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July 23, 2015

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

ATTENTION: Mr. D. Christle, Board Secretary and Executive Director

Dear Mr. Christle:

**RE: CENTRA GAS MANITOBA INC. ("CENTRA")
2015/16 COST OF GAS APPLICATION- PUBLIC UTILITIES BOARD ("PUB")
INFORMATION REQUESTS DEEMED PUBLIC**

Centra is in receipt of the PUB's Information Requests which were delivered in confidence on July 20, 2015. In accordance with PUB direction, Centra has redacted certain Information Requests where it is anticipated that the responses will contain commercially sensitive information with respect to gas supply, storage and transportation transactions, commercial arrangements and operations, as well as actual natural gas consumption information.

Centra is hereby attaching a public, redacted version of the PUB's Information Requests for which Centra anticipates providing a public response. Centra is concurrently sending a hard copy of the unredacted version of the PUB's Information Requests to Mr. Meronek and Mr. Stauff as they have now executed an undertaking/agreement of confidentiality respectively.

Should you have any questions with respect to this submission, please contact the writer at 204-360-3257 or Shannon Gregorashuk 204-360-4270.

Yours truly,

MANITOBA HYDRO LAW DIVISION

Per:

A handwritten signature in blue ink, appearing to read 'Brent A. Czarnecki', written over a horizontal line.

Brent A. Czarnecki
Barrister and Solicitor

cc. Mr. B. Meronek, D'Arcy & Deacon LLP.
Ms. N. Ruzycki, Just Energy Manitoba L.P.

Att.

Centra Gas 2015/16 Cost of Gas Application

PUB/Centra-22

Tab:	Cover Letter	Page No.:	2
Topic:	Commercially Sensitive Information		
Subtopic:			
Issue:	Necessity of treating Cost of Gas Application as commercially sensitive		

PREAMBLE TO IR (IF ANY): Centra stated in its May 25, 2015 cover letter to the 2015/16 Cost of Gas Application that it is concerned that public disclosure of certain information may expose Centra and its customers to increased costs.

QUESTION: Please provide a copy of TransCanada's motion to compel disclosure of Centra's peak day requirement and contract details, Centra's response, and the NEB ruling of September 3, 2014 in the RH-001-2014 Tolls proceeding.

RATIONALE FOR QUESTION: To explore the reasons for considering previously publicly disclosed information as commercially sensitive.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Tab:	1	Page No.:	1
Topic:	Application Letter		
Subtopic:			
Issue:	Recovery of 2014/15 PGVA outlook balance		

PREAMBLE TO IR (IF ANY): Centra requests approval of recovery of the outlook of the 2014/15 PGVA balance.

QUESTION: Please identify any previous instances when the Board has approved recovery of non-Primary Gas PGVA balances through rate riders prior to the PGVA balances being known on an actual basis.

RATIONALE FOR QUESTION: Centra has not typically requested recovery or refund of non-Primary Gas PGVA balances prior to the final balances being known.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Tab:	2	Page No.:	7 (8 in CSI version)
Topic:	Overview of Application		
Subtopic:			
Issue:	Centra's compliance with Order 85/13 Directive 17		

PREAMBLE TO IR (IF ANY): Centra did not file a Cost of Gas Application by January 31, 2014 as directed in Order 85/13. On January 29, 2014 Centra informed the Board that its forecast net deferral account balance was \$0.3 million.

QUESTION:

- a) Please file Centra's January 29, 2014 letter to the Board that was Centra's response to Directive 17 from Order 85/13.
- b) Please provide a schedule showing the deferral account balances allocated to customer classes forecasted for October 31, 2014 as of the date the materials supporting Centra's January 29, 2014 letter were prepared. Please use a similar format to Schedule 5.5.0 from the current application.
- c) Please provide a schedule showing the allocated deferral account balances in (b) as well as the rate rider calculations in a similar format to Schedule 5.5.1.
- d) Please provide non-Primary Gas bill impacts (similar to schedule 6.2.0) reflecting the gas cost forecast for 2013/14 as known at the time the materials supporting Centra's January 29, 2014 letter were prepared.

RATIONALE FOR QUESTION: To understand the customer class PGVA responsibility and potential bill impacts as opposed to the overall net PGVA balance. While on a net basis, the \$0.3 million forecasted deferral account balance may have been minimal, the customer class-specific deferral account balances and bill impacts may have been material.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Tab:	2	Page No.:	10 (11 in CSI version)
Topic:	2013/14 Gas Costs		
Subtopic:	Supply hubs market prices		
Issue:	Causes of high Prior Period deferral account balance		

PREAMBLE TO IR (IF ANY): Centra attributes the high Prior Period deferral account balance to cold weather, rapidly depleting North American storage levels, and the effects of TransCanada’s unlimited pricing discretion on commodity prices at hubs interconnected to the Mainline.

