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2 MANITOBA PUBLIC UTILITIES BOARD
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6 Re: CENTRA GAS MANITOBA INC.
7 2005/06 AND 2006/07 GENERAL RATE APPLICATION
8 PRE-HEARING CONFERENCE
910
11 Before Board Panel:12 Graham Lane - Board Chairman
13 Monica Girouard - Board Member
14 Mario Santos - Board Member
15
16
17

18 HELD AT:

19 Public Utilities Board
20 400, 330 Portage Avenue
21 Winnipeg, Manitoba
22 February 3rd, 2005
23 Volume I
24 Pages 1 to 58
25

APPEARANCES

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2
3 R.F. Peters) Board Counsel
4
5 Marla Murphy) Manitoba Hydro
6
7 Brian Meronek) CAC/MSOS
8 Aimee Craft)
9
10 Nola Ruzycki) Energy Saving Manitoba
11 Corporation
12
13 Peter Miller) TREE and Resource
14 Conservation Manitoba
15
16 Karen Melnychuk) Municipal Gas/Direct
17) Energy
18
19
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1 --- Upon commencing at 9:08 a.m.

2

3 THE CHAIRPERSON: Good morning, ladies
4 and gentlemen. I call this Pre-Hearing Conference to
5 order.

6 I was thinking it doesn't matter whether
7 it's a wedding, a funeral, or an appointment for a car,
8 but it always seems we humans are always in a rush, and
9 somehow manage to start a little bit late. I apologize
10 for that.

11 On January the 10th, of this year, Centra
12 Gas applied to the Public Utilities Board for final
13 approval of rates which reflected 2 1/2 percent increase
14 in overall revenue, and which rates were approved on an
15 interim basis, effective February the 1st of this year,
16 by our Order 13/05.

17 Centra also seeks approval of a further
18 adjustment in rates, to reflect a further 2.5 percent
19 increase in overall revenue, to be effective May the 1st,
20 2006.

21 In its materials, Centra indicates that in
22 mid-February, it will file additional material and
23 proposals, with respect to its cost of gas and cost-
24 deferral account balances, cost allocation and rate
25 design, and terms and conditions of service.

1 Centra is also to provide responses to
2 previous PUB Directives.

3 Centra has indicated an intention to
4 update the Application now before the Board, to account
5 for actual PGVA and gas cost-deferral account balances,
6 as well as to update forward gas commodity market prices,
7 prior to the reminder, Public Hearing -- of the Public
8 Hearing.

9 Centra is to publish a subsequent reminder
10 notice, which is to include the approximate impacts of
11 its application on rates, by customer class. As part of
12 this application, Centra is also requesting final
13 approval of April 1, 2004 to March 31, 2005 gas costs.

14 Final approval of the balances and
15 disposition of the various non-primary, purchase gas,
16 various accounts, PGVA and other gas-cost deferral
17 accounts, as at March 31st, 2005.

18 Also final approval of supplementary gas,
19 transportation and distribution sales rates, effective
20 November 1st, 2004, all of which were approved on an
21 interim basis in Board Orders 11/04, 132/04, and 146/04;
22 final approval of Interim Order 73/03 and 129/04, these
23 being related to the approval of interim primary gas
24 sales rates, that took effect May the 1st, 2003, and
25 November 1st, 2004, respectively, and, final approval of

1 any other interim orders, issued by the Board, prior to
2 the conclusion of the Hearing of this Application.

3 At this Pre-Hearing Conference, and in
4 addition to the comments related to the matters
5 indicated, the Board welcomes comments from the parties
6 present, with respect to the Board's processes, including
7 in particular, the Ex-parte Interim Rate Procedure, that
8 resulted in Order 13/05.

9 I am Graham Lane, Chairman of the Public
10 Utilities Board, and I am joined by two (2) other Board
11 Members: to my right, Ms. Monica Girouard and to my
12 left, Mr. Mario Santos.

13 Also with us today to assist in the
14 process of this Hearing, is Mr. Hollis Singh, Associate
15 Secretary of the Board, and Mr. Bob Peters, Board
16 Counsel. So without further ado, I will now call on Mr.
17 Peters to make further introductions, to review the
18 purpose of this Pre-Hearing Conference, and to introduce
19 the draft Time-Table for subsequent discussion.

20 Mr. Peters will also make introductory
21 comments on the Board's Ex-parte processes, then indicate
22 the proposed Intervenors, and will provide a brief
23 outline of the Board's position on Intervenor funding,
24 the latter likely already understood by most of those
25 present. Mr. Peters...?

1 MR. BOB PETERS: Thank you. And good
2 morning, Mr. Chairman, Members of the Board, Ladies and
3 Gentlemen.

4 For the record, my name is Bob Peters and
5 I appear as Board Counsel this morning. The Board is
6 also assisted in this application by the Board's
7 Engineering Advisors from Energy Consultants
8 International, with Mr. James Sandison present today, and
9 also the Board's accounting advisors, of Price Waterhouse
10 Coopers, with Mr. Roger Cathcart present on my left
11 today.

12 Mr. Chairman, Board Members, Ladies and
13 Gentlemen, the parties present and represented, want to
14 assist you in reaching a full understanding of the
15 Application and the related issues, and I'm confident the
16 parties will welcome questions of the Board this morning,
17 as they arise.

18 Mr. Chairman, you wanted me to comment on
19 the purpose of the Pre-Hearing Conference, and the
20 purpose that we are here today includes the identifying
21 of prospective Intervenors and establishing their reasons
22 for intervention. Also to set the stage and provide the
23 opportunity for Intervenors to cooperate and avoid
24 duplication of interventions.

