

## **Eastern Gas Transmission and Storage (EGTS) Storage Management FAQs**

**Q1: Is there any charge if I transport to inject gas into someone else's storage account?**

A1: Yes. You will be charged the transportation usage rate and the transportation fuel retention.

**Q2: Is there any charge if I transport to inject into my storage account?**

A2: If you use your own firm transportation contract (business entities must match on the transport and storage contracts), the firm transportation usage and fuel retention are not applicable. Interruptible contracts that are used to inject into storage will be charged the interruptible rate and fuel retention.

**Q3: When I nominate storage injections, can I nominate to a specific EGTS storage pool?**

A3: No. EGTS operates its storage pools on an integrated basis, so nominations to individual EGTS storage pools are not accepted. However, there are instances where customers will only transport on EGTS for injection or withdrawal into storage facilities operated by third parties that are directly connected to EGTS. Examples include Steuben Storage, Tioga Storage and Seneca Storage. In these cases, customers should nominate using the specific meters that are assigned to the point of interconnection with the third party storage facilities.

**Q4: What is meant by “Monthly Withdrawal Limit?”**

A4: The Monthly Withdrawal Limit is the total storage withdrawal quantity that EGTS is obligated to deliver to the customer during any given winter month, and is based on a percentage of the daily storage withdrawal entitlement (MSWQ). Customers should refer to the "Quick Reference Guide for Storage Monitoring" (Quick Reference Guide) that EGTS provides for examples on how this quantity is calculated. You can find the Quick Reference Guide under “Documentation” on the info posting website.

**Q5: Where can I find the “Monthly Withdrawal Limit”?**

A5: The Monthly Withdrawal Limit quantity is posted in Dekaflow under Flowing Gas / Storage Detail, under the column heading “Monthly Withdrawal Limit.” The quantity shown is the end of the day remaining quantity that EGTS is obligated to deliver to the customer for the remaining days of the current month, notwithstanding any approved From Customer Balance activity for month.

**Q6: What is Minimum Turnover Obligation (MTO)?**

A6: To protect the integrity of its storage fields, EGTS requires that all storage customers turn (withdraw) a portion of their storage inventory between November 1 and April 15 of each year. Only physical withdrawals and certain transfers of the MTO count toward meeting this obligation. The methodology that EGTS uses to calculate this obligation is explained in the Quick Reference Guide. Please refer to Section 34 of the GT&C of EGTS's FERC Gas Tariff for an explanation of inventory transfers and the MTO.

**Q7: Where can I find my MTO quantity?**

A7: Dekaflow provides a MTO screen that shows (1) the Beginning Inventory (inventory on November 1 of each year), upon which the must turn obligation is calculated; (2) the Starting Obligation, which is the calculated quantity that must be withdrawn during the upcoming winter period; (3) the Current Obligation, which is the Starting Obligation plus or minus any transfers of MTO to other customers; and (4) the Remaining Obligation.

This screen can be found in Dekaflow under Flowing Gas / Minimum Turnover Obligation. Any quantity shown in the Remaining Obligation field is the quantity which the customer is required to withdraw from storage by April 15. After April 15, any quantity greater than zero appearing in the Remaining Obligation field is the quantity that was not withdrawn during the winter period and is the quantity upon which the MTO charge will be assessed.

**Q8: Will an inventory transfer of physical storage inventory help me reach my MTO volume?**

A8: Yes, if you can transfer your MTO via the Inventory Transfer functionality in Dekaflow, either with or without a transfer of physical inventory. Please refer to Section 34 of the GT&C of EGTS's FERC Gas Tariff for an explanation of inventory transfers and the MTO.

**Q9: What is the charge for not meeting the MTO?**

A9: For any quantity that is not withdrawn as required, the charge is two times the current injection fuel rate. This amount of gas will be deducted from the customer's storage balance on May 31. If there is insufficient quantity in inventory, EGTS will collect this charge in cash consistent with Section 35 of the GT&C of EGTS's FERC Gas Tariff.

**Q10: Will EGTS allow me to inject in the winter period?**

A10: Customers may inject into storage during the winter period subject to the daily limitations described in the Quick Reference Guide. EGTS may also make a posting indicating if there are any limitations on winter period injections. Additionally, winter injection quantities may not be available for withdrawal until after completion of the winter period. See FAQ No. 11, below, for more information.

**Q11: Are winter injection quantities available for withdrawal during the current winter period?**

A11: Customers are advised that injections may not always be available for withdrawal during the winter period due to operating conditions. If winter-injected quantities become unavailable for withdrawal during the same winter period, EGTS will make a posting to that effect. Customers may only nominate withdrawals of winter-injected inventory consistent with the terms of the posted notice.