QUESTION:

- a) Please summarize Centra’s evidence in the NEB proceeding RH-001-2014 that posited that TransCanada’s pricing discretion was one of the causes of the high commodity prices at downstream hubs interconnected with the Mainline.
- b) Please summarize the NEB’s findings on whether TransCanada’s pricing discretion affected commodity prices at hubs interconnected to the Mainline and whether the NEB supported Centra’s view of the influence of TransCanada’s pricing discretion on commodity prices.

RATIONALE FOR QUESTION: NEB considered the effects of TransCanada pricing discretion in a fulsome hearing of the matter and its position will help inform the Board.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Tab:	Appendix 2.2	Page No.:	2-4
Topic:	Evidence of Drazen Consulting Group		
Subtopic:	Use of PGVAs		
Issue:	Whether retained earnings should be used to reduce bill impacts		

PREAMBLE TO IR (IF ANY): Drazen states: “Centra’s PGVA was proposed and approved by the Board on the basis that it would recover exactly the cost incurred;”

QUESTION:

- a) Please confirm whether the PGVA approved in Order 10/93 was proposed by Centra or by the Board.
- b) Please provide Mr. Drazen’s view whether the use of PGVAs shifts the risk of over- or under-collection of gas costs to ratepayers from the utility.
- c) Please quantify the cost to ratepayers if the utility was to assume the risk of over- or under-collection of gas costs. That is, what level of net income would Centra reasonably be expected to require if it was at risk of over- or under-collection of gas costs?
- d) Please indicate which gas utilities take on the commodity cost risk and what level of compensation do these utilities earn for taking on this risk.
- e) Please summarize how the Ontario Energy Board treated the increase in gas costs experienced by its two major utilities Union and Enbridge following the 2013/14 winter.
- f) Please provide links to the Ontario Energy Board decisions EB-2014-0039 and EB-2014-0050, as well as links to the applications and evidence filed in these proceedings.

RATIONALE FOR QUESTION: To clarify the origin of the PGVA, to understand the risk-shifting nature of the PGVA, and to understand how other jurisdictions treated similar cost consequences of the 2013/14 winter.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Tab:	Appendix 2.2	Page No.:	7
Topic:	Evidence of Drazen Consulting Group		
Subtopic:	Recovery of Gas Costs		
Issue:	Disallowances of gas costs not prudently acquired		

PREAMBLE TO IR (IF ANY): Mr. Drazen notes an example where the Board disallowed a portion of Centra’s gas costs as the Board found that Centra’s hedging strategy had not been prudently managed.

QUESTION:

- a) Please summarize the reasons for disallowance by the Ontario Energy Board of some of Union’s 1995 gas costs as ordered in EBRO-486-04 dated April 12, 1996.
- b) Please provide a copy or link to the OEB Order EBRO-486-04 dated April 12, 1996.
- c) Please provide any examples from other Canadian or U.S. jurisdictions where the regulator disallowed gas costs because they were not prudently required.

RATIONALE FOR QUESTION: To explore reasons for prudence disallowance by other Canadian regulators.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Tab:	Appendix 2.2	Page No.:	11
Topic:	Evidence of Drazen Consulting Group		
Subtopic:	Centra's Financial Results		
Issue:	Whether retained earnings should be used to reduce bill impacts		

PREAMBLE TO IR (IF ANY): Mr. Drazen highlights Centra's historical net incomes.

QUESTION:

- a) Please provide a schedule of retained earnings, net income, weather-normalized net income, and weather-normalized retained earnings in a similar format to that of PUB Exhibit 11 from the 2013/14 GRA, updated to include 2014/15 actual and weather-normalized results. Please add rows to the schedule showing actual EDDH, normal (forecasted) EDDH, and the difference for each year.
- b) Please provide an illustration and explain how the weather-normalized net income adjustment is calculated.
- c) Please file the Centra's letter to the Board dated February 12, 2015 showing the audited financial statements and results for 2012/13 and 2013/14.
- d) Please file the most recent audited financial statements for Centra Gas Manitoba Inc. for 2014/15.
- e) Please file a copy of the first quarterly reports for 2015/16.

RATIONALE FOR QUESTION: To understand Centra's financial position after the record level of net income earned in 2013/14.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION

Tab:	Appendix 2.2	Page No.:	11
Topic:	Evidence of Drazen Consulting Group		
Subtopic:	Centra's Financial Forecasts		
Issue:	Whether retained earnings should be used to reduce bill impacts		

PREAMBLE TO IR (IF ANY): Mr. Drazen highlights Centra's historical net incomes.