25 We also want to, this morning, speak to a

1 timetable for the Board to finalize with its Procedural
2 Order that will follow the Pre-Hearing Conference, and as
3 you noted, this would be an opportunity for the parties
4 present and particularly the prospective Intervenors, to
5 have an opportunity to comment and exchange views on the
6 Board's processes including, in particular, the Interim
7 Ex-parte Procedure that led to Order 13 of '05.

8 To facilitate the record of this Pre-
9 Hearing Conference and to assist all parties, Mr. Singh
10 has circulated a draft exhibit list and I believe the
11 list is complete and appropriate at this time.

12 And so I would suggest, Mr. Chairman, that
13 the first exhibit that be entered would be Centra
14 Exhibit 1, and that would be the January 10th, 2005 GRA
15 Application, Volume 1.

16 THE CHAIRPERSON: Mr. Singh, that will be
17 Centra-1.

18
19 --- EXHIBIT NO. CENTRA-1: January 10th, 2005, Centra
20 Gas GRA Application,
21 Volume 1.

22
23 MR. BOB PETERS: And then, Mr. Chairman,
24 PUB Exhibit 1, I would suggest, could be the Notice of
25 Application and Pre-Hearing Conference. This was

1 published by Centra Gas Manitoba Inc. and in due course
2 they will file an Affidavit verifying its publication,
3 and there are additional copies here if needed.

4 THE CHAIRPERSON: Just to confirm, that
5 will be PUB-1.

6

7 --- EXHIBIT NO. PUB-1: Notice of Application and
8 Pre-Hearing Conference.

9

10 MR. BOB PETERS: And then I suggest
11 marked as Exhibit PUB 2, would be a draft timetable that
12 was prepared for discussion. I circulated that, I
13 believe it was earlier this week. What I didn't do was
14 speak to Ms. Murphy as diligently as I should have and I
15 have some comments that I will add to the timetable when
16 we come to that portion of the Hearing this morning, Mr.
17 Chairman.

18 But, if we could all start from a common
19 draft, it would be the draft version 2 that has been
20 circulated.

21 THE CHAIRPERSON: Okay, Mr. Peters. PUB-
22 2.

23

24 --- EXHIBIT NO. PUB-2: Draft timetable, version 2

25

1 MR. BOB PETERS: Thank you and the last
2 exhibit this morning, Mr. Chairman, I'd suggest would be
3 PUB Exhibit 3 and that would be the Board Order 13/05,
4 which you've already referenced in your -- in your
5 comments, Mr. Chairman.

6 THE CHAIRPERSON: So be it, Mr. Singh,
7 PUB-3.

8
9 --- EXHIBIT NO. PUB-3: Board Order 13/05

10

11 MR. BOB PETERS: Mr. Chairman, Board
12 Members, Ladies and gentlemen, I've indicated that one of
13 the purposes of this pre-hearing conference is to have
14 prospective Intervenors identify the reasons for seeking
15 to intervene. Also the reasons for intervention are
16 generally tied to the scope of the proceedings before the
17 Board.

18 And in the present Application and
19 particularly as found in Centra's Application that you
20 summarized, Mr. Chairman, there's a listing of the
21 various requests being made and I suggest that that will
22 focus us on what is the scope of this proceeding.

23 Mr. Chairman, I see that in addition to
24 Centra's Counsel, Ms. Murphy, there are other
25 representatives in attendance from prospective

1 Intervenor and after I've completed my opening comments,
2 you may want to call upon Mr. Meronek who I understand
3 will be here on behalf of the Consumer's Association of
4 Canada Manitoba Inc. and also on behalf of the Manitoba
5 Society of Seniors.

6 An Intervenor request form has been filed
7 by Mr. Meronek. I also note that Ms. Karen Melnychuk is
8 present on behalf of Direct Energy Marketing Limited and
9 its Manitoba Gas Broker, Municipal Gas and I also
10 understand that an Intervenor request form has been filed
11 by Direct Energy Marketing Limited.

12 I'm pleased to note that we have a -- I
13 believe a rookie before the Board today, Mr. Chairman,
14 Ms. Nola Ruzycki is here and I will get better with that
15 name if I haven't quite got it right.

16 Ms. Ruzycki is here on behalf of Energy
17 Savings Manitoba Corp. and she also has filed an
18 Intervenor request form.

19 I note that in addition to, as I say Mr.
20 Meronek here on behalf of CAC/MSOS, Ms. Aimee Craft is
21 taking a watching brief this morning from the other side
22 of the legal counsel representing this Intervenor,
23 usually on electricity matters. And if she has any
24 comments, I hope she will reach for the microphone at the
25 appropriate time and jump in.

1 Mr. Chairman, Board Members, ladies and
2 gentlemen, in terms of Intervenor funding, I will remind
3 the Intervenors seeking an order for an award of costs,
4 that the Board's cost order, as well as its draft rule
5 41, sets out a four (4) fold test that Intervenors have
6 to pass that will entitle the Board to perhaps award
7 costs to them.

8 Those Intervenors have to make a
9 significant contribution that is relevant to the
10 proceedings and they have to contribute to a better
11 understanding by all parties of the issues before the
12 Board.

13 They have to participate in the Hearing in
14 a responsible manner, cooperate with other Intervenors
15 who have common objectives in the outcome of the
16 proceedings, in order to avoid duplication of
17 intervention.

18 Additionally, they have to have
19 insufficient financial resources to present the case
20 adequately without an award of costs. And finally have a
21 substantial interest in the outcome of the proceedings
22 and or represent the interest of a substantial number of
23 the ratepayers.

24 Before closing, I want to review the
25 Board's ex-parte process, its foundations and its

1 practice. And to do that I want to speak to the January
2 9th, 2005 application that was filed by Centra seeking an
3 interim ex-parte order that would approve rates that
4 would generate an additional increase of approximately
5 2.5 percent of additional revenue for the utility.

