

P.S.C.U. Docket No. 19-057-13
Data Request No. 3.19
Requested by Division of Public Utilities
Date of DEU Response July 19, 2019

DPU 3.19: Please provide revised calculations to DPU DR 1.04 to calculate the per Dth cost of natural gas withdrawn from the LNG facility assuming that the facility is filled to capacity in year 1 and only 30% is withdrawn.

Answer: The original response to DPU 1.04 incorrectly assumed that all O&M costs would be associated with the cost of the gas at the facility. As discussed in DPU 3.11, only the cost of liquefaction, vaporization and carrying costs would be associated with the cost of gas. DPU 1.04U is an update that provides the calculation with just the variable liquefaction, vaporization and carrying costs. As the price of liquefaction and vaporization are variable the cost per Dth would not change based on how much gas is injected or withdrawn from the facility. The cost per Dth is calculated as follows:

The carrying costs would be based upon an annual carrying cost of 9.33%. So for example, a Dth of gas with a value of \$3.98 would cost \$0.37 per year in carrying charges.

The cost of liquefaction is \$1.42/Dth

The cost of vaporization would be about \$0.12/Dth

The total cost would be the gas cost of \$3.98 plus the O&M for liquefying and vaporizing of \$1.54 plus the carrying charge of \$0.37 for a total cost of \$5.89/Dth.

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