QUESTION:

- a) Please file the most current IFF CGMI14 for Centra operations including financial targets based on Board approved methodology for Debt to Equity.
- b) Please provide detailed supporting calculations (CGM14) for the debt to equity ratio based on the Board's approved methodology.
- c) Please file an IFF CGMI14 including Board-approved methodology for debt to equity for each of the following two scenario(s) reflecting:
 - (i) 50% of the remaining 2013/14 Prior Period Supplementary Gas PGVA balance (i.e. approximately 25% of the original \$46 million balance) being recovered in rates.
 - (ii) No further recovery of the 2013/14 Prior Period Supplementary Gas PGVA balance.
- d) Please file a schedule in the same format as PUB/Centra I-13(a) from the 2013/14 GRA comparing the actual and weather normalized results for 2007/08 to 2013/14, the actual and weather normalized preliminary results for 2014/15, and the forecasted results for 2015/16.
- e) Please provide a schedule which compares the approved 2013/14, 2014/15, and 2015/16 forecasts of total cost of service at the 2013/14 GRA and compare with

actual and updated forecast results for the years and explain all material variances in a similar format to PUB/Centra I-11 from the 2013/14 GRA.

- f) Please provide a schedule on a total cost of service basis, similar to PUB/Centra I-12 from the 2013/14 GRA for fiscal years 2007/08 to 2015/16.

RATIONALE FOR QUESTION: To understand Centra's current and forecasted financial position after the record level of net income earned in 2013/14.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION

Tab:	3	Page No.:	5
Topic:	Gas Supply & Costs		
Subtopic:			
Issue:	Historical gas costs and PGVA balances		

PREAMBLE TO IR (IF ANY):

QUESTION: Please re-file Figure 3.4 breaking out Primary Gas and Supplemental Gas PGVA balances separately.

RATIONALE FOR QUESTION: Highlights the historical non-Primary Gas deferral balances without the overwhelming influence of Primary Gas costs.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Tab:	3	Page No.:	10
Topic:	Gas Supply		
Subtopic:	Primary Gas Supply Contract		
Issue:	Evaluation of Gas Supply Proposals		

PREAMBLE TO IR (IF ANY):

QUESTION:

[REDACTED]

[REDACTED]

[REDACTED]

d) Please identify the successful proponent.

[REDACTED]

RATIONALE FOR QUESTION: To understand Centra's decision making in selecting the Primary Gas supply proponent and whether Centra selected the best proposal.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Tab:	3	Page No.:	28-32
Topic:	Gas Supply & Costs		
Subtopic:	TCPL Transportation Tolls		
Issue:	Impact of NEB Mainline Settlement Decision RH-001-2014 on Centra		

PREAMBLE TO IR (IF ANY): NEB proceeding RH-001-2014 resulted in increased Mainline tolls and continued TCPL’s unlimited pricing discretion of short term firm and interruptible transportation toll bid floors.

QUESTION:

- a) Please provide Centra’s evidence, closing submissions, and the NEB Decision in RH-001-2014 (or links to these documents).
- b) Please confirm whether any of the costs of Centra’s intervention in the NEB proceedings are included for recovery with the gas costs that are subject to this Application. If confirmed, please provide the costs of Centra’s interventions in the RH-003-2011, RH-001-2013, and RH-001-2014 proceedings.

RATIONALE FOR QUESTION: To understand the implications of the NEB decision on Centra’s gas costs.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Tab:	3	Page No.:	31
Topic:	Gas Supply & Costs		
Subtopic:	TransCanada Mainline Pricing Discretion		
Issue:	Treatment of non-public shipper information following NEB RH-001-2014 Decision		

PREAMBLE TO IR (IF ANY):

QUESTION:

- a) Please provide a link to TransCanada’s response (which was due by March 31, 2015) to the NEB’s directive to provide remedies to prevent the use of non-public shipper information by TransCanada’s pricing desk.
- b) Please provide a link to any stakeholder comments in response to TransCanada’s response, as well as to the NEB’s decision or further direction on this matter, if available.
- c) Please summarize TransCanada’s, Centra’s, other stakeholders’, and the NEB’s responses.

RATIONALE FOR QUESTION: NEB decision may affect treatment of CSI in this and future Centra proceedings.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Centra Gas 2015/16 Cost of Gas Application

PUB/Centra-44

Tab:	3	Page No.:	36, 37
Topic:	Gas Supply & Costs		
Subtopic:	2012/13 Supplemental Gas PGVA		
Issue:	Reasons for SG PGVA balance		

PREAMBLE TO IR (IF ANY): Centra provides reasons for the Supplemental Gas PGVA balance.

QUESTION: Please explain why Supplemental Gas rates needed to be increased (the delay of which contributed to \$3.2 million owing to Centra in the PGVA) if the Supplemental Gas purchase costs were lower than expected (accounting for \$3 million owing to customers).