6 The Board granted the interim ex-parte
7 application and issued Order 13/05. The interim ex-parte
8 rates approved in Order 13/05, generate the very
9 additional income that Centra seeks to finalize in this
10 GRA process.

11 The parties are likely aware that section
12 45 of the PUB Act provides the Board with legislative
13 authority to grant interim ex-parte orders in cases where
14 there are special circumstances.

15 In this case, the Board considered the
16 special circumstances put forward by Centra in its
17 application as well as in its answers to Information
18 Requests that were posed and in its oral evidence.

19 I would also point out that in section 123
20 of the Public Utilities Board Act, the burden of proof in
21 any hearing before the Board is on the Applicant. And I
22 suggest in this case Centra has the onus to uphold the
23 interim ex party rates that it seeks to finalize.

24 Past Intervenors have recently requested
25 the Board notify them should any interim ex parte

1 applications be filed by a utility; that is currently not
2 the practice of the Board, as I understand it. And the
3 parties present today have been invited to provide their
4 comments and positions to the Board in respect of any ex
5 parte applications. Additionally, should any party
6 provide written comments on this subject, the Board will
7 consider them as well.

8 In closing, Mr. Chairman, and subject to
9 any questions that you or your colleagues may have of me
10 at this time, that concludes my opening comments. I
11 suggest that you now canvass the other parties present
12 for their introductions, their opening comments, and any
13 comments they may have on the issue of Board processes.

14 I thank you, Mr. Chairman and Board
15 Members.

16 THE CHAIRPERSON: Thank you, Mr. Peters.

17 With that background, I will now call on
18 the parties present to identify and introduce themselves
19 and the organizations that they represent. As well,
20 please provide any opening comments that you have, both
21 of a general nature and also if you have comments with
22 respect to the Board's processes, and in particular of
23 the ex parte process.

24 After we have completed this phase of the
25 conference, I will turn to the specific matter of the

1 stated purpose and intentions of the Applicants for
2 Intervenor status. I plan to call on each of the
3 perspective Intervenors followed by Centra.

4 I now call on Ms. Murphy for Centra. Ms.
5 Murphy, along with providing general remarks, we would
6 also like to hear if you have any comments on the Board's
7 processes and/or ex parte process in particular.

8 Ms. Murphy...?

9 MS. MARLA MURPHY: Thank you, Mr.
10 Chairman. Good morning. Good morning, Members of the
11 Board, ladies and gentlemen.

12 By way of introduction and for the record,
13 my name is Marla Murphy and I'm counsel for Centra Gas.
14 To introduce the members present this morning, to my
15 immediate right is Mr. Vince Warden who is the Vice
16 President and CFO for Centra Gas; to his right Robin
17 Wains who is Division Manager of Rates and Regulatory
18 Affairs; and finally, Mr. Darren Rainkie who's the
19 Manager of Regulatory Services.

20 Immediately behind me is Mr. Kevin Satchly
21 (phonetic) who is the Regulatory Coordinator, who will be
22 participating in this application. The face has changed
23 a bit as Ms. Foulkes is home with a new baby girl. And
24 beside him is Mr. Stan Matwichuck who is a Regulatory
25 Advisor.

1 the application for actual non-primary gas PGVA and gas
2 cost deferral balances and to provide that updated
3 material to the Board on or about April 29th of 2005.

4 It is Centra's intention to call three (3)
5 panels of witnesses during the course of this Hearing.
6 The first panel would be the Revenue Requirement Panel,
7 second would be the Cost of Gas, and the third panel
8 would address cost allocation matters.

9 And when we get to the timetable, I have a
10 bit of a -- a suggestion in terms of switching those
11 panels around to accommodate things, but those are the
12 three (3) panels that we do intend to call.

13 I might also note for the record that I've
14 left with the Board secretary this morning a copy of the
15 Affidavit of Service and publication of the notice. So,
16 it's available. I haven't made copies for everybody in
17 the room but it is available with the Board secretary,
18 and we can make copies available.

19 And I would suggest that that would be
20 marked as Centra Exhibit Number 2.

21 THE CHAIRPERSON: That will be Centra-2
22 then, Mr. Singh.

23
24 --- EXHIBIT NO. CENTRA-2 Copy of Affidavit of Service
25

1 MS. MARLA MURPHY: With respect to your
2 invitation to make comments on the interim application
3 and -- and the process of the Board, it's -- it's clear
4 from the material that was filed and from the Board's
5 order that that application was granted in accordance
6 with Section 45 of the PUB Act. And I'd submit it's
7 clearly within the legislative mandate of the Board to
8 make that kind of application.

9 I also note that Section 125 of the PUB
10 Act specifically provides the Board with the ability to
11 make orders without a Hearing. Those orders include
12 orders under Section 127, which is the Section which
13 provides that the Board can determine rates, to be
14 effective for up to one (1) year, pending final
15 disposition of the Application.

16 The special circumstances, as Mr. Peters
17 indicated, were reviewed in that Interim Application,
18 including the need to mitigate losses in the 2004/05 and
19 2005/06 fiscal years, control of rate volatility,
20 potential for rate shock if the relief was not
21 immediately addressed.

22 The Board made a finding of fact in that
23 Application that it was appropriate that it make, was
24 mandated by legislation that it could make, and granted
25 Centra's request.

1 Clearly, Centra has moved quickly to
2 confirm that Order, in fact our GRA materials were filed
3 on January 10th.

4 With respect to the issue of notice and
5 the suggestion that Intervenors have requested that they
6 be given notice of interim or ex-parte applications that
7 are made, I'd suggest that the very nature of an ex-parte
8 application is that it's made without notice to other
9 parties. It's a necessary mechanism in order to allow
10 the utility to deal effectively with matters that come up
11 and to be efficient in dealing with those kind of
12 pressing matters.

