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November 3, 2011

PUBLIC UTILITIES BOARD OF MANITOBA
400-330 Portage Avenue
Winnipeg, Manitoba
R3C 0C4

ATTENTION: Mr. H. Singh, Board Secretary & Executive Director

Dear Mr. Singh:

**RE: CENTRA GAS MANITOBA INC.
FRANCHISE AGREEMENT APPLICATION
FINAL WRITTEN SUBMISSION**

Please find attached six (6) copies of Centra Gas Manitoba Inc.'s ("Centra") Final Written Submission with respect to its Franchise Agreement Application.

Should you have any questions regarding this submission please contact the writer at 360-3257 or Greg Barnlund at 360-5243.

Yours truly,
MANITOBA HYDRO LAW DEPARTMENT

Per:

A handwritten signature in blue ink, appearing to read 'Brent Czarnecki', with a large flourish at the end.

Brent Czarnecki
Barrister and Solicitor

Att.

cc: Mr. B. Peters, Fillmore Riley
Mr. R. Cathcart, Cathcart Advisors Inc.
Mr. B. Ryall, Energy Consultants Inc.

**CENTRA GAS MANITOBA INC.
FRANCHISE AGREEMENT APPLICATION**

**FINAL WRITTEN SUBMISSION
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**CENTRA GAS MANITOBA INC.
FRANCHISE AGREEMENT APPLICATION**

FINAL WRITTEN SUBMISSION

1 **1.0 Introduction**

2 On August 26, 2011, Centra Gas Manitoba Inc. ("Centra") filed its Franchise Agreement
3 Application (the "Application") with the Public Utilities Board of Manitoba ("PUB"). In this
4 Application, Centra is requesting:

5 i. Approval of alterations in, and additions to, the Schedule of *The*
6 *Greater Winnipeg Gas Distribution Act* (the "Act") as negotiated
7 between Centra and the Greater Winnipeg Gas Distribution
8 Negotiating Committee (the "Negotiating Committee");

9 ii. The PUB to include the Rural Municipality of Headingley ("RM of
10 Headingley") as a municipality of Greater Winnipeg in order to
11 formalize Centra's franchise rights in the RM of Headingley under the
12 Act; and;

13 iii. Approval to vary the generic form of franchise agreement (the
14 "Generic Agreement") in order to clarify certain sections and to
15 improve consistency between the Generic Agreement and the
16 Schedule of the Act.

17

18 On October 28, 2011, Centra filed supplemental information to the Application seeking
19 PUB approval, pursuant to Subsection 4(1) of the Act, of the Franchise Agreement with
20 the RM of Headingley, which grants a franchise to Centra for the supply of natural gas to
21 the Municipality. This supplemental information supports Centra's request for the PUB to
22 include the RM of Headingley as a municipality of Greater Winnipeg, pursuant to

1 Subsection 4(3) of the Act.

2

3 **1.1 Renewal of the Franchises under The Greater Winnipeg Gas Distribution**
4 **Act**

5 The franchises under The Greater Winnipeg Gas Distribution Act were set to expire on
6 December 31, 2008, unless renewed or otherwise extended before this date. The Act
7 sets out a detailed process for renewing the franchises, which Centra, the Province of
8 Manitoba ("Manitoba") and the Negotiating Committee has adhered to.

9

10 On December 29, 2006, in accordance with Section 7(2) of the Act, Centra, as the legal
11 successor to The Greater Winnipeg Gas Company, provided notice to Manitoba of its
12 intention to renew all franchises granted under the Act. As outlined in response to
13 PUB/CENTRA 2 (e), upon receiving Centra's notice, Manitoba provided written notice to
14 all municipalities subject to the Act advising that it intended to establish the Negotiating
15 Committee, and requested names, addresses and brief biographies of any persons they
16 wished to nominate to the committee. Pursuant to Section 8 of the Act, Manitoba
17 constituted the Negotiating Committee comprised of a chair appointed by Manitoba, two
18 representatives appointed by the City of Winnipeg and two members appointed from
19 nominees put forth by the other municipalities subject to the Act. As outlined in response
20 to PUB/CENTRA 2 (g), the Negotiating Committee serves as the authorized agent for all
21 of the municipalities subject to the Act.