**Q12: Where can I find my Maximum Storage Injection Quantity, Maximum Storage Withdrawal Quantity or my most recent inventory level?**

A12: These contract entitlements and inventory details can be found in Dekaflow under Flowing Gas / Storage Detail. If you cannot find the information for your storage account, please contact your Customer Transportation Representative.

**Q13: How do I request a transfer of storage entitlements?**

A13: Customers must contact their Customer Transportation Representative via email 24 hours prior to the start of the gas day when you would like the transfer to occur and provide a completed Inventory Transfer Request form. Forms may be obtained from your Customer Transportation Representative.

**Q14: How do I request an inventory transfer?**

A14: All requests for inventory transfers should be made via a completed Inventory Transfer Request form 24 hours in advance for the start of gas day during the summer period and 48 hours in advance of the start of gas day during the winter period. The form should be provided to the Customer Transportation Representative via email. Requests are irrevocable and must be without conditions. The receiving customer must approve the acceptance of the inventory transfer. Further, EGTS must approve the inventory transfer to ensure it will not impair operations or firm service obligations, and to ensure sufficient customer inventory exists to complete the transfer or the request will be rejected.

**Q15: I notice my FTNNGSS/FTGSS contract and my GSS contract agreement have the same maximum daily entitlement. Can I utilize my MSWQ when fuel is retained on the transportation from storage?**

A15: On a limited basis, customers may request additional withdrawals in the amount of retained transportation fuel. EGTS will review the request to determine if operating conditions permit. If approved, these quantities are counted against customers Monthly Withdrawal Limit.

**Q16: Will a transfer of physical inventory pull me out of a ratchet?**

A16: No. EGTS's tariff does not allow a customer to greater withdrawal entitlements because of inventory transfers. Additionally, EGTS has designed its services so that it is able to meet all firm obligations on an aggregated basis. Limits on each customer's service entitlement, such as the withdrawal ratchets, are an important means to ensure that EGTS can meet customer obligations even though deliverability declines through the winter season as inventory is pulled from the pools. While an inventory transfer may move gas from one account to another, it does not add any physical inventory to the EGTS storage pools so it does not create the ability to relieve customers from ratchets.

**Q17: What is difference between Storage Balance and Ratchet Storage Balance?**

A17: Ratchet Storage Balance excludes winter time injections (See FAQ No. 11) and inventory transfers (See FAQ No. 16) that would increase pipeline's remaining winter time storage obligation to deliver.

**Q18: How do I nominate an Authorized Over Injection Overrun?**

A18: Subject to availability/approval in FAQ no. 19, nomination will be made on storage contract with a Transaction Type (TT) of 12.

**Q19: How do I request the right to exceed my MSIQ?**

A19: Over injections must be requested and are handled on an individual basis, subject to daily operating conditions. Over injection requests should also comply with Section 7.4.B. of Rate Schedule GSS.

**Q20: If I obtain a capacity release of storage from a customer, must I also obtain a release of transportation from that same customer?**

A20: No. However, if the firm transportation and storage agreements used to inject into storage are not in the same customer name, you will be charged the applicable transportation usage rate and transportation fuel retention.

**Q21: Is there any cost associated with an inventory transfer of physical inventory?**

A21: Most inventory transfer requests are simply a request to change the accounting ownership of the inventory, and are not subject to a charge. However, on certain occasions, additional charges may be applicable depending on whether the transfer is to/from a third-party's capacity in certain facilities owned jointly with EGTS and, although rare, the terms under the individual storage contracts.

**Q22: Why should I request and have finalized an inventory transfer for an injection into my storage account, prior to either requesting an inventory transfer for a withdrawal or trying to nominate a withdrawal from storage?**

A22: During the final stages of approval of a transfer request, Dekaflo verifies that enough inventory exists in the storage account to cover the quantity to be transferred out. The transfer request will be automatically disallowed if the account inventory is less than the requested withdrawal amount. If the inventory transfer has not yet been finalized, then Dekaflo will not include that amount in the calculation. This also applies to the daily MSWQ calculation.

**Q23: What is included in projected Storage Detail calculations?**

A23: Nominated storage injections and storage withdrawals only.

**Q24: As a GSS customer, do I have to nominate on both my transportation and storage contracts?**

A24: Yes, GSS customers must nominate daily activities on a transportation contract and on their storage contract subject to their respective MSIQ and MSWQ on that storage contract.