RATIONALE FOR QUESTION: Clarify the reasons for the 2012/13 Supplemental Gas PGVA balance.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Tab:	3	Page No.:	37, 39, 49-52
Topic:	Gas Supply & Costs		
Subtopic:	Primary Gas, Supplemental Gas, and Distribution PGVAs		
Issue:	Unaccounted For Gas (UFG)		

PREAMBLE TO IR (IF ANY): Centra removes UFG costs from the Primary Gas and Supplemental Gas PGVAs and transfers these costs to the Distribution PGVA.

QUESTION:

- a) Please explain how Centra calculates its UFG true-ups.
- b) Please provide the actual (trued-up) UFG percentages for the past five years.

RATIONALE FOR QUESTION: To understand the treatment of UFG costs

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Tab:	3	Page No.:	45
Topic:	Gas Supply & Costs		
Subtopic:	2013/14 Gas Costs - Transportation PGVA		
Issue:	GLGT tariff utilization rate		

PREAMBLE TO IR (IF ANY):

QUESTION:

- a) Please explain why the change to the GLGT tariff, specifically the implementation of utilization rates on backhaul contracts, was not brought forward to the Board in the 2012 Transportation and Storage Portfolio proceeding.
- b) Please provide a link to the revised GLGT tariff and identify the page or section in the tariff that identifies the toll chargeable to Centra for backhaul service.

RATIONALE FOR QUESTION: To understand the forecast of gas transportation costs.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Tab:	3	Page No.:	61
Topic:	Gas Supply & Costs		
Subtopic:	2015/16 Gas Cost Forecast		
Issue:	Underlying volume forecast		

PREAMBLE TO IR (IF ANY): Centra intends to provide an update to its 2015/16 gas cost forecast later in this proceeding, in accordance with Order 65/11 Directive 10.

QUESTION:

- a) Please confirm whether the update to the 2015/16 gas cost forecast to be provided later in this proceeding will be based on the 2015 Natural Gas Volume Forecast.



- c) If not confirmed, please explain why the most current volume forecast is not being used to calculate the gas cost forecast.

RATIONALE FOR QUESTION: To clarify the basis for the 2015/16 gas cost forecast.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Tab:	3	Page No.:	Schedule 3.12.1
Topic:	Gas Supply & Costs		
Subtopic:	Supply Prices for 2015/16 Year		
Issue:	Exchange Rate Forecast		

QUESTION:

Please provide the Economic Outlook and forecast which supports the CAD/USD exchange rate forecast used in Schedule 3.12.1.

RATIONALE FOR QUESTION: To assess the reasonableness of Centra's forecast gas supply costs.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Tab:	4	Page No.:	3
Topic:	Natural Gas Volume Forecast		
Subtopic:	Economic Outlook		
Issue:	Effects of Changes in the Economic Outlook on the Volume Forecast		

PREAMBLE TO IR (IF ANY):

QUESTION:

- a) Please file the Economic Outlook used in the preparation of the 2014 Natural Gas Volume Forecast.
- b) Please explain how the economic outlook factors into load growth assumptions.
- c) Please file the most current 2015 Economic Outlook.
- d) Please identify the differences between the Economic Outlook used in the preparation of the 2014 Natural Gas Volume Forecast and the most current 2015 Economic Outlook with respect to any inputs into the Natural Gas Volume Forecast.
- e) Please comment how the changes in the Economic Outlook affected or will affect the 2015 Natural Gas Volume Forecast.

RATIONALE FOR QUESTION: To understand the inputs into the Natural Gas Volume Forecast.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Tab:	4	Page No.:	Appendix 4.1
Topic:	Natural Gas Volume Forecast		
Subtopic:			
Issue:	2015 Natural Gas Volume Forecast update		

PREAMBLE TO IR (IF ANY): The Natural Gas Volume Forecast is updated each June. It is requested in a separate IR.

QUESTION:

Please identify and explain any changes in the forecasting methodologies between the 2014 and 2015 Natural Gas Volume Forecasts.

RATIONALE FOR QUESTION: The Natural Gas Volume Forecast is updated each June. The 2015 Forecast should be available for consideration in this proceeding.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Tab:	4	Page No.:	4
Topic:	Natural Gas Volume Forecast		
Subtopic:			
Issue:	Power Stations volume forecast		

PREAMBLE TO IR (IF ANY): Power Stations and Special Contract volumes are forecasted using the historical three year average volume. The Power Stations are not expected to use significant volumes, except for predictable maintenance requirements, except in years when Manitoba Hydro must generate electricity from its thermal plants in low water years.

QUESTION: Please explain whether consideration of Manitoba Hydro's expected water flows in the first year of the Volume Forecast could provide a more accurate forecast of Power Station consumption.

