

1 **REFERENCE:**

2 Pre-filed Testimony of Troy Brown, Q&A 13, sentence 1, PDF pages 6 of 8 evidence of
3 Gil Labonte, page 4 of 9, paragraph 8, line 1

4 **PREAMBLE:**

5 In reference i) Troy Brown references “Koch”, Centra seeks to understand the entity to
6 which Mr. Brown is referring.

7 **QUESTION:**

8 Please clarify whether “Koch” in this case means the Brandon plant or KCES or both. If
9 the plant receives this information, does the plant share it with KCES?

10 **ANSWER:**

11 The referenced “Koch” refers to KCES and the plant. The plant shares information with
12 KCES so KCES can effectively manage gas supply for the plant.

1 **REFERENCE:**

2 Pre-filed Testimony of Troy Brown, Q&A 15, PDF pages 6-7 of 8

3 **PREAMBLE:**

4 In reference i) Troy Brown states that "... KCES looks for alternative markets on upstream
5 pipelines or storage assets. Commonly, KCES will contract with an upstream pipeline for
6 services to manage the imbalance. For example, KCES may park or borrow gas for a fee
7 upstream of Centra's pipeline to manage an imbalance."

8 Centra seeks to understand the extent and magnitude of KCES and affiliate gas market
9 activities in Canada and the U.S.

10 **QUESTION:**

11 a) Please confirm that Koch Energy Services, LLC (KES) is an affiliate of Koch Canada
12 Energy Services, LP (KCES). If not confirmed, please explain.

13 b) Please list all pipelines used by KCES and KES in Canada and the U.S. in the past 3
14 calendar years (e.g., TCPL Mainline, GLGT, etc.).

15 c) Please provide the average daily volumes (in GJ/day) nominated on all pipelines in
16 aggregate by KCES and by KES for each of calendar 2016, 2017, and 2018. Please
17 show the aggregate daily volumes separately for KCES and KES.

18 d) Please list all gas storage services used by KCES and by KES in the last 3 calendar
19 years (e.g. ANR Pipeline Co. storage, Dawn storage, AECO storage, etc.).

20 **ANSWER:**

21 a)

22 Confirmed.

23 b)

24 The pipelines used by KCES and KES in Canada and the U.S. in the past three years
25 include:

26 ANR, EGT, El Paso, ETP, Foothills, GLGT, GLGT Canada, HPL, KM TX, MEP, NBPL,
27 NGPL, NNG, NOVA, NWPL, OGT, Overthrust, REX, Ruby, SSC, TCPL, Trailblazer,
28 TRANSCO, Vector LP, Viking, WIC

29 c)

30 The average nominated daily volume would be unduly burdensome to produce from
31 historic information, would be highly confidential, and would not be relevant to the
32 proceeding. Therefore, Koch has not prepared a response to the requested information.

33 d)

34 Storage services used by KCES and KES in the last three years include: AECO, Dawn,
35 ANR Pipeline Co. Storage

1 **REFERENCE:**

2 Pre-filed Testimony of Troy Brown, Q&A 20, PDF page 8 of 8

3 **PREAMBLE:**

4 In reference i) Troy Brown states that “The biggest constraint to eliminating imbalances
5 during the day is the pipeline’s EPSQ (elapsed-prorated-scheduled quantity).”

6 Centra seeks to understand the imposition of EPSQ, specifically whether it is pipelines or
7 downstream operators who impose this constraint.

8 **QUESTION:**

9 a) Please confirm which pipelines cause KCES to become constrained due to EPSQ?

10 b) Please confirm which of the following pipelines may impose EPSQ: TCPL Mainline;
11 GLGT; ANR; NGTL.

12 **ANSWER:**

13 a)

14 All major pipelines utilize EPSQ which constrains flexibility.

15 b)

16 TCPL Mainline, GLGT, and ANR utilize EPSQ.

1 **REFERENCE:**

2 **PREAMBLE:**

3 Centra seeks to understand the nature of the contractual arrangements between KCES
4 and KF and Koch Industries Inc.

5 **QUESTION:**

6 a) How is KCES compensated for its services for KF's Brandon plant in Manitoba? Please
7 explain in detail including whether KCES' profit is based on the performance of its
8 trading book (i.e., a portfolio of assets/contracts managed by a group or an individual).
9 Please also explain whether each trader at KCES is compensated based on the
10 performance of their individual trading book.

11 b) Please comprehensively describe any incentives and/or bonuses that are part of Mr.
12 Brown's compensation package with KCES.

13 **ANSWER:**

14 a)
15 KCES is compensated with an intercompany service agreement using a fee per GJ
16 delivered to the plant.

17 b)
18 This has not been provided as Mr. Brown's compensation details are personal, highly
19 confidential and not relevant to this proceeding.