

M A N I T O B A ) Order No. 13/01  
)  
THE PUBLIC UTILITIES BOARD ACT ) January 24, 2001

BEFORE: G. D. Forrest, Chairman  
M. Girouard, Member  
M. Santos, Member

**PROCEDURAL ORDER FOR A PUBLIC HEARING REGARDING  
THE APPLICATION OF CENTRA GAS MANITOBA INC. FOR  
APPROVAL OF CHANGES TO SUPPLEMENTAL GAS AND  
TRANSPORTATION (TO CENTRA) RATES**

The Public Utilities Board of Manitoba (the "Board") held a Pre-Hearing Conference ("PHC") at its offices in Winnipeg, Manitoba on Tuesday, January 16, 2001 at 10:00 a.m. to consider applications for intervenor status, the scope of the hearing and a timetable for the orderly exchange of information leading to the public hearing of the application of Centra Gas Manitoba Inc. ("Centra") for approval of changes to supplemental gas and transportation (to Centra) rates (the "Application").

This PHC also dealt with matters related to an application by Centra for a change in distribution rates. The procedural matters related to this application will be dealt with in a separate Order.

A Notice of Public Hearing and PHC dated January 4, 2001, was issued by the Board and filed at the PHC as PUB Exhibit #1. This Notice was published by Centra in daily and weekly newspapers and served on interested parties of past record.

Centra was represented by Mr. V. Warden, Vice-President of Finance, Manitoba Hydro, Ms. C. E. Wray, Division Manager, Business Analysis and Regulatory Affairs, Manitoba Hydro, Mr. D. Rainkie, Manager of Regulatory Affairs for Centra Gas, Ms. P. Ramage and Ms. M. Murphy, both Counsel.

#### **APPLICATIONS FOR INTERVENOR STATUS**

Parties wishing to obtain intervenor status were requested to address their respective applications in detail providing the reasons for requesting intervenor status, the areas of the Application they wished to examine and their intention with respect to intervenor costs.

The following applications for Intervenor status were considered at the Pre-Hearing Conference:

1. Municipal Gas represented by Ms. Karen Melnychuk and its Counsel, Mr. David Brown (present for part of the PHC by TeleConference only) (Intervenor Request Form submitted and received on January 9, 2001).

As set out in its application Municipal Gas indicated that it was interested in all issues

relating to the application, that they intend to appear throughout the hearing, to participate in the production and testing of evidence and to present final argument. Municipal was not certain if it would call any witnesses and it will not be applying for costs.

2. Consumers' Association of Canada (Manitoba) Inc./Manitoba Society of Seniors (CAC/MSOS) represented by its Counsel, Mr. Brian Meronek and Mr. Kris Saxberg (Intervenor Request Form submitted and received on January 15, 2001).

As set out in its application CAC/MSOS indicated that it was interested in full intervention on all issues of the application, that they intend to appear throughout the hearing, to participate in the production and testing of evidence and to present final argument. CAC/MSOS will be calling witnesses and will be applying for costs. Notice of such witnesses will be provided at a later date.

3. Communications, Energy and Paperworkers Union of Canada, Local 681 (CEPU) represented by Mr. J. Hayden and Mr. S. Boyd. (Intervenor Request Form submitted and received on January 16, 2001).

As set out in its application CEPU, Local 681 indicated that it was interested in the proceedings to gather information and in testing the evidence

all to ensure the level of customer service is maintained. They further wished to assist the Board. CEPU indicated that they intend to appear throughout the hearing and to present final argument. CEPU will not be applying for costs.

4. Griffin Canada Inc. (Griffin) was unable to attend the PHC but did submit a letter signed by Mr. D. W. Weland asking for registration for intervenor status. (Intervenor Request Form submitted and received on January 17, 2001).

As set out in its application Griffin indicated that it was interested in matters relating to cost increases and cost allocation. Griffin intends to appear throughout the hearing, participate in the production and testing of evidence and to present final argument. Griffin will not be applying for costs.

