

**CENTRA GAS MANITOBA INC.
TRANSPORTATION & STORAGE PORTFOLIO APPLICATION**

CHRONOLOGY

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4.0 Introduction

The replacement of Centra's storage and transportation contracts has been a topic of discussion since the 2009/10 & 2010/11 General Rate Application. At that time, Centra stated its plans to conduct a review of its portfolio of assets in preparation for the expiry of its Great Lakes and ANR transportation and storage contracts in 2013. This process included engaging a consultant to assist Centra with portfolio strategy and analysis of alternatives, holding discussions with pipelines and storage providers, conducting analysis of supply, transportation, and storage options in consideration of changes in the broader North American natural gas market, and preparing a stakeholder consultation plan.

Section 4.1 provides a chronological background of the events which have taken place since 2010. Section 4.2 provides the details of the Technical Conference and the Information Request process that followed.

4.1 Chronology of Events since 2010

In the 2010/11 Cost of Gas Application, Centra testified that it had engaged a consultant to assist in the assessment of reliable and cost effective transportation and storage options in preparation for the renewal or replacement of the GLGT and ANR arrangements. Thereafter the PUB issued Order, 55/10 and directed Centra to prepare and file a timeline of the process for replacing its American Storage and Transportation

1 assets. The PUB also directed Centra to file with the Board a discussion paper reviewing
2 and addressing the issues associated with the future replacement of Centra's current
3 American Storage and Transportation assets, prior to Centra holding a technical
4 conference on the topic.

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6 On October 28, 2010, Centra filed a timeline which outlined the key activities and tasks
7 to be undertaken in the course of the portfolio review.

8
9 Following the 2011/12 Cost of Gas Application, the PUB issued Order 65/11. This Order
10 directed Centra to amend the process for replacing its storage and transportation assets
11 to include a detailed discussion paper with economic and operational analysis, an
12 information request process and receipt of submissions from interveners and
13 stakeholders, to be followed with an oral public hearing before the PUB. The PUB also
14 directed Centra to file a revised timeline for the amended process, such that Board
15 approval of the gas cost consequences be a condition precedent to the formation of any
16 contracts related to this issue.

17 18 **4.2 Technical Conference and Information Request Process**

19 On May 19, 2011, Centra provided a draft timetable for the consultation and public
20 review process of Centra's alternatives in the replacement of its expiring storage and
21 transportation contracts. The timeline included the provision for a discussion paper,
22 followed by a technical conference. Centra indicated there would be opportunity for
23 interveners to prepare information requests and Centra would respond. Centra stated it
24 would expect written submissions by interveners and that parties would be entitled to
25 provide their comments. The PUB accepted the timetable on May 26, 2011.

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2 On June 27, 2011, Centra provided its submission on the Process for Review of Gas
3 Supply, Storage and Transportation Arrangements and this submission is included as
4 Attachment 1 to this Tab. This submission included a detailed discussion paper titled,
5 “Review of Natural Gas supply Portfolio Options for Centra Gas”, as well as an agenda
6 for the proposed Technical Conference.

7

8 The detailed discussion paper provides an overview of the concepts and issues
9 associated with a wide array of gas supply portfolio options in the context of the North
10 American natural gas market. Three key questions and considerations were the impetus
11 for the report in order for Centra to assess future portfolio options:

- 12 1. Should the current supply configuration of natural gas shipped mainly from
13 Alberta with seasonal injections and withdrawals to and from Michigan storage
14 be maintained?
- 15 2. Should Centra maintain, increase or decrease the amount of storage currently
16 contracted and if storage is still required, where should it be located?
- 17 3. Should Centra continue to rely solely on TCPL to deliver natural gas to the
18 Centra service territory?

19

20 The consultant’s discussion paper provided an overview on such matters as:

- 21 • The North American natural gas market and the significant changes that have
22 occurred in recent years;
- 23 • The load characteristics of the Manitoba market and the current gas supply
24 portfolio that Centra employs in serving that market;
- 25 • The nature of the uncertainty facing Centra regarding the TCPL Mainline; and

- The gas supply portfolio options that Centra may consider.

Shortly thereafter, Centra hosted a technical conference on July 8, 2011. The Technical Conference was attended by PUB staff and advisors; representatives of the Consumers Association of Canada (Manitoba) and the Manitoba Society of Seniors; the Green Action Centre and Time to Respect Earth's Ecosystems, The Government of Manitoba, Department for Infrastructure and Transportation, Manitoba Hydro (Power Supply), BP Canada, Shell Energy North America, Gerdau Ameristeel, Misericordia Health Centre and Health Sciences Centre.

The Technical Conference included discussions of the future for natural gas supply and demand in North America, an overview of TransCanada's Mainline, and Centra's portfolio options. These presentations are included as Attachment 2 to this Tab. Within the framework of the Technical Conference, Centra encouraged stakeholders to ask questions and provided an opportunity for open dialogue regarding the issues and their concerns. Centra reminded stakeholders that formal questions could be filed as a round of information requests and responses would be submitted by Centra.

Information Requests were received from the PUB on July 20, 2011 and Centra provided responses on August 15, 2011. Centra's responses are provided as Attachment 3 to this Tab. No other parties submitted Information Requests.

Centra received written comments from stakeholders between August 29 and September 2, 2011. The following stakeholders informed Centra that no comments were forthcoming: Just Energy; Manitoba Hydro (Power Supply); Manitoba Infrastructure &

1 Transportation; Misericordia Health Centre; Planet Energy; and Shell Energy. Health
2 Sciences Centre emailed comments which pertained to interruptible service. BP Energy,
3 CAC/MSOS and GAC provided formal written comments.

4

5 **4.3 2012 Activities**

6 On February 29, 2012, Centra filed a letter with the PUB and indicated its intention to file
7 an Application on the Transportation & Storage Portfolio. In this letter, Centra proposed
8 a draft timetable for the public review process and included a proposed date for a
9 Technical Conference. This letter is included as Attachment 4 to this Tab.

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11 On March 1, 2012, the PUB submitted a letter in response to the proposed
12 Transportation and Storage Portfolio Application and draft timetable and circulated this
13 letter to interested parties. This letter is included as Attachment 5 to this Tab.