

**Order No. 80/21**

**FIRST PROCEDURAL ORDER IN RESPECT OF CENTRA GAS MANITOBA INC.'S  
COST OF SERVICE STUDY METHODOLOGY REVIEW APPLICATION**

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**July 26, 2021**

**BEFORE:** Larry Ring, Q.C., Panel Chair  
Marilyn Kapitany, B.Sc. (Hon), M.Sc., Board Vice-Chair  
Susan Nemec, FCA, FCPA, Member  
Michael Watson, Member

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## 1.0 Executive Summary

This is the first Procedural Order in respect of Centra Gas Manitoba Inc.'s ("Centra's") Cost of Service Study Methodology Review Application (the "Application").

Centra's Cost of Service Study ("COSS") is used to allocate costs among the utility's different customer classes. The COSS methodology is intended to identify the costs of serving the different customer classes based on the nature of the costs that are incurred and the services provided. The output of the COSS may then be used as a tool in determining the rate design and the specific rates for each of the different customer classes.

By this Order, the Public Utilities Board (the "Board") provides direction to Centra in respect of public notice and invites applications for Intervener status from Interveners in prior Board hearings, registered Natural Gas Marketers in Manitoba, and customers of Centra.

The Board also grants Centra's motion that certain information within the Application be received by the Board in confidence pursuant to Rule 13(2) of the Board's Rules of Practice and Procedure which are available on the Board's website at <http://www.pubmanitoba.ca>.

Following receipt and adjudication of applications for Intervener status, the Board will provide further direction in respect of the procedural steps for the orderly exchange of evidence among the Parties.

## 2.0 Procedural History

Following Centra's last General Rate Application before the Board, and in Order 152/19, the Board found that a COSS methodology review should be held prior to the next Centra General Rate Application, with the deadline for filing initially set as May 1, 2020. For reasons detailed in Orders 49/20, 130/20, and 51/21 following applications by Centra to vary the deadline, the filing date for Centra's COSS Methodology Review Application was revised by the Board to June 15, 2021.

On June 15, 2021 Centra filed with the Board both a public version of the Application and also a version containing proposed redactions of information that Centra requests the Board accept as confidential. The public version has been posted on the Board's website.

### 3.0 Board Findings

#### **Public Notice and Intervener Applications**

Rather than convene an in-person Pre-Hearing Conference, the Board will provide information and directions through its procedural Orders based on the written information before the Board.

In terms of public notice, the Board will direct Centra to notify its customers of this Application by using direct written notification included with monthly customer bills – whether those bills are electronic or paper. The Board recognizes not all customers receive their monthly bills on the same day as Centra has many billing cycles over the course of a month. Customers will be given 14 days from receipt of their monthly bill and notice of this Application to advise the Board in writing as to whether and how that customer wants to share its views on Centra’s Application. Customers can provide written comments to the Board, or register as a virtual presenter where presentations are limited to a maximum of 10 minutes, or apply to actively participate in the public hearing as an Intervener. Interveners are to represent the interests of a significant group of customers and may be required to combine their intervention with others representing similar interests. The Board also directs Centra to provide notice of the Application to its customers through social media.

Additionally, the Board will provide direct electronic notice of Centra’s Application to Interveners which participated in prior applications by Centra before the Board. Likewise, the Board will directly electronically notify the Natural Gas Marketers which are registered in Manitoba of this Application by Centra. Prior Interveners and Natural Gas Marketers will be provided 10 days from the date of this Order to seek Intervener status using the forms on the Board’s website. Alternatively, they can provide written comments on Centra’s Application or register as a virtual presenter with presentations limited to a maximum of 10 minutes. Parties seeking to intervene are to file their written requests with the Board and also provide a copy of their forms to Centra. Centra will have 3

business days to respond to Intervener requests by sending its written submissions to the Board with a copy sent to the specific Intervener applicant. The Board will adjudicate all Intervener requests based on the written information provided.