5. Gerdau MRM Steel Inc. (Gerdau) was unable to attend the PHC but did submit a letter signed by Mr. Ross Gridley asking for registration as an intervenor (Intervenor Request Form submitted and received on January 16, 2001).

As set out in its application Gerdau indicated that it was interested in the matter of rate increases for supplemental gas and transportation and fair

allocation of the PGVA. Gerdau's level of participation is to be determined at a later date.

6. McCain Foods (Canada) was unable to attend the PHC but did submit a letter signed by Mr. Allan Walker asking for registration as an intervenor (Intervenor Request Form to be submitted).

The application of McCain Foods detailing the nature of its intervention was not received at this time.

Intervenor Request Forms received to date were forwarded to Centra.

#### **BOARD FINDINGS**

The Board considered these applications for intervenor status and is prepared to approve such requests noting all intervenors have a substantial interest in the outcome of the proceeding.

In so doing, the Board encourages those parties with common interests to co-ordinate their interventions to achieve regulatory efficiencies, minimize costs and avoid duplication. Griffin, McCain Foods and Gerdau may have similar interests which may warrant a collaborative approach. The Board encourages these intervenors to meet to determine if such is the case.

Further, those parties providing evidence are requested to advise the Board of their intentions at the earliest opportunity and certainly in compliance with the timetable attached.

#### **SCOPE OF THE HEARING**

A list of suggested items to be discussed at this hearing was put forward by Board Counsel at the PHC. The Board further notes that some Intervenors requested that the scope be amended to include issues affecting their business which were directly related to cost of gas matters. During the hearing Centra considered the matter and indicated it was prepared to address all these issues at this hearing.

As part of its application, and included in the public notice, Centra has sought to amend the Terms and Conditions of Service to remove the Buy/Sell Service offering on October 31, 2001 pursuant to Board Order 19/00. On January 10, 2001 the Board received an application from Municipal Gas to extend its existing Buy/Sell arrangements until the earlier of November 1, 2003 or the expiration of such arrangements. Municipal Gas requested the Board treat this application as a separate process under Order 19/00 rather than in conjunction with the hearing of the GRA, because this matter was discrete, broker specific and urgent since the gas supply arrangements need to be finalized for the upcoming gas year. As a second alternative, considering this matter in the Cost of Gas hearing would be acceptable to Municipal Gas. Centra opposed a separate hearing, but would accept this matter being heard at either the hearing to consider its application for revised distribution rates or Cost of Gas hearing.

**BOARD FINDINGS**

The Board will accept the amended scope of the hearing as reflected in Schedule "A". The Board notes that the matter of the Buy/Sell Service and Summer Interruptible Delivery Option is to be dealt with in this proceeding and not the Distribution Rates proceeding also referred to in the Notice of Public Hearing and Pre-Hearing Conference referred to earlier. Further, the Board accepts the argument presented by Municipal Gas as to urgency and will include in this proceeding the discussion related to its application for the deferral of the phase out of the Buy/Sell Mechanism.

The Board is aware that the documentation for all of the above matters has not been filed to date and will require Centra to file all such documents according to Schedule "B" - by no later than February 6, 2001.

**TIMETABLE**

A draft timetable was circulated and discussed during the PHC.

Centra indicated that its subsequent filing detailing, amongst other things, rate impacts may not be filed on February 1, 2001 as previously indicated but rather may be filed as late as February 6, 2001.

CAC/MSOS indicated it had concerns about the timetable. Specifically, it noted that the schedule did not allow for adequate time for the preparation of Information Requests and the filing of its evidence. Some relaxation in the timetable was sought.

Centra indicated that corporate demands on staff time with regards to fiscal year end reporting would coincide with the workload related to their application and delays in the schedule may occur if matters are deferred to later dates. Centra also indicated that Manitoba Hydro was in the process of submitting an application on wholesale power rates to the Board which would further restrict staff resources.

