

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities

DG 15-494

Petition for Approval of Tennessee Gas Pipeline Company, LLC Supply Path Precedent Agreement

Staff Data Requests - Set 2

Date Request Received: 2/18/16
Request No. Staff 2-4

Date of Response: 3/3/16
Respondent: Francisco C. DaFonte

REQUEST:

Ref. DaFonte Testimony, Bates p. 27 lines 7-15, Table 3, and table 2. Please provide the resource mix optimization (table 3 format) with a -25% change, and a -50% change, in price multipliers (see below).

KMHT HDDs	Avg. IROZ2/Wright Price Multiplier (Table 2)	(-)25% change in Multiplier	(-)50% change in Multiplier
60 - 64	5.1	3.8	2.6
50 - 59	4.0	3.0	2.0
40 - 49	2.6	1.9	1.3
30 - 39	1.3		
20 - 29	1.1		

RESPONSE:

Please see Table Staff 2-4 below, Confidential Attachment Staff 2-4.1 and Confidential Attachment Staff 2-4.2. The confidential information contained in Attachments Staff 2-4.1 and 2-4.2 is addressed in the Company's December 8, 2015, Motion for Protective Order and Confidential Treatment.

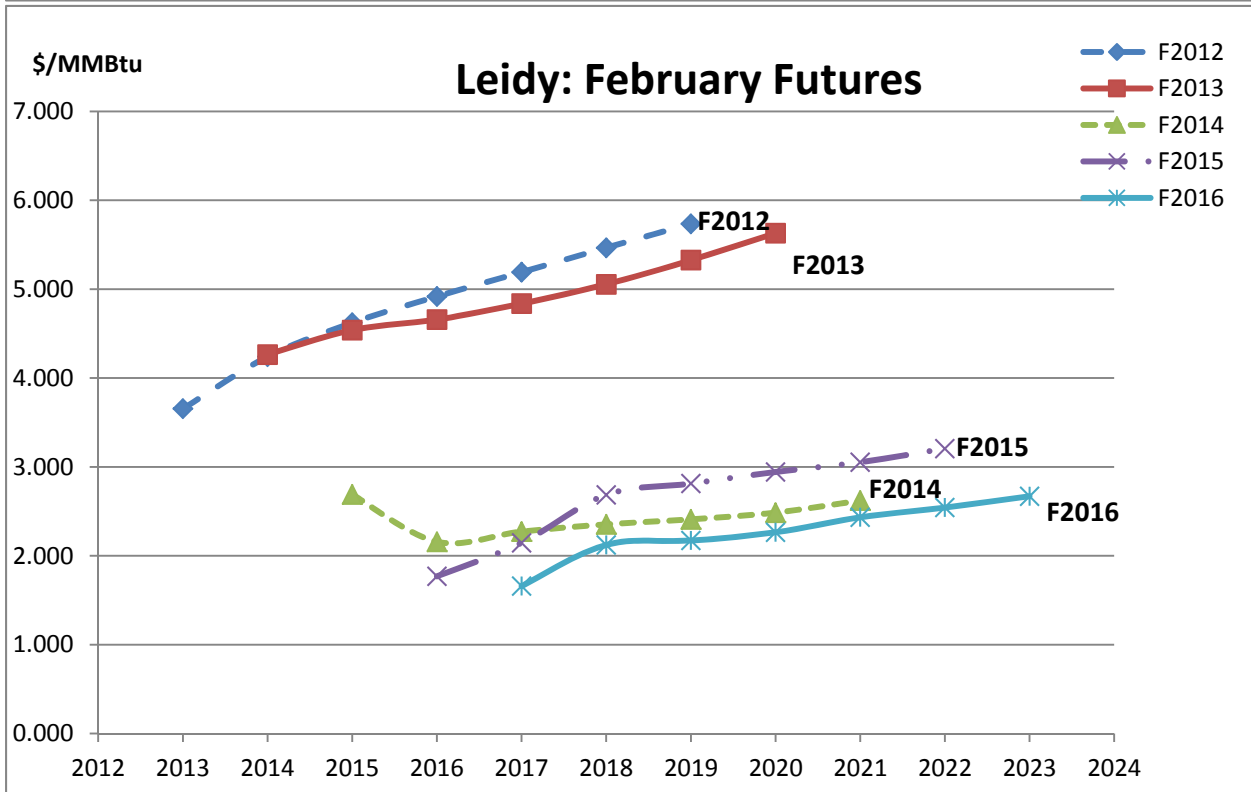
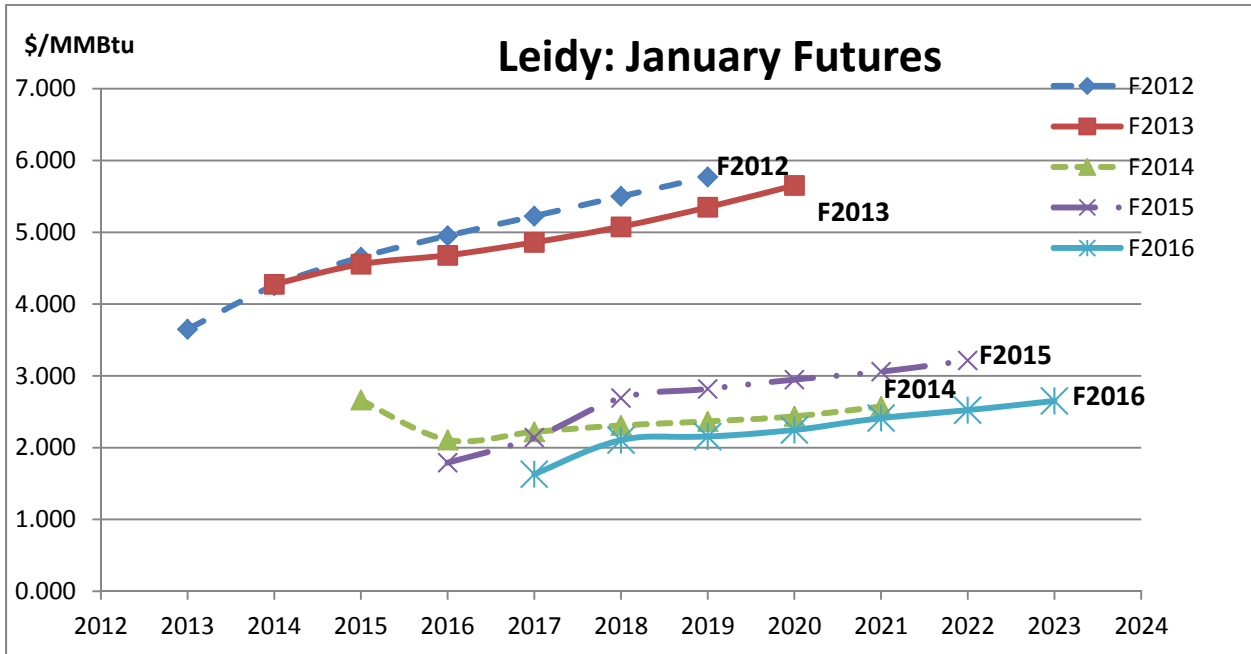
It is important to note that even under an extreme scenario in which the multipliers are reduced by half, the Resource Mix optimization continues to select a meaningful NED Supply Path volume. Similarly, a still significant 25% reduction in the multipliers results in an optimal NED Supply Path volume very close to the volume for which the Company is seeking approval in this docket.

Table Staff 2-4:

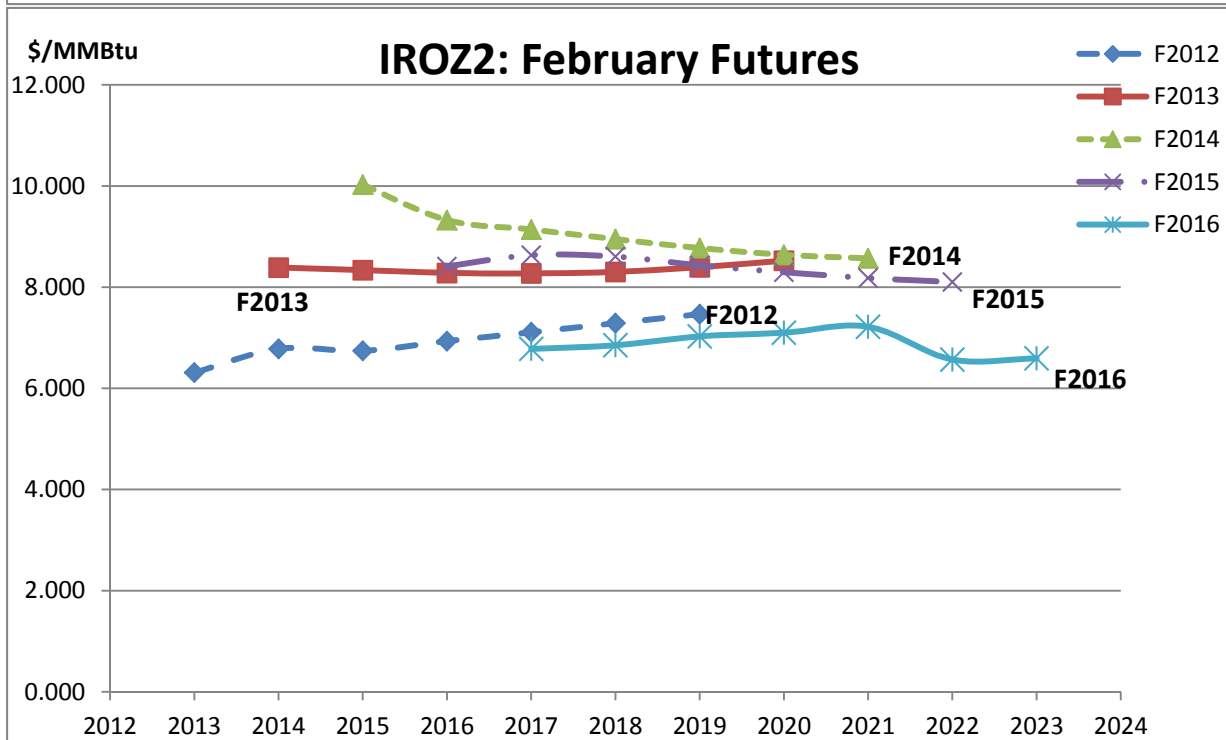
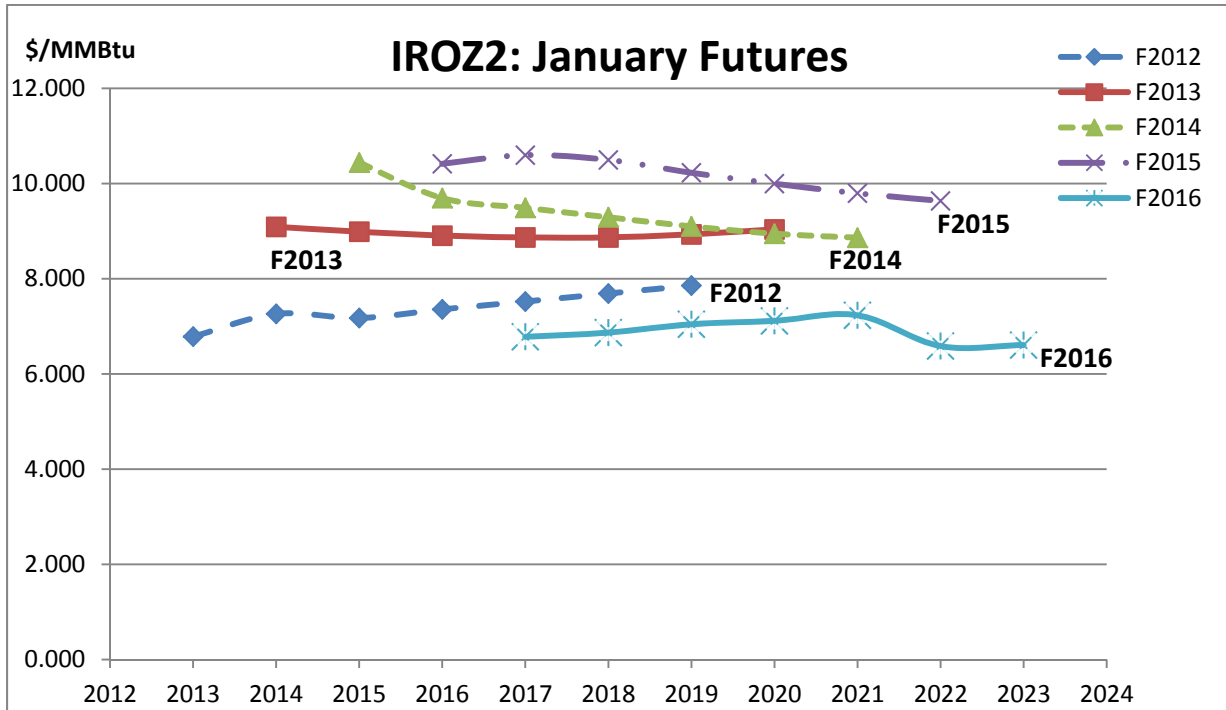
Scenario #	Attachment Reference	Supply Path Volume (Dth/Day)	Total Portfolio Costs (\$000)	Capacity Release (\$000)	Net Costs (\$000)
Staff 2-4 - 25% Multiplier Reduction	Attachment Staff 2-4.1	73,180	\$3,744,324	\$160,131	\$3,584,193
Staff 2-4 - 50% Multiplier Reduction	Attachment Staff 2-4.2	60,000	\$3,699,075	\$147,219	\$3,551,856

Additionally, it is important to recognize that a symmetrical analysis (i.e., increasing the multiplier by 25% and 50%) would similarly increase the optimal NED Supply Path volume selected by the Resource Mix Optimization.

Attachment 2: January and February Futures for Leidy and IROZ2¹



¹ Since the latest futures (F2016) were extracted from SNL on March 8, 2016, the dates for the other futures were chosen to be around the same time of the year for F2012, F2013, F2014, and F2015 (recognizing that the markets remain closed on weekend days). The futures for 2012, 2013, 2014, and 2015 are based on market activity on 03/12/2012, 03/11/2013, 03/10/2014 and 03/09/2015, respectively.



Attachment 3:

Futures' Prices (July 2015 & March 2016) for Niagara, Dawn, PNGTS and Henry Hub