RATIONALE FOR QUESTION: A more accurate volume forecast for Power Station customers may be possible when considering Manitoba Hydro's expected water flows. For example, when high water flows are expected, the Power Station customers are not expected to increase their consumption above their base maintenance requirements. When drought conditions are expected, significant usage by the Power Station customers is expected.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Tab:	4	Page No.:	Appendix 4.1 Table 25,26
Topic:	Natural Gas Volume Forecast		
Subtopic:	FRPGS Customer Forecast		
Issue:	Change in FRPGS customer forecast from 2013 GRA		

PREAMBLE TO IR (IF ANY): In the 2013 GRA, Centra forecasted 1,351 FRPGS customers by 2016/17 and 1,813 by 2021/22. In the 2014 Forecast, Centra is now forecasting 286 customers by 2016/17 and 187 by 2021/22.

QUESTION:

- a) Please explain the reasons for the downward revisions in customer numbers and volumes compared to the 2012 Natural Gas Volume Forecast presented at the 2013 GRA.
- b) Please provide a schedule comparing the forecasts from the 2013/14 GRA with the current forecast for both customer numbers and volumes.

RATIONALE FOR QUESTION: To understand the reasons for a significant change in the Volume Forecast.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Tab:	4	Page No.:	Appendix 4.1
Topic:	Natural Gas Volume Forecast		
Subtopic:	Customer Forecasting Methodology		
Issue:	Response to Order 85/13 Directive 18		

PREAMBLE TO IR (IF ANY): Centra made changes to the customer numbers forecasting methodology in the 2012 Natural Gas Volume Forecast. These changes were reviewed at the 2013/14 GRA and were the subject of Directive 18 from Order 85/13.

QUESTION:

- a) Please file Centra's April 1, 2014 response to Order 85/13 Directive 18.
- b) Please update the testing results provided in the April 1, 2014 response to include the actual results from 2013/14 and 2014/15 by completing the following table:

Residential Customer Number Forecasts Versus Actuals

Year of Forecast	Forecasted Year	Actual Customer Numbers	2010 Methodology		2012 Methodology	
			Forecasted Customer Numbers	Percent Difference	Forecasted Customer Numbers	Percent Difference
2011	2011/12	242,812	243,205	0.16%	243,072	0.11%
2011	2012/13	244,767	245,547	0.32%	245,290	0.21%
2012	2012/13	244,767	245,269	0.21%	244,927	0.07%
2012	2013/14					
2013	2013/14					
2013	2014/15					

RATIONALE FOR QUESTION: To review the Directive response to ensure that it complies with the Board's direction. To update the Directive response for a more fulsome review of the change.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Tab:	4	Page No.:	Appendix 4.1
Topic:	Natural Gas Volume Forecast		
Subtopic:	Customer Forecasting Methodology		
Issue:	Changes to Methodology		

PREAMBLE TO IR (IF ANY): Centra made changes to the customer numbers forecasting methodology in the 2014 Natural Gas Volume Forecast compared to the 2012 Forecast.

QUESTION:

Please conduct similar retrospective testing of the change in customer number forecasts as was required for Order 85/13 Directive 18, but considering the change in Residential forecasting methodology between the 2012 and 2014 Natural Gas Volume Forecasts. Please complete the following table:

Residential Customer Number Forecasts Versus Actuals

Year of Forecast	Forecasted Year	Actual Customer Numbers	2012 Methodology		2014 Methodology	
			Forecasted Customer Numbers	Percent Difference	Forecasted Customer Numbers	Percent Difference
2012	2012/13	244,767				
2012	2013/14					
2013	2013/14					
2013	2014/15					
2014	2014/15					

RATIONALE FOR QUESTION: To review further changes made by Centra to its forecasting methodology by applying the same retrospective testing as previously directed in Order 85/13.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Tab:	4	Page No.:	Appendix 4.1
Topic:	Natural Gas Volume Forecast		
Subtopic:	Forecasting Methodology		
Issue:	Methodology and inputs		

PREAMBLE TO IR (IF ANY):

QUESTION:

- (a) Please identify and explain any changes in the 2014 Natural Gas Volume Forecast forecasting methodologies since the 2012 Natural Gas Volume Forecast.
- (b) Please give Centra's view regarding the reliability of a 2009 customer survey, the data from which Centra has adjusted to agree with its customer billing system, as a significant input into the residential customer forecast.
- (c) Please provide tables of appliance saturations and average use for 2013/14 and 2014/15 in a similar format to PUB/Centra I-61 from the 2013 GRA.
- (d) Please explain why Centra changed the customer number forecasting methodology for SGS Commercial and LGS customers after changing it for the 2012 volume forecast.
- (e) Please explain or provide a schedule showing how the percentage of SGS residential customers choosing gas heat was determined for Winnipeg and gas-available areas outside of Winnipeg.
- (f) Centra forecasts SGS Commercial customers to increase from 67.8% of the combined SGS Commercial-LGS customer group to 72.3% by 2023/24 due to ongoing efficiency improvements that result in LGS customers migrating to the SGS Commercial class. Please explain how the percentages are forecasted.