#### **BOARD FINDINGS**

The Board has considered these concerns. Considering the scope of the hearing has been changed to some extent together with the delay in the filing of the subsequent information by Centra, the Board believes the hearing should be postponed to a later date which provides the additional time required by all parties. The Board will therefore adjust the timetable as provided for in Schedule "B" of this Order. The Board will also require Centra to publish a public notice advertising the new hearing date. The Notice should also include the revised scope of matters to be dealt with together with the impact of cost of gas changes on supplementary gas and transportation (to Centra) rates and distribution rates. This notice should be published in the dailies on February 12 and in the weeklies the week of February 12, 2001.

**IT IS THEREFORE ORDERED THAT:**

1. The list of issues be as noted on Schedule "A" and Centra shall file its information regarding these matters by February 6, 2001 as per Schedule "B".
  
2. Intervenor status be awarded to:
  - a) Municipal Gas;
  
  - b) Consumers' Association of Canada (Manitoba) Inc./Manitoba Society of Seniors;
  
  - c) Communication, Energy & Paperworkers' Union, Local 681;
  
  - d) Griffin Canada Inc.;
  
  - e) Gerdau MRM Steel Inc.;
  
  - f) McCain Foods (Canada) subject to a satisfactory filing of intervenor request material.



## SCHEDULE "A"

- A. Application by Centra Gas Manitoba Inc. for Supplementary Gas and Transportation (to Centra) Rates
- B. Application by Municipal Gas for the Extension of existing Buy/Sell Arrangements pursuant to Board Order No. 19/00

### List of Items

#### Centra Gas Manitoba Inc.

- Gas sales
- Normalization process
- Gas volumes
- Gas supply portfolio
- Outsourcing of gas supply portfolio
- Daily system operation
- TransCanada Energy contract and pricing
- TransCanada PipeLines Ltd. arrangements and tolls
- ANR and Great Lakes Gas Transmission arrangements and tolls
- Storage arrangements
- Capacity management
- Gas costs (Western Canadian, Oklahoma, and storage)
- Price risk management
- Hedging results
- Purchase Gas Variance Account
- Other deferral accounts
- Value of interruptible customers
- Method of determining demand levels for Firm and Interruptible customers
- Cost allocation between classes
- Rate design
- Interim Orders dealing with gas costs and rate management
- Summer Interruptible Delivery Option

#### Municipal Gas

- Application by Municipal Gas for the extension of the existing Buy/Sell Arrangement

**SCHEDULE "B"**

- A. Application by Centra Gas Manitoba Inc. for Supplementary Gas and Transportation (to Centra) Rates**
- B. Application by Municipal Gas for the Extension of existing Buy/Sell Arrangements pursuant to Board Order No. 19/00**

**TIMETABLE**

<u>ITEM</u>	<u>DATE (all dates 2001)</u>
1. Centra to File Application	January 4
2. Centra to Publish Notice <ul style="list-style-type: none"><li>· Dailies</li><li>· Weeklies</li></ul>	January 8 Week of January 8
3. Municipal Gas to file Application	January 8
4. Pre-Hearing Conference	January 16
5. Centra to be in receipt of First Round Information Requests	January 26
6a) Centra to file rate schedules, customer impact material and supplemental information as per Schedule "B"	February 6
6b) Centra to file responses to First Round Information Requests	
7. Centra to Publish Notice <ul style="list-style-type: none"><li>· Dailies</li><li>· Weeklies</li></ul>	February 12 Week of February 12
8a) Centra to be in receipt of Second Round Information Requests	February 13
8b) Municipal Gas to be in receipt of Information Requests	
9a) Centra to file responses to Second Round Information Requests	February 22
9b) Municipal Gas to file responses to Information Requests	

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| 10.  | All parties to be in receipt of<br>Intervenor Evidence             | February 26  |
| 11.  | All parties to file Information<br>Requests of Intervenor Evidence | March 1  |
| 12.  | Intervenors to file responses to<br>Information Requests           | March 8  |
| 13a) | Centra to file Rebuttal Evidence                                   | March 12   |
| 13b) | Municipal to file Rebuttal Evidence                                |  |
| 14.  | Hearing  | March 14 (commencement<br>date and continuing as<br>necessary) |