22

23 Negotiations proceeded throughout the summer and fall of 2008 and concluded with
24 agreement on all but one issue. The Negotiating Committee provided its report to the
25 Minister responsible for the Act, indicating that it was unable to pass a resolution

1 proposing amendments to the Schedule in accordance with Section 9(2) of the Act as a
2 result of the impasse. The Negotiating Committee recommended an extension of the
3 franchises pursuant to Section 14 of the Act. While Manitoba considered its options, the
4 franchises were extended for one year terms by Ministerial Orders dated November 24,
5 2008, November 23, 2009, and November 22, 2010, which were provided in response to
6 PUB/CENTRA 2 (a) (vii).

7

8 In January 2011, the Minister reconstituted the Negotiating Committee, pursuant to
9 Section 9(9) of the Act, to address the one unresolved item. On February 16, 2011,
10 negotiations on the Schedule successfully concluded between Centra and the
11 Negotiating Committee. The Negotiating Committee agreed that the franchises under the
12 Act should be renewed subject to certain provisions set out in its resolution making
13 alternations in, and additions to the Schedule. In accordance with Section 9(2) of the
14 Act, the Negotiating Committee provided notice to Centra and each municipality subject
15 to the Act that it unanimously passed the following resolution:

16 “The franchise agreements negotiated between the Greater Winnipeg Gas
17 Distribution Negotiating Committee and Centra Gas Manitoba Inc. should be
18 renewed as described in the Memorandum of Settlement dated February 16,
19 2011.”

20

21 On July 4, 2011, the Negotiating Committee provided its report to the Minister to advise
22 that an agreement had been reached. The Memorandum of Settlement, notice to the
23 municipalities and the Report to the Minister were filed in response to PUB/CENTRA 2
24 (a) (viii).

25

1 In accordance with Section 9(4) of the Act, the alterations in, and additions to the
2 Schedule become effective once:

- 3 a) Approved by order of the PUB;
- 4 b) Confirmed by order of the Lieutenant Governor in Council; and,
- 5 c) Published in one issue of The Manitoba Gazette.

6

7 To this end, Centra has filed the Franchise Agreement Application to seek PUB approval
8 of the amendments to the Schedule as negotiated between Centra and the Negotiating
9 Committee. Centra recognized that this Application was also the appropriate opportunity
10 to update the generic form of franchise agreement (the "Generic Agreement"), last
11 approved by the PUB by Order 109/94, and bring greater consistency between the
12 Generic Agreement and the Schedule of the Act. In its Application, Centra is also
13 requesting the PUB to approve the franchise agreement with the RM of Headingley filed
14 on October 28, 2011, and for the PUB to include the RM of Headingley as a municipality
15 of Greater Winnipeg in order to formalize Centra's franchise rights in this municipality
16 under the Act.

17

18 A public notice advising of Centra's Franchise Agreement Application was published in
19 daily and weekly newspapers beginning September 10, 2011. Additionally, Centra
20 directly served the public notice on all franchise granting municipalities, registered
21 brokers of natural gas, all parties of record at the last General Rate Application, Special
22 Contract Customers, and all Interruptible, Main Line and High Volume customers. The
23 public notice invited applications for intervenor status. The only party that applied for
24 intervenor status, the City of Winnipeg, indicated its full support for Centra's Franchise
25 Agreement Application.

1 **1.2 Conclusion**

2 The franchise renewal process was completed in accordance with the legislative
3 requirements of the Act. In addition, Centra notes that there has been no opposition to
4 the Application. As such, Centra respectfully submits that the Application and the
5 approvals sought therein should be approved by the PUB. In order for Centra to receive
6 the required order of the Lieutenant Governor in Council and publication in the Manitoba
7 Gazette prior to the end of the calendar year, Centra respectfully requests a PUB Order
8 approving the Application by no later than November 15, 2011.