- (g) Please explain why Centra does not forecast any growth to either customer numbers or volumes for the Top Consumers after the 3rd year of the forecast.

RATIONALE FOR QUESTION: To understand changes in the natural gas volume forecast and to assess the inputs into the forecast.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Tab:	5	Page No.:	Schedule 5.5.1
Topic:	Cost Allocation and Rate Design		
Subtopic:	Proposed Rate Riders		
Issue:	Calculation of Rate Riders		

PREAMBLE TO IR (IF ANY): Migrations of customers between customer classes and service types affect the volumes and billing determinants used to calculate the Supplemental Gas rate riders.

QUESTION:

Please show calculations of the billing determinants for Supplement Gas on lines 20 and 34 reflecting the migration of customers from Interruptible service to firm service and from Sales service to T-Service.

RATIONALE FOR QUESTION: To show the migration of customers and how this affects the rate rider calculations.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Tab:	5, Appendix 7.5	Page No.:	1, PUB/Centra INT-6(c)
Topic:	Cost Allocation and Rate Design		
Subtopic:			
Issue:	Cost Allocation and Rate Design methodologies		

PREAMBLE TO IR (IF ANY):

QUESTION:

- a) Please identify and summarize any changes made to the Cost Allocation and Rate Design Methodologies since the 2013/14 GRA.
- b) Please update the table of allocation factors provided in response to PUB/Centra INT-6(c) showing the allocation factors used in the cost allocation study:
 - (i) to allocate forecast gas costs and to set base rates, and
 - (ii) to allocate deferral account balances.
- c) Please provide schedules showing the calculation of each of the allocation factors in (b) in a similar format to the Attachment to PUB/Centra I-115 from the 2013/14 GRA.

RATIONALE FOR QUESTION: To explore the cost allocation methodology and understand the allocation of costs between customer classes.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Tab:	5	Page No.:	Schedule 5.2.0
Topic:	Cost Allocation and Rate Design		
Subtopic:	UFG		
Issue:	Amount of UFG cost allocated to customer classes		

PREAMBLE TO IR (IF ANY):

QUESTION:

Please explain the calculation of the functionalization and allocation of UFG costs according to the UFG allocator on Schedule 5.2.0 and reconcile with the forecast of UFG volumes of 0.9% as stated on page 61 of Tab 3.

RATIONALE FOR QUESTION: To clarify the allocation of UFG costs to Centra's customer classes.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Tab:	5	Page No.:	Schedule 5.4.6
Topic:	Cost Allocation and Rate Design		
Subtopic:	Rate Design		
Issue:	Allocation of Minell, TransGas, Many Islands Pipeline, and CTHI Costs		

PREAMBLE TO IR (IF ANY): Centra allocates Minell Pipeline transportation costs to all customer classes and recovers these costs through the Distribution rate. Centra allocates TransGas, Many Islands Pipeline, and Centra Transmission Holdings Inc. transportation costs to Sales service customers and recovers these costs through the Transportation (to Customers) rate. Accordingly, T-service customers contribute to recovery of Minell costs but not TransGas, Many Islands Pipeline, or CTHI costs.

QUESTION:

Please explain the rationale for the different functionalization, classification, and allocation treatment where Minell Pipeline costs are recovered from all customers including T-service customers through the Distribution rate, while TransGas, Many Islands Pipeline, and CTHI costs are recovered through the Transportation rate.

RATIONALE FOR QUESTION: To clarify the allocation of transportation costs to Centra's customer classes.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Tab:	5, 6	Page No.:	Schedules 5.5.0, 5.5.1, 6.2.0
Topic:	Cost Allocation and Rate Design, Proposed Rates & Customer Impacts		
Subtopic:	Bill Impacts		
Issue:	Supplemental Gas PGVA Recovery Scenarios		

PREAMBLE TO IR (IF ANY): Centra proposes rate riders and corresponding bill impacts to recover the remaining \$22 million of the Prior Period Supplemental Gas deferral account balance.

QUESTION:

Please re-file schedules 5.5.0, 5.5.1, and 6.2.0 for the following two scenarios:

- (iii) recovery of 50% of the remaining Supplemental PGVA balance (i.e. approximately 25% of the original \$46 million balance), and
- (iv) no further recovery of the remaining Prior Deferral Supplemental Gas deferral balance after October 31, 2015.

RATIONALE FOR QUESTION: To understand the impacts of a recovery of less than the amount requested by Centra.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Tab:	6	Page No.:	1
Topic:	Proposed Rates and Customer Impacts		
Subtopic:	Fixed Rate Primary Gas Service		
Issue:	Rates, Enrolment, and Risk Thresholds		

PREAMBLE TO IR (IF ANY): In Order 156/08, the Board stated: “Retrospectively, the Board will review Centra’s actions and pricing to ensure that the policies and procedures were followed – not just for hedging, but also for its entire fixed price offering program.”