The Board approves the participation of Interveners in order to assist the Board in its understanding of the issues relating to Centra's Application. Approved Interveners are required to actively participate in the hearing process. Interveners are also required to introduce information that adds to the Board's understanding of the issues, and to avoid duplication. Failure to add value to the process or to avoid duplication will have cost consequences.

Eligibility for costs awards will be governed by the Board's Interim Intervener Costs Policy, available on the Board's website. Interveners who intend to seek costs for their participation in the Application are to, within 14 days of the issuance of this Order, submit their detailed cost estimates for their interventions, including consultants and expert witnesses. Interveners are to use the fillable Excel spreadsheet available on the Board's website for preparing and filing cost estimates and applications for cost awards. Cost estimates that are incomplete or prepared improperly will be returned to the Intervener.

The filing of Intervener cost estimates does not guarantee or disqualify an Intervener from eligibility for a cost award. All cost awards are in the sole discretion of the Board and all applications for cost awards will be considered by the Board in accordance with the criteria set out in Section 3.0 of the Interim Intervener Costs Policy.

Should any approved Intervener seeking an award of costs determine that its scope of participation in the proceeding or its final cost application will deviate or differ materially from its cost estimate, the Intervener is to notify the Board staff forthwith. Such deviations will be considered by the Board after the hearing when it evaluates the contributions made by interveners.

### **Centra's Confidentiality Motion**

Centra filed with the Board a proposed redacted public version and an unredacted version of its Application. In the filing of its Application, Centra requested that the Board receive the redacted portions of its Application in confidence pursuant to Rule 13(2) of the Board's Rules of Practice and Procedure.

Centra's grounds for seeking specific information not to be placed on public record were coded in its Redaction Criteria and identified adjacent to the proposed confidential information in Centra's Application. Centra publicly filed its Redaction Criteria as Appendix 1 of the Application.

In further support of its request pursuant to Rule 13(2), Centra submitted that 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, Centra submits the potential for adverse pricing activity by market participants will result to the detriment of Centra. Consequently, the Utility submits its 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.

The Board accepts Centra's submissions regarding its Rule 13(2) request and the Board has determined that the proposed redacted information will be held in confidence by the Board pursuant to Rule 13(2)(a) and (b). The Board finds that the proposed redacted information is consistent with information that the Board has previously received in

confidence in past proceedings. The Board is satisfied that holding this information in confidence outweighs the public interest in disclosure of this information.

To the extent access to confidential information is sought by approved Interveners, Interveners need to first communicate with Centra to resolve the disclosure issues. If disclosure issues are unable to be resolved by communication with Centra, the Board will adjudicate any requests for access by Interveners to confidential information. That said, the Board notes that the information redacted by Centra may not be required for Interveners to participate fully in the proceeding, and that as such, Intervener access to this information may not be necessary.



#### 4.0 IT IS THEREFORE ORDERED THAT:

1. Centra provide public notice of its Application to its customers through direct written notification included with monthly customer bills – whether those bills are electronic or paper. The form and content of Centra’s public notice is to be approved by the Board prior to it being issued. Centra is also to provide notice of the Application to its customers through social media.
2. Centra’s request that the Board receive certain information within the Application in confidence pursuant to Rule 13(2) BE AND IS HEREBY APPROVED.

Board decisions may be appealed in accordance with the provisions of Section 58 of *The Public Utilities Board Act*, or reviewed in accordance with Section 36 of the Board’s Rules of Practice and Procedure. The Board’s Rules may be viewed on the Board’s website at [www.pubmanitoba.ca](http://www.pubmanitoba.ca)

THE PUBLIC UTILITIES BOARD

“Larry Ring, Q.C.”

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Panel Chair

“Rachel McMillin, B.Sc.”

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Acting Associate Secretary

Certified a true copy of Order No. 80/21  
issued by The Public Utilities Board



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Acting Associate Secretary