

November 30, 2018

Mr. D. Christle  
Secretary and Executive Director  
Public Utilities Board  
400-330 Portage Avenue  
Winnipeg, Manitoba  
R3C 0C4

Dear Mr. Christle:

**RE: CENTRA GAS MANITOBA INC. 2019/20 GENERAL RATE APPLICATION**

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Please find attached five (5) copies of Centra Gas Manitoba Inc.'s ("Centra") 2019/20 General Rate Application ("GRA" or "Application"), pursuant to *The Public Utilities Board Act*.

Centra is not seeking a general revenue increase as part of this Application.

Centra is applying to the Public Utilities Board of Manitoba ("PUB") for the following:

- Approval of Supplemental Gas, Transportation (to Centra), Distribution (to Customers) Sales and Transportation rates, the Primary Gas Overhead rate and the Fixed Rate Primary Gas Service ("FRPGS") Program Cost Rate, effective August 1, 2019;
- Approval to dispose of the balances in prior period Purchased Gas Variance Account for the period November 1, 2014 to October 31, 2018 through rate riders over the 12-month period commencing August 1, 2019;
- Approval of adjustments to rates to reflect changes in forecast non-Primary Gas costs for the 2018/19 Gas Year;
- Approval to discontinue funding the Furnace Replacement Program effective August 1, 2019, and to remove the associated costs from rates of the Small General Service class; and
- Additional approvals as outlined in the Letter of Application (Tab 1 of the GRA).

Centra's Application does not include any changes to its Primary Gas rates. The setting of Primary Gas rates and rate riders will continue to be dealt with separately as part of the Quarterly Rate Setting Methodology approved by the PUB.

### Motion on Confidentiality

Pursuant to Rule 13(2) of *The Public Utilities Board Rules of Practice and Procedure* (“Rules”), Centra seeks an Order of the PUB confirming that it will receive those portions redacted in the Application in confidence.

### Grounds

Detailed and specific grounds for considering the information identified as confidential within the Application is noted directly therein, referenced in accordance with the attached Appendix – Centra Redaction Criteria.

Furthermore, as indicated in previous correspondence to the PUB, the current unlimited pricing discretion afforded to TransCanada Pipelines Limited (“TCPL”) in establishing short-term firm and interruptible transportation bid floors on the Canadian Mainline has caused Centra to consider historical and forecast annual gas supply and gas cost information as commercially sensitive. Centra is concerned that public disclosure of certain information, including information on Centra’s transactions, commercial arrangements, and operations, will expose Centra and its ratepayers to increased costs and irreparable harm by virtue of Centra being a captive shipper on the Canadian Mainline. If this confidential information was to become public, the potential for adverse pricing activity by market participants will result to the detriment of Centra. Consequently, Centra’s competitive market position is reasonably expected to be prejudiced by public disclosure of this confidential information, including the potential for material cost increases to Centra and its ratepayers.

As part of the TCPL RH-001-2014 Mainline Tolls proceeding before the National Energy Board (“NEB”), TCPL filed a motion seeking Centra’s peak day requirement and the specific details as to how Centra contracts for gas to meet its requirements. Although acknowledging that the information requested by TCPL had, in the past, been publically posted with the PUB as part of Centra’s provincial regulatory proceedings, Centra declined to provide the requested information on the grounds that the information was commercially sensitive for the reasons cited in the aforementioned paragraph.

In a letter decision dated September 3, 2014 (Ruling #2), the NEB ruled that the information requested by TCPL was indeed commercially sensitive and dismissed TCPL’s motion to compel Centra to provide the requested information.

More recently in Order 26/17, the PUB denied a similar TCPL motion that sought the public release of a report that Centra filed in confidence with the PUB that analyzed Centra’s alternative supply contracting options. At page 20 of Order 26/17, the PUB ruled “that the interest in confidentiality outweighs the public interest in disclosure” and “the public interest is protected by confidentiality, while conversely, it would reasonably be expected that the public interest would be harmed if there was disclosure of the Report.”

In conclusion, Centra has carefully assessed the information within this Application and the request for confidential treatment pursuant to Rule 13(2) of the PUB's *Rules* such to provide as much public information to the extent reasonably possible. Publically disclosing the limited amount of information that Centra seeks to keep confidential in seeking the approvals sought in the Application would significantly and irreparably harm the commercial interests of Centra's ratepayers without any corresponding public benefit. This is not in the public interest. As such, and for the reasons set forth above, Centra respectfully submits that the limited amount of information identified within the Application as confidential, should not be publically disclosed. The information should remain strictly confidential as filed by Centra with the PUB or, alternatively, returned by the PUB to Centra.

### Review Process

Centra looks forward to the opportunity to discuss the regulatory review process and the associated timelines for this Application with the PUB, and in light of the confidential information contained within the Application, the potential involvement and scope of parties who seek to intervene in this proceeding.

If you have any questions or comments with respect to this submission, please contact the writer at 204-360-3257 or Liz Carriere at 204-360-3591.

Yours truly,

### **MANITOBA HYDRO LAW DIVISION**

Per:



**BRENT A. CZARNECKI**  
Barrister & Solicitor

cc: All Intervenors of Past Record  
Bob Peters, Board Counsel  
Dayna Steinfeld, Board Counsel

Att.

## Centra Redaction Criteria

- 1. Information that if released could result in undue financial loss to Centra and its ratepayers, and undue financial gain to current or potential service providers, or parties with whom Centra may be negotiating, and/or harm Centra's competitive position and prejudice its negotiations *for example:***
  - a. Details of Centra's gas supply portfolio (i.e., all non-public commercial arrangements including contract details and Capacity Management transactions), including costs (except at summary levels)
  - b. Analysis of alternative commercial arrangements, and third-party responses to RFPs.
  - c. Details of Centra's gas supply operations including risk tolerances, dispatch queues, and design firm peak day/maximum season information.
  - d. Load forecast/customer usage coefficients, forecast and actual purchased gas volume information and impact of weather on Manitoba market demand and gas supply operations (i.e., actual and forecast gas purchase volumes, average use per customer, Effective Heating Degree-Day (EHDD) balance point, actual and forecast EHDD).
  - e. Information/values that, if provided, would allow for the calculation of the information that Centra is seeking to protect for the reasons outlined above.
- 2. Party/Contract Specific Detail (information provided to Centra with an expectation that confidentially will be maintained) *for example:***
  - a. Third party responses to Request for Proposals (RFP);
  - b. Information subject to statutory or contractual confidentiality provisions.
  - c. Benchmarking information provided by other utilities with the expectation confidentiality would be maintained (i.e., utility information regarding liability insurance coverage).
  - d. Specific customer volume information, current or forecast.
- 3. Technical Information or Intellectual Property *for example:***
  - a. Owned by Centra.
  - b. Owned by a third party such as Credit Rating Reports and copyrighted and paid for Risk Management publications.
- 4. Documents Related to Risk/Benefit Identification, Quantification and Strategic Actions *for example:***
  - a. Sales and marketing strategies/initiatives;
  - b. Identification of risks and/or benefits with details on relative significance, quantification, strategic actions or timeframes. Identification of specific parties who have an interest in or ability to influence the risk/benefit outcome.
- 5. Sensitive Relationship Management Information, *for example:***
  - a. Employment, labour relations, counterparty or stakeholder information, which if disclosed could result in labour issues, work stoppages, contract breach or demands for renegotiation.