QUESTION:

- a) Please provide a table showing FRPGS enrolment results for fiscal years 2012/13, 2013/14, 2014/15, and 2015/16 to date in a similar format to Appendix 13.3 from the 2013/14 GRA.
- b) Please provide a table showing the FRPGS enrolment period, flow date, fixed rates offered, and the corresponding quarterly rate in effect at the time of the offering for all offerings since the 2013/14 GRA.
- c) For each offering since the 2013/14 GRA, please provide schedules showing the detailed calculations of the FRPGS weighted average cost of gas including compressor fuel costs as well as the FRPGS billed rates including Self-insurance Risk Premiums. Please provide in a similar format to that of CAC/Centra I-29(e) from the 2013/14 GRA.
- d) Please provide an update of Centra’s position with respect to the FRPGS program review thresholds.

RATIONALE FOR QUESTION: To demonstrate the calculations of rates in order to complete the required post facto review of the FRPGS offerings.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Centra Gas 2015/16 Cost of Gas Application

PUB/Centra-71

Tab:	6	Page No.:	Schedules 6.1.0, 6.2.0
Topic:	Proposed Rates and Customer Impacts		
Subtopic:	Proposed rates for November 1, 2015		
Issue:	Determination of Alternate Service and Supplemental Gas rates		

PREAMBLE TO IR (IF ANY):

QUESTION:

- a) Please explain how the Delivery portion of the Alternate Service Rates are determined.
- b) Please show the derivation of the non-gas cost component of Supplemental Gas rates and the calculation of the Supplemental Gas rates.

RATIONALE FOR QUESTION: To demonstrate the calculations of Alternate Service and Supplemental Gas rates.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Tab:	Appendix 7.1	Page No.:	2
Topic:	Confirmation of Interim Orders		
Subtopic:	Interim Ex Parte Franchise Applications		
Issue:	Filing of applications		

PREAMBLE TO IR (IF ANY):

QUESTION:

Please file or provide links to the ex parte franchise applications that Centra seeks final approval for.

RATIONALE FOR QUESTION: To provide the franchise applications in a public proceeding.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Tab:	Appendix 7.2	Page No.:	17
Topic:	Status of Previous Directives		
Subtopic:	Compliance with directives		
Issue:	Order 65/11 Directive 14 – Review of rate and service structure		

PREAMBLE TO IR (IF ANY): In the 2013/14 GRA, Centra proposed to review the rate and service structure following the conclusion of the GRA. In Order 85/13, the Board supported this approach.

QUESTION:

Please indicate when Centra initiated the review of its rate and service structure and provide any materials that it has prepared for the purposes of this review.

RATIONALE FOR QUESTION: To update the status of this directive.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Tab:	Appendix 7.2	Page No.:	27,28,31
Topic:	Status of Previous Directives		
Subtopic:	Compliance with directives		
Issue:	Directives from Order 85/13, 29/14, and other Directives waiting confirmation by Board		

PREAMBLE TO IR (IF ANY):

QUESTION:

- a) Please file the quarterly Affordable Energy Program/Furnace Replacement Program reports for each quarter of 2014/15 as well as the first quarter of 2015/16.
- b) Please file or provide links to any responses filed by Centra with the Board for which Centra is waiting for confirmation from Board that the directive has been satisfied.

RATIONALE FOR QUESTION: To review the status of compliance with the AEP/FRP report directive and other responses to directives in this proceeding.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Section:	Appendix 7.5	Page No.:	PUB/Centra INT-1(d)
Topic:	Natural Gas Volume Forecast		
Subtopic:	Coefficients used in the volume forecast		
Issue:	Changes to the coefficients		

PREAMBLE TO IR (IF ANY):

In the response to PUB/Centra INT-1(d), Centra stated that it made changes to the coefficients used in the volume forecast for the 2014/15 winter that include the recent extreme cold winter experience of 2013/14..

QUESTION:

Please explain the nature of the change to the coefficients, how the coefficients are used in the Natural Gas Volume Forecast, and provide a reference to the section(s) within Appendix 4.1 where a description of the coefficients can be found.

RATIONALE FOR QUESTION:

To understand the changes in the Volume Forecast following the cold winter of 2013/14.

RESPONSE:**RATIONALE FOR REFUSAL TO ANSWER THE QUESTION:**

Tab:	Appendix 7.5	Page No.:	PUB/Centra INT-2
Topic:	Gas Supply & Costs		
Subtopic:	Primary Gas / Supplemental Gas billing percentages		
Issue:	Definitions of Primary Gas and Supplemental Gas		

PREAMBLE TO IR (IF ANY): Centra provides a definition of Primary Gas in Attachment 1 page 9 of PUB/Centra INT-2(a): "Primary Gas is the natural gas received from western Canadian sources at the Alberta border (Empress), whether supplied by Centra or a marketer."

