to pay 100 per cent of fuel costs as long as 100 per cent of fuel is recovered at receipt points.”

Request:

If no studies or analyses have been performed, please explain the basis for NGTL’s assessment of this submission.

Response:

Please refer to the response to FGA-NGTL-002(a).

FGA-NGTL-002(c)

Issue:

Board Direction re Fuel Costs

Reference:

Section 4.0, Evaluation of Fuel Policy
EUB Decision 2003-051, Appendix 5

The EUB states in Decision 2003-051, Appendix 5

“The Board directs NGTL to file a comprehensive Phase 2 GRA application that will also address/include the following items: ...

- NCG’s submission that intra-Alberta customers will continue to pay 100 per cent of fuel costs as long as 100 per cent of fuel is recovered at receipt points.”

Request:

Does NGTL agree or disagree with the above NCG submission?

Response:

NGTL disagrees.

FGA-NGTL-002(d)

Issue:

Board Direction re Fuel Costs

Reference:

Section 4.0, Evaluation of Fuel Policy
EUB Decision 2003-051, Appendix 5

The EUB states in Decision 2003-051, Appendix 5

“The Board directs NGTL to file a comprehensive Phase 2 GRA application that will also address/include the following items: ...

- NCG’s submission that intra-Alberta customers will continue to pay 100 per cent of fuel costs as long as 100 per cent of fuel is recovered at receipt points.”

Request:

If NGTL disagrees, please explain which part or parts of the NCG submission NGTL disagrees with and why.

Response:

FT-P is designed to serve the intra-Alberta market. Shippers utilizing this service incur a monthly charge for fuel that is designed to be equivalent to 50% of the implicit cost of fuel that is supplied in kind by receipt shippers.

FGA-NGTL-003(a)

Issue:

Evaluation of Fuel Policy

Reference:

Section 4.0, p.3 of 3

NGTL states: “NGTL believes its current fuel policy continues to be appropriate. The current fuel policy has been in place since 1990 and has a long history of customer acceptance”

Request:

If NGTL’s current fuel policy has had a long history of customer acceptance, why did NGTL propose to reduce the fuel rate for FT-P shippers to 50% of the fuel rate for receipt services as part of the 2003 Tariff Settlement?

Response:

FT-P service was part of the package agreed to by stakeholders in the Alberta System 2003 Tariff Settlement.

FGA-NGTL-003(b)

Issue:

Evaluation of Fuel Policy

Reference:

Section 4.0, p.3 of 3

NGTL states: “NGTL believes its current fuel policy continues to be appropriate. The current fuel policy has been in place since 1990 and has a long history of customer acceptance”

Request:

Please explain why some intra-Alberta customers have been offered a reduced fuel rate, and others have not.

Response:

FT-P and FT-A are two service offerings available to deliver gas to intra-Alberta delivery stations. Customers have the ability to choose which one to utilize.

FGA-NGTL-003(c)

Issue:

Evaluation of Fuel Policy

Reference:

Section 4.0, p.3 of 3

NGTL states: “NGTL believes its current fuel policy continues to be appropriate. The current fuel policy has been in place since 1990 and has a long history of customer acceptance”

Request:

Please comment on how the ratemaking tenet of fairness factors into the response to b) above.

Response:

Please refer to the response to FGA-NGTL-003(b).

FGA-NGTL-004

Issue:

Distance of Haul Alternative 2, determines that, “excluding extraction facilities as intra-Alberta stations in the DOH calculation decreases the intra-Alberta DOH by approximately 150 km.” (Section 2.5.1, p.27 of 55)

Reference:

Section 2.4, Fairness and Equity
Section 2.5, Distance of Haul, Alternative 2

Request:

With such a substantial difference in distance of haul between extraction plants and other intra-Alberta customers, please explain how it is fair for the proposed distance of haul methodology to lump both groups of customers into the same calculation?

Response:

Please refer to the response to AUMA/EDM/PICA-NGTL-009(a).

FGA-NGTL-005

Reference:

Section 2.0, Appendix E, p.7 of 9

The Calculation of the FT-A rate uses “the average commodity volume at all meter stations on the Alberta system” of 23,696,172 Mcf/day.

Reference: Phase 1 2004 GRA,
Response to FGA-NGTL-003(d) Forecast FT-A volume for 2004 is 29,480
 $10^3\text{m}^3/\text{day}$ or about 1,041,076.4 Mcf/day.

Request:

Please provide a volume breakdown by rate class of the approximately 22,655,096 Mcf/day that makes up the difference between the 23,696,172 Mcf/day volume used to calculate the FT-A rate and the forecast 2004 FT-A volumes of 1,041,076 Mcf/day.

Response:

The volumes in Section 2.0, Appendix E, page 7 of 9, are 2002 actual metered volumes and include receipt, intra-Alberta and border delivery, storage and extraction volumes. These volumes cannot be equated to 2004 forecasted volumes.