

December 20, 2018

Via Email

REFERENCE NO:
003991-0131

The Public Utilities Board of Manitoba
400-330 Portage Avenue
Winnipeg, MB R3C 0C4

Attention: Kurt Simonsen, Associate Secretary

Brian J. Meronek, Q.C.

DIRECT LINE:

Dear Sir:

204-925-5355

EMAIL:

**Re: Centra Gas Manitoba Inc. ("Centra")
2019/20 General Rate Application ("GRA")**

bmeronek@ddwestllp.com

We have made a preliminary and cursory review of Centra's CRA filing and have some immediate concerns. They are as follows:

PLEASE REPLY TO:

1. Redactions/Materials Filed in Confidence with the PUB

Yolanda Woods

Generally speaking, gas cost arrangements, gas cost forecast, gas cost deferrals, load forecasts, cost allocation and rate design evidence and schedules have been either heavily redacted or filed in confidence with the PUB. Given that the redacted data underpins Centra's current rate requests, it is critical that CAC gains access to all redacted/filed in confidence materials quickly. In the short term, our ability to prepare Intervenor request forms, scope and budgets due January 10th will be hampered and CAC's ability to address gas related and their issues will be neutered. It will also have a subsequent impact on the process (i.e In-camera) and broader impacts of transparency of the public process.

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Services provided by:
Brian J. Meronek Law
Corporation

We list what is redacted or filed in confidence with the PUB by Tab:

Tab 7 – Load Forecast (data has been redacted)

Tab 7 – Schedules:

- 2017 Load Forecast (Appendix 7.1) – filed in confidence with PUB
- 2011/12 to 2019/20 Customer and Volume Schedules – filed in confidence with PUB
- 2015 Load Forecast (filed as Schedule 8 per PUB completeness review) – filed in confidence with PUB
- 2016 Load Forecast (filed as Schedule 9 per PUB completeness review) – filed in confidence with PUB

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REGINA

Tab 8 – Gas Supply, Gas Costs, Deferrals – 2014/15 to 2019/20 – the data has been redacted almost entirely, other than at the most aggregated level (for example total gas costs).

Tab 8 – Schedules

- All of the approximate 30 schedules which provide the details of actual gas cost results for the years 2014/15, 2015/16 and 2016/17, and 2018/19 forecast gas costs that are based on a May 15, 2018 strip, PGVA schedules, heating value deferral, and UFG are redacted almost entirely
- Appendix 8.1 - Design Firm Peak Day (Winter) – filed in confidence with PUB
- Appendix 8.2 - Design Firm Peak Day (Summer) – filed in confidence with PUB
- Appendix 8.6, 8.7, 8.8 – Capacity Management Reporting for 2014/15, 2015/16 and 2016/17 are redacted almost entirely.

Tab 9 - Centra's storage and related transportation arrangements – filed in confidence with PUB

- (Contracts with ANR and GLGT are set to expire in 2020 - Centra's plans to address this component of its gas portfolio, presumably detailed in Tab 9 of its Application, has been filed in confidence only with the PUB. Per Tab 13, page 10, Centra met with stakeholders Friday, December 15, 2017 to solicit interest in participating in a stakeholder conference regarding replacement/renewal of its transportation and storage portfolio – the status of which is discussed in Tab 9.)

Tab 10 – Cost Allocation and Rate Design – all data containing load forecasts, gas cost forecasts (primary, supplemental, transportation, UFG), deferral accounts, has been redacted.

Tab 10 – Schedules

- Most schedules are heavily redacted

Tab 11 – Proposed Rates and Customer Impacts are somewhat redacted. Bill impacts/cost changes of the Special Contract and Power Stations classes are entirely redacted. These customers are significant in terms of annual usage and peak which will have a significant effect on the allocation of costs to all other classes, particularly the SGS class.

Tab 11 – Schedules

- Most schedules are heavily redacted. The only schedules essentially left unredacted are the end rates.

Tab 13 – Board Directives and Other Matters – the Report filed on Liability Insurance has been largely redacted.

It goes without saying that the process is not transparent if the PUB has the full unredacted material, while the interveners cannot begin to understand the filing which is replete with substantial blanks. CAC thought that by Centra undergoing a completion of filing test the process would be improved. Sadly it is not the case and we regrettably submit that the PUB ought not to have delivered a Declaration of Completion.

2. Compliance Documents

As part of either a General Rate Application or Cost of Gas Application Order, the PUB directed Centra to update its Rate Base, Revenue Requirement, Cost of Gas, Cost Allocation and Rate Schedules to reflect the direction of the PUB (“Compliance Filings”). These schedules not only provide the results of that proceeding; that is, the final approved Revenue Requirement, Cost of Gas, Cost Allocation and Rate Schedules, but also importantly they provide the starting point and basis of comparison for the next Rate Application.

Further, the August 1, 2017 Primary Gas Application was filed on an ex-parte basis, as is typical for primary gas rate filings. However, in this case, the PUB directed Centra to rollback non-gas rates to those rates approved on an interim basis in Order 41/10 (made final in Order 65/11) that reflected the implementation of the second test year as part of the 2009/10 and 2010/11 GRA implemented May 1, 2010. As Intervenors have a role in compliance and to understand the currently approved Rate Base, Revenue Requirement, CAC requires access to these materials.

Similarly, there have been an number of submissions made to the PUB subsequent to the 2013/14 GRA. In this GRA, Centra is now seeking confirmation that those directives has been satisfied. In many cases, these materials are referenced by Centra in the current GRA but have not been filed in this process. Examples include the Western Transportation Service Report (filed with the PUB December 24, 2013) and the Swan Valley Gas Distribution Plan (filed with the PUB November 19, 2014). It appears the PUB has deferred confirmation, that the directives have been satisfied, to

this public process. It is unclear what issues CAC may wish to test until the omissions are made available and reviewed.

CAC requests access to (a) the Compliance Filing flowing from Order 41/10; (b) the Centra materials submitted to the PUB as part of the August 1, 2017 Primary Gas Application, and (c) copies of all submissions made to the PUB subsequent to the 2013/14 GRA in response to PUB directives that Centra is now seeking closure of in this process.

Intervenors should not have to wait until the IR stage to have access to these documents.

I look forward to the PUB's direction. If you have any questions in connection with the above, please feel free to contact the writer.

Yours truly,

DD WEST LLP

Per:



Brian J. Meronek, Q.C.

BJM /yw

c.c. B. Peters
B. Czarnecki
G. DeSorcy
Intervenors