QUESTION:

- a) Please provide the Primary Gas / Supplemental Gas billing percentages for May and August 2015.
- b) Please confirm whether Centra has always forecasted that Supplemental Gas would be needed in normal weather years. If not confirmed, please identify which years Supplemental Gas was not forecasted under normal weather and explain why it was not expected to be required.
- c) Please provide the definitions of Primary Gas and Supplemental Gas (originally proposed as Storage and Peaking Gas) as proposed by Centra in its 1999 application for Western Transportation Service leading to Order 19/00.
- d) Please confirm whether the definition of Primary Gas in PUB/Centra INT-2(a) reflects all sources of supply that Centra considers Primary Gas, or whether the definition should be amended to reflect gas supplies delivered to Manitoba on a seasonal basis from Western Canada.
- e) [REDACTED]

[REDACTED]

RATIONALE FOR QUESTION: Update response to PUB/Centra INT-2b. To understand Centra's historical planning for the relative amounts of Primary Gas versus Supplemental Gas, and to understand the differences between Primary Gas and Supplemental Gas.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Tab:	Appendix 7.5	Page No.:	PUB/Centra INT-005a
Topic:	Natural Gas Volume Forecast		
Subtopic:	Customer and Volume Forecast		
Issue:	Customers, Volumes, and Average Use		

PREAMBLE TO IR (IF ANY):

QUESTION:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- c) In addition to the schedules filed in response to PUB/Centra INT-005a, please provide the heating value-adjusted and weather-normalized average use and percentage change each year.

RATIONALE FOR QUESTION: Heating-value and weather-adjusted volumes and average use are needed to show the year-to-year trends in customer consumption. The other requested schedules are the PUB's historically-preferred format for presentation of this information.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Tab:	Appendix 7.5	Page No.:	PUB/Centra INT-5b
Topic:	Natural Gas Volume Forecast		
Subtopic:	Primary Gas / Supplemental Gas Volumes		
Issue:	Long term consumption trends of Primary and Supplemental Gas		

PREAMBLE TO IR (IF ANY): Response to PUB/Centra INT-5b provided forecasted volumes, not weather-normalized actual volumes.

QUESTION:

- a) Please re-file the attachment to PUB/Centra INT-5b showing the heating value-adjusted and weather normalized actual volumes and percentages broken down by Primary Gas and Supplemental Gas for the past 10 years and comment on any material changes or trends.

[REDACTED]

[REDACTED]

[REDACTED]

RATIONALE FOR QUESTION: Historical information requested to assess recent Primary Gas and Supplemental Gas volumes and the arrangement of Centra's supply portfolio. To understand Centra's historical planning for the relative amounts of Primary Gas versus Supplemental Gas.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Tab:	Appendix 7.5	Page No.:	PUB/Centra INT-6(c)
Topic:	Cost Allocation and Rate Design		
Subtopic:	Cost Allocation Factors		
Issue:	Update of allocators for 2015/16		

PREAMBLE TO IR (IF ANY):

QUESTION:

Please update the Attachment to PUB/Centra INT-6(c) to show the allocation factors used for the 2015/16 cost allocation study.

RATIONALE FOR QUESTION: To understand how Centra allocates the forecasted gas costs to the customer classes.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Tab:	Appendix 7.5	Page No.:	PUB/Centra INT-10
Topic:	Gas Supply & Costs		
Subtopic:	Interruptible Service Curtailments; curtailments for operational reasons		
Issue:	Reasons for Curtailments		

PREAMBLE TO IR (IF ANY): Centra curtailed Interruptible customers during the months of June, July, and August 2013, and extensively through the winter of 2013/14.

QUESTION:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- c) Please explain whether the TCPL Mainline rupture near Otterburne, Manitoba resulted in any direct gas cost consequences to Centra, and whether Centra attempted to recover these costs from TCPL.

RATIONALE FOR QUESTION: To understand the reasons for curtailments of Interruptible customers to ensure curtailments were justified.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Centra Gas 2015/16 Cost of Gas Application

PUB/Centra-89

Tab:	Appendix 7.5	Page No.:	PUB/Centra INT-19
Topic:	Gas Supply & Costs		
Subtopic:	Effective Degree Days Heating		
Issue:	Tabulation of EDDH		

PREAMBLE TO IR (IF ANY):

QUESTION:

Please re-file the table in response to PUB/Centra INT-19(b) to include the normal EDDH for each historical year and the difference between the actual EDDH and the normal EDDH for each year.

RATIONALE FOR QUESTION: To obtain a complete data set on EDDH.

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION: