

REFERENCE:

PUB/Centra S-1 – Allocation of Storage Costs.

PREAMBLE TO IR (IF ANY):

In the response to PUB/Centra S-1(c), Centra states: “In turn, storage capacity is driven by seasonal volume requirements (i.e., customer demand over the entirety of winter). Daily storage deliverability and winter transportation play an important role in serving a range of daily customer demand in winter but Centra’s maximum daily withdrawal quantity (“MDWQ”) from storage [REDACTED]

1c

[REDACTED] Accordingly, the ANR/GLGT/STS portfolio contributes to meeting Centra’s peak day requirements, [REDACTED] and the cost of the portfolio is not driven by a limited number of key supply days (as suggested by Mr. Bowman’s evidence1).”

1c

QUESTION:

Considering year-round pipeline capacity, which is also [REDACTED] is allocated on the basis of Coincident Peak, please explain what distinguishes the treatment of storage costs related to meeting the peak day (i.e. daily storage deliverability and winter transportation) with the treatment of year-round pipeline costs such that different allocators are appropriate.

1c

RESPONSE:

In isolation, all of Centra’s upstream transportation capacity resources are [REDACTED] Centra’s proposal reflects the greater consideration given to seasonal (winter) volume requirements when planning the storage portfolio as compared to planning the year-round pipeline capacity. The storage portfolio includes storage deliverability and winter transportation, which are critical components in meeting winter

1c

season volume requirements. Accordingly, the storage portfolio is aligned with WINTEXC, which allocates these costs to customer classes that have pronounced seasonal heating requirements.