13 The PUB Act clearly contemplates such
14 filings. It's a widely accepted practice, it's no
15 different than interim ex-parte orders being sought in
16 the Queen's Bench.

17 With respect to the suggestion that
18 Intervenors should be entitled to advice of all filings,
19 I'd respectfully disagree. This is not what's expressly
20 contemplated in the PUB Act, nor is it the intention of
21 the Act that Intervenors have notice or opportunity to
22 comment on all filings.

23 The question of notice, process, and of
24 Intervenor status in a particular matter, is all within
25 the Board's discretion, and should be determined on a

1 case-by-case basis.

2 Mr. Chairman, those conclude our Opening
3 Remarks this morning. I do have some comments on the
4 time table and the -- perhaps, the Intervenor status when
5 you get to them. Thank you.

6 THE CHAIRPERSON: Thank you, Ms. Murphy.

7 Now, I will ask each Applicant that is
8 present today to introduce themselves, make a few brief
9 remarks, and to provide commentary on Board processes ex-
10 parte if they wish.

11 First, for CAC/MSOS, Mr. Meronek.

12 MR. BRIAN MERONEK: Morning, Mr.
13 Chairman, Members of the Board, Ladies and Gentlemen.
14 Usually I'm here as a thorn in the side of Hydro, but
15 today I'm also here as a thorn between several roses at
16 the front. This is a much more pleasant position to be
17 in.

18 I'm here on behalf of CAC/MSOS, to make
19 some Opening Comments with respect to process. And it
20 certainly will dictate the extent to which we are
21 registered as Intervenors. We've filed an Intervention
22 Request form, and attached to that should be the letter
23 that I sent yesterday, of February 2, and it -- it is a
24 segue into the comments with respect to the process.

25 I'm not here to argue the -- the case, I'm

1 here to express the grave concerns of my clients with
2 respect to what has taken place.

3 Obviously, we didn't know about this --
4 this Application until sometime in the third week of
5 January, and at that time, as soon as we found out, we --
6 Mr. Saxberg from our office wrote a letter to Mr. Singh
7 dated January 21, and received a response back from Mr.
8 Singh on January 26, although there's another letter
9 dated February 1 that says the same thing; I don't know
10 how that happened, but...

11 And as well, Ms. Murphy wrote a letter on,
12 sorry, January 27, 2005, and I think for the purposes of
13 this discussion, with the Board's permission, those
14 letters should be filed as an exhibit.

15 THE CHAIRPERSON: That would be fine, Mr.
16 Meronek. Mr. Singh, do you want to provide them with
17 CAC/MSOS Exhibit 1?

18
19 --- EXHIBIT NO. CAC/MSOS-1: Correspondence between
20 CAC/MSOS, the Board and Centra Gas

21
22 MR. BRIAN MERONEK: Now, obviously, the
23 letter of January 21 was coincidental to the date of the
24 Order. We had hoped, once we found out, to be able to
25 make a pitch before the Board with respect to the

1 process, but unfortunately, and unbeknownst to the Board
2 and unbeknownst to us, the order came out and crossed
3 paths.

4 So we're here to make comments and -- and
5 I want the -- want the Board to accept the spirit in
6 which they're intended. I have the greatest respect for
7 this institution and I hope my remarks will be
8 constructive. They're intended to be constructive and
9 instructive rather than destructive, but we are very
10 concerned about the process.

11 In my view, and in my experience since
12 1988, this is unprecedented. There has never been, to my
13 knowledge, an interim ex parte application dealing with a
14 General Rate Application that is tantamount to awarding
15 the entire relief that was being sought in the General
16 Rate Application.

17 And I don't want to come across as a Darth
18 Vader, I'd rather be a Luke Skywalker, but the point is
19 that in my -- I've read the Application. I've read the
20 transcript which I just received. I've read the
21 Information Requests and I've read the order very
22 carefully and in my humble submission to suggest that
23 this was a threadbare application to warrant an ex parte
24 order, gives it too much credibility.

25 There's no doubt in -- in -- in this room

1 that the Board has jurisdiction under Section 45, but
2 what seems to have been lost here is that it's not
3 unfettered jurisdiction. It's been caveated very
4 carefully by the words, "special circumstances".

5 Special circumstances have a meaning and
6 that meaning has been dealt with and -- and prescribed by
7 courts and by other utility boards with similar
8 legislation in this country. And special circumstances,
9 as defined by the courts and as defined by other utility
10 boards mean that there have to be emergency situations or
11 urgent situations or extraordinary situations such as
12 causing irreparable harm to the financial stability of a
13 utility.

14 Without that kind of interpretation or
15 without that kind of definition of special circumstances,
16 then the -- the definition of ordinary becomes lost,
17 because then if those are not -- if that's not the
18 criteria, then what could be more ordinary than coming to
19 a Board for a General Rate Application because a utility
20 doesn't, unless there's a revenue deficiency, and a
21 utility doesn't come before a Board without advocating an
22 Application which is going to change rates which is
23 necessarily going to change volatility.

24 So, it seems to me, with all due respect,
25 that that was not canvassed before this Board. I didn't

1 see any discussion about the indication and the indicia
2 upon which relief could be sought.

3 Now, Ms. Murphy says ex parte applications
4 are allowed in the Court of Queen's Bench. They are
5 allowed on an extremely remote and confined basis.
6 They're allowed in situations where there are -- there's
7 injunctive relief sought where irreparable harm is going
8 to be caused that can't be compensated for in damages.

9 And an ex part -- ex parte application has
10 a very, very short shelf life -- a week to ten (10) days
11 to allow the -- the -- Parties -- the Court to stop, say,
12 the destruction of a building and -- and -- but allow the
13 -- the Parties that are involved to -- to get together to
14 argue the case. They are not granted just as a matter of
15 rote.

16 So don't be mis -- mislead into thinking
17 that an ex parte application is something that is -- that
18 can be just taken off the shelf and used as a matter of
19 convenience. When you -- when you think about the --
20 when you really think about what was being sought, we
21 have a situation where Centra Gas, in the last several
22 years, has -- has noted a revenue deficiency. I -- I
23 harken back to Board Order 118 of this -- of 2003 where
24 the -- where Centre Gas claimed a revenue deficiency of
25 \$14 million, almost twice as much as that they're --

1 they're claiming for 2004/2005. There was no application
2 at that time for an interim loan and interim ex parte
3 application.

4 Centra Gas, in its own wisdom, decided not
5 to -- to bring a -- a GRA for the next year in terms of
6 its revenue deficiencies knowing full well that it had --
7 it was going to -- it had fore -- forecasted a loss.

8 So to suggest somehow that there's -- that
9 there's an urgent situation or an emergency situation or
10 a situation where the financial integrity of the company
11 is -- is -- is at stake, in my mind is disingenuous.

12 The -- the fact of the matter is that and
13 the Board has noted it in its order, that the driving
14 force behind the revenue deficiency is the corporate
15 allocation of some \$15 million which has been untested,
16 has not been awarded before by the Board and is very much
17 going to be a matter of issue.

18 Now the corporate allocation is a charge
19 by the parent company to the subsidiary. Now if there
20 was some financial integrity issue, clearly it's in the -
21 - it's in the bailiwick of Manitoba Hydro to have
22 alleviated that by not charging the \$15 million.

23 In any event of that, the application
24 sought relief for a year and a half from now. Now where
25 is the urgency in that and where is the -- the financial

1 jeopardy? So as I say, it's -- to me it's inscrutable as
2 to how this was allowed to -- to take place.

3 Now if the Board was inclined -- was
4 inclined to have an interim application, it could have
5 done that under Section 47-2. And an interim application
6 would have meant that the parties would have been
7 notified. The public who after all are carrying the
8 freight, could have been notified and we could have had a
9 one day party instead of an ex parte.

10 And we could have dealt with this matter
11 as I'm trying to deal with it today on January 17th. We
12 could have asked information requests. We could have
13 appeared at the Hearing and these arguments could have
14 been -- been -- could have been gone over at that time.
15 But that didn't happen.

16 And to say that -- that it would have been
17 inconvenient or that -- that there would have been a
18 delay in -- in my mind is fallacious. Because the
19 process is -- has unfolded as it has, we're left with a
20 gnawing feeling on this side of the table that it's going
21 to be very difficult for us.

22 If it's so easy for Manitoba Hydro to come
23 in and get exactly what it's asked for on a -- on an
24 interim basis, it's going to be very difficult for us to
25 persuade the Board that perhaps it shouldn't have granted

1 that interim order.

2 In other words, no -- no matter what the
3 legislature says, implicitly the onus has been shifted to
4 the Intervenors. And that's not right. And that's why a
5 Board must be very sedulous, very sedulous in guarding
6 the public interest to -- to use this extraordinary
7 remedy very, very, very carefully.

8 Otherwise the word 'public' in Public
9 Utilities Board Act has no meaning. And we're left at
10 this point of time feeling very much marginalised by what
11 has happened. And I can't stress the -- the angst too
12 much to the Board.

13 So now we're left to ponder what to do
14 from here and I have not received instructions from my
15 clients as to what avenues we may or may not take. But
16 obviously whatever we do we have to do quickly and we
17 will so advise the Board.

18 Let me just close by saying my -- my
19 remarks are heartfelt -- in no -- manners meant to be
20 mean spirited but we take this -- this unprecedented
21 course of events very seriously and -- and will have to
22 deal with it now that it's been laid out before us.
23 Thank you very much, Mr. Chairman.

24 THE CHAIRPERSON: Thank you, Mr. Meronek.
25 We'll now move onto Direct Energy and

1 Municipal Gas, Ms. Melnychuk.

2 MS. KAREN MELNYCHUK: Good morning, Mr.
3 Chairman, Board Members, Ladies and Gentlemen. My name
4 is Karen Melnychuk, I'm a director of Manitoba for
5 Municipal Gas a Division of Direct Energy Marketing
6 Limited.

7 Our -- our intent at this Hearing is to
8 monitor the GRA process but our -- our real intent is on
9 the cost of gas and the terms and conditions which are
10 not filed yet before this Board. So at this time it's
11 hard to say how involved we will be during the process.

12 I did hear earlier that -- from Ms. Murphy
13 that she's got some changes to the draft timetable and
14 one of them, I heard her say, that the second volume
15 would not be filed until February 21st and then if we're
16 going by the version -- second version of the draft, we
17 do have issues with that, because that leaves us only a
18 week to respond or to provide any IRS in regards to that,
19 so we would have some concerns there.

20 In regards to the ex parte Order, in
21 principal, Direct Energy and Municipal Gas do believe
22 that any rate setting process should be done in a public
23 forum.

24 We have had -- not had the opportunity to
25 review the Application. We have reviewed the Order but

1 have no comment on it at this time. Thank you.

2 THE CHAIRPERSON: Thank you, Ms.
3 Melnychuk. We'll now move to Ms. Ruzycki.

4 MS. NOLA RUZYCKI: Good morning, Mr.
5 Chairman, Board members --

6 THE CHAIRPERSON: And welcome --

7 MS. NOLA RUZYCKI: -- ladies and
8 gentlemen. My name is Nola Ruzycki and I'm here on
9 behalf of Energy Savings Manitoba Corp. We filed as
10 Intervenors and we, along with Direct Energy and
11 Municipal have interest in monitoring the GRA process.
12 We also have some areas of interest which
13 have not been disclosed yet and we stated our interest in
14 these areas and I will go through those. Those are the
15 one bill initiative, consumer choice education and
16 communication material.

17 Any fixed pricing offered by the utility
18 and any interest in material change to the means or
19 methodology of primary gas supply.

20 We'd also like to reserve the right to
21 comment on any other means or methodologies that might
22 come up during the hearing.

23 I would agree with Karen as well, on the
24 timing. If the 21st is the date that we will be getting
25 Volume II, that one week is a short turnaround time, and

1 that's all I would have. Thank you.

2 THE CHAIRPERSON: Thank you, Ms. Ruzycki.

3 MR. BOB PETERS: Mr. Chairman, if I could
4 interrupt from this side of the room. First of all --

5 THE CHAIRPERSON: Of course, Mr. Peters.

6 MR. BOB PETERS: -- to apologize to
7 Professor Miller. I was once told that if you didn't sit
8 at the front of the class, the teacher wouldn't see you
9 and in this case, the student didn't see the Professor.
10 He was hiding behind -- out of my sight line, but I
11 failed to introduce Dr. Miller earlier this morning.

12 I have been made aware that he,
13 traditionally and does this morning, appear on behalf of
14 Resource Conservation Manitoba and Time to Respect
15 Earth's Eco-systems which carry the acronyms RCM and
16 TREE.

17 I do want to welcome Professor Miller and
18 apologize for my oversight this morning, and I think it
19 would be appropriate to ask him for his opening comments
20 as well.

21 THE CHAIRPERSON: Thank you, Mr. Peters.
22 And we're sitting slightly higher than you, so we did
23 notice Professor Miller.

24 Professor Miller, do you have any opening
25 comments with respect to this matter or with respect to

1 the Board processes and specifically the ex parte
2 process?

3 DR. PETER MILLER: Thank you. Actually,
4 the whole ex parte business is a mystery to me. I'm --
5 I'm an amateur in -- in these particular hearings and
6 we're here on other business and I guess we'll have a
7 later opportunity to go through that, so thank you very
8 much.

9 THE CHAIRPERSON: Thank you. Is there
10 anyone else here seeking Intervenor status? I don't
11 believe so, so we will take the comments of the parties,
12 please.

13 MS. AIMEE CRAFT: Good morning, Mr.
14 Chairman. If I may say something? Members of the Board
15 and ladies and gentlemen.

16 By way of introduction, and for the
17 record, my name is Aimee Craft. I'm here for CAC/MSOS on
18 a watching brief in regard to -- to any discussions that
19 may take place on the subject of interim ex parte Orders
20 regarding Centra Gas.

21 This issue is of interest to CAC/MSOS in
22 respect to hydro matters in light of the interim ex parte
23 Orders in regards to diesel.

24 I've been informed that in the near
25 future, CAC/MSOS anticipates filing some written

1 observations with the Board concerning processes that are
2 followed with respect to diesel orders and these are my
3 remarks for this morning. Thank you.

4 THE CHAIRPERSON: Thank you very much.
5 So again, I don't think there's any other Intervenors
6 present, so we will take the comments of the parties into
7 account and under advisement.

8 I now want to take -- turn to the specific
9 Applications for Intervenor status and I have a number of
10 questions to ask of each of the parties.

11 Firstly, it would be Mr. Meronek with
12 respect to CAC/MSOS. And, basically, for the record, as
13 CAC/MSOS has already filed an Intervenor request form
14 with us, just to begin with, I understand that you have
15 completed a written request to intervene.

16 MR. BRIAN MERONEK: That's correct, sir.

17 THE CHAIRPERSON: And that, just for the
18 record, would you state the nature and reasons for the
19 intervention?

20 MR. BRIAN MERONEK: Yes, sir. I'm not
21 busy in May. Is that good enough?

22 THE CHAIRPERSON: You'll have to do
23 better than that.

24 MR. BRIAN MERONEK: The -- the reason for
25 the intervention, and again it -- it's got to be taken in

1 the context of -- of what happens to this process from
2 here on in, but assuming that the matter goes on without
3 any hiccups, I -- we have a -- a reason for intervening
4 and that is the one that's historical, and that is that
5 we represent SGS and more particularly resident consumers
6 of gas in Manitoba.

7 I -- I don't want this intervention
8 request to be construed as an attornment (phonetic) to --
9 to the process. As I say, if -- if nothing further
10 develops, then -- then we will be seeking full
11 participation.

12 The -- the participation that we seek is
13 based on historical, I guess, custodian of -- of the
14 residential consumers in terms of -- of reviewing the
15 Application and determining its -- its prudence. And
16 historically, and we intend, at this time, deal with
17 several issues, and we have engaged -- my intention is to
18 have, certainly, consulting assistance in the form of
19 regulatory accounting consultants and economic
20 consultants.

21 I would like -- my intention at this point
22 in time would be to call evidence. Of course, that's --
23 that's certainly dependent upon a number of factors. One
24 being, you know, the extent to which we may disagree with
25 the Application.

1 the debt equity ratio, the capital structure of the
2 Company. And we will want -- this is an important
3 Application, in my view, for -- for this reason alone.
4 The -- the Company is seeking a -- a two (2) year order
5 with respect to rates.

6 So we are now -- we're not only dealing
7 with an Application of a revenue increase of \$10 million
8 for 2005/2006 but another \$13 million for 2006/2007. And
9 the further you go up, the -- the more suspect the
10 forecasts become.

11 I've noted that -- that Centra has brought
12 back into play, the issue in -- in rate base, as to a
13 certain plant being described in, or at least included
14 in, construction work-in-progress versus being in rate
15 base, so that's another issue that looks like will be
16 revisited.

17 Working -- there's a working capital
18 increase of 10 percent in one year and 12 percent over
19 the existing rates which we will want to explore.
20 Obviously, O&M is -- is always a source of -- of debate
21 and concern and we will want to analyse the expenditures
22 in the synergies, if any, that have been achieved.

23 We will want to take a look at the lead/
24 lag analysis in terms of methods, any changes over the
25 historical methodology, and certainly from any changes

1 from Board Order 118/03.

2 And lastly, in terms of identified lists,
3 at least at the issues that I've identified, is the DSM,
4 and we will certainly want to examine the -- what Centra
5 has described, or Manitoba Hydro has described, as a
6 preliminary plan with respect to DSM, and there's a cost
7 implication that we will want to examine as well.

8 Those are the known issues as I sit here
9 today. The unknown issues, obviously, because the
10 material hasn't been filed, will be terms and conditions,
11 prior Directives of the Board, cost of gas matters, and
12 cost allocation and rate design.

13 These are all issues that are historically
14 visited by the Intervenors because they have a
15 significant impact on rates and, obviously, they will be
16 put into play again at this time.

17 And that's basically the reason for our
18 intervention. Thank you, sir.

19 THE CHAIRPERSON: Thank you. We
20 understand that CAC/MSOS intends to be present throughout
21 the Hearings and the Closing Submission; is this correct?

22 MR. BRIAN MERONEK: That's correct.

23 THE CHAIRPERSON: We also understand your
24 initial intentions, at least, is to put forward a witness
25 or two?

1 MR. BRIAN MERONEK: That's correct, sir.

2 THE CHAIRPERSON: And we further
3 understand that CAC/MSOS intends to apply for costs.

4 MR. BRIAN MERONEK: That's correct, sir.

5 THE CHAIRPERSON: With respect to the
6 latter, you've covered off -- you've indicated that your
7 budget is very much in a draft state; would that be
8 correct?

9 MR. BRIAN MERONEK: Yes, sir. Just --
10 all I've done, because all I can do, is go by -- by past
11 experience and the GRA of 2000 -- sorry, out of which
12 118/03 emanated, had a certain -- a cost award. We want
13 to obviously pare that down and I think, obviously, we
14 can.

15 I'm assuming that it will be the same
16 length of hearing. I guess the unknowns are, both ways
17 are the following, one, is if we don't need evidence,
18 obviously we won't call it, and that will save money.

19 But, on the other hand, if more material
20 comes in which establishes new and different issues that
21 we have not foreseen, and it lengthens the Hearing, then
22 obviously, that will have an impact on the budget.

23 But I've tried to do -- tried to do as
24 good a job as I could with the information I have.

25 THE CHAIRPERSON: I'm, for the Board,

1 we're just attempting to discern a little bit better to
2 what degree the clients are involved in deciding what
3 issues are to be focussed on, and whether or not experts
4 are to be involved.

5 To what degree has the clients been
6 involved in the drafting of the initial budget?

7 MR. BRIAN MERONEK: The clients have not
8 been involved because the -- the information is not
9 within the -- the prevue of the -- of the clients, but
10 that -- you raise a good point. I did it yesterday and
11 haven't been able to get hold of my clients, but if you
12 want confirmation, and I guess you should have
13 confirmation, I will -- I will get out -- put on the
14 record, the clients' confirmation of the budget.

15 THE CHAIRPERSON: We would appreciate
16 that and I'm sure you've thought this through already,
17 and will, but we're interested in how CAC/MSOS intends to
18 benefit the ratepayers who ultimately pay for costs
19 through rates, by means of the intervention and the
20 budgets.

21 MR. BRIAN MERONEK: Oh, absolutely, sir.
22 And we don't take this lightly. I can only go on the
23 basis of -- of our intervention in the past which has
24 always been well received and has led to substantial
25 savings. I don't take credit for that.

1 All I do is say that the proof's in the
2 pudding, that our positions have been put forward and, to
3 some extent, approved by the Board or there's been
4 approbation and that has resulted in millions of dollars.

5 So I want to put that into perspective.
6 But we're meaning -- we're well aware of the -- of the
7 cost consequences and, as I say, we'll do whatever we can
8 to -- to keep the costs as low as we can.

9 Bearing in mind, sir, that when these
10 matters, and I'm sure you're well aware, when these
11 matters come forward, they're of a complex nature. You
12 have to engage consultants at market rates in order to be
13 able to put forward a meaningful case otherwise you might
14 -- might as well not show up.

15 And when you have an Applicant who has all
16 the information in his hands and has a plethora of people
17 working on it, you have to put into perspective the cost
18 associated with a meaningful and intelligent intervention
19 in relationship to the resources that are being used by
20 the Applicant.

21 So -- but we -- I think we've demonstrated
22 in the past that we're alert to this. I'll get the
23 confirmation of the -- of the clients. If they don't
24 confirm, then we'll revise the budget and we'll just go
25 from there.

1 THE CHAIRPERSON: Thank you, Mr. Meronek.
2 Ms. Melnychuk, if I could, if you don't
3 mind, ask you a few questions as well. We understand
4 that, for the record, that you've filed a Request to
5 Intervene?

6 MS. KAREN MELNYCHUK: Yes, we have, as
7 well as Direct Energy, all in the same Application.

8 THE CHAIRPERSON: Thank you. And for the
9 record, would you mind stating the nature and reason for
10 the intervention?

11 MS. KAREN MELNYCHUK: As I mentioned
12 earlier, we're here to monitor the GRA. Our focus of our
13 interest is on the -- the second volume that has not been
14 filed as of yet and that is in respect to the cost of
15 gas, the gas allocation and rate design, terms and
16 conditions of service and any PUB Orders, directives that
17 have -- will be in that filing as well.

18 THE CHAIRPERSON: Thank you. Does Direct
19 Municipal plan to be present throughout the hearing?

20 MS. KAREN MELNYCHUK: As much as we can.

21 THE CHAIRPERSON: And we understand that
22 you will not be putting forward a witness?

23 MS. KAREN MELNYCHUK: That's correct.

24 THE CHAIRPERSON: And that you will not
25 be seeking costs?

1 MS. KAREN MELNYCHUK: That's correct.

2 THE CHAIRPERSON: Thank you. Ms.
3 Ruzycki, if I could ask you a few questions as well, some
4 of which you've covered off in the -- your opening
5 remarks.

6 We understand again that you've completed
7 a written Request to Intervene?

8 MS. NOLA RUZYCKI: Yes, that's correct.

9 THE CHAIRPERSON: And I believe you
10 stated the nature and reason for the intervention but if
11 you wouldn't mind, for the record, just summarizing it.

12 MS. NOLA RUZYCKI: Yes. Our reasons for
13 the intervention are to monitor the GRA process and we
14 would be focussing on the second volume as well and
15 mainly the rate design, terms and conditions of service
16 and any items relating to the one bill initiative,
17 consumer choice education and communication material, and
18 fixed price offerings by the utility.

19 THE CHAIRPERSON: Thank you. Do you
20 intend to be present throughout the hearing and closing
21 submission?

22 MS. NOLA RUZYCKI: As much as possible,
23 yes.

24 THE CHAIRPERSON: And we understand that
25 you don't intend to bring forward a witness?

1 MS. NOLA RUZYCKI: That's correct.

2 THE CHAIRPERSON: And we also understand
3 that you don't intend to seek costs?

4 MS. NOLA RUZYCKI: That's right.

5 THE CHAIRPERSON: Thank you. Professor
6 Miller, I note here -- I don't know whether it's been
7 distributed to all the parties, but you've filed an
8 Intervenor Request form?

9 DR. PETER MILLER: That's correct. I
10 left it with Mr. Singh and I gave it to Manitoba Hydro
11 but I did not give it to the Intervenors.

12 THE CHAIRPERSON: We'll handle the
13 distribution, thank you. For the record, would you mind
14 stating the nature and reason for your intervention?

15 DR. PETER MILLER: Yes. We have some
16 unfinished business which we -- originated in two (2)
17 Manitoba Hydro electricity GRAs. We are concerned with
18 conservation and sustainability issues and to see that
19 the principles of sustainability are reflected throughout
20 the operations of Manitoba Hydro in its entirety and are
21 -- are reflected in -- in various aspects including rates
22 and revenues and those matters.

23 Specifically I came up with several items.
24 The state of DSM programming for gas customers. In the
25 last Hydro hearing last year, the -- the Board said that

1 DSM programming should be brought up to the level of the
2 electricity programming, that is for gas customers.

3 And at the time the PowerSmart plan was
4 incomplete and I understand, in fact I've seen a copy of
5 -- of one that they have approved internally at least,
6 and we want to examine the adequacy of that for gas
7 customers. We're concerned about how the DSM programming
8 is funded and make sure that the funding is adequate.

9 And related to that is the justifications
10 that are offered and the allocation of the costs of such
11 programs. In the last PUB Hearing too, we raised the
12 question of -- of -- I'll put it here in terms of social
13 justice, that is, seeing that the basic needs of -- of
14 Manitobans are -- are met.

15 And many jurisdictions have special DSM
16 programming or energy rates for the poor. And that's not
17 yet reflected, at least not many substantially as far as
18 I know, in Manitoba Hydro's operations.

19 And we want to raise that issue and see
20 that we can give some examples I guess from other
21 jurisdictions and see where we go with that. And any
22 other issues that might pertain to this general approach
23 and perspective.

24 THE CHAIRPERSON: Thank you, Professor
25 Miller. We understand from your Intervenor Request Form

1 that -- and by the way I should note that I've referred
2 to you as representing TREE but you're also -- you're
3 actually -- would be representing Resource Conservation
4 Manitoba as well as the Time to Respect Earth's
5 Ecosystems.

6 DR. PETER MILLER: That's correct.

7 THE CHAIRPERSON: That your clients
8 expect to be represented throughout the Hearing all the
9 way through to closing argument?

10 DR. PETER MILLER: As I say in this -- in
11 this process I'm -- I'm the student and you who are more
12 experienced are the professors, and so it takes me a
13 while to catch up and figure out, you know, where our
14 issues relate to the -- the process and the submissions
15 and so on.

16 And in the past we haven't looked much at
17 the revenue requirement side of things, but I -- I
18 presume that the issue of adequacy of funding for DSM
19 programming might be related to revenue requirements.
20 And I -- so I -- I will certainly follow that. Sometimes
21 I have a difficulty making it to -- to every session.

22 But we too though will probably be
23 focussing our efforts on the material in Volume 2 and
24 share the concern about, you know, a one week between the
25 receipt of that document and -- and the submission of the

1 initial round of questions.

2 THE CHAIRPERSON: Professor Miller, I
3 understand that your clients intend to bring forward an
4 expert and as well to seek costs. Is this correct?

5 DR. PETER MILLER: That's right.

6 THE CHAIRPERSON: And you filed a draft
7 Intervenor budget with the -- the Board?

8 DR. PETER MILLER: Yes.

9 THE CHAIRPERSON: Thank you, sir.

10 MR. BRIAN MERONEK: Mr. Chairman. I'm
11 sorry, I just hate to interject but I don't want to leave
12 the false impression that my clients have not seen the
13 budget. They have seen the budget. I just haven't had
14 any feedback yay or nay. So I have assumed that it's
15 acceptable but I will confirm that.

16 THE CHAIRPERSON: Clarification?

17 MR. BRIAN MERONEK: The only other thing
18 is that I note that there's a Mr. Matwichuck with
19 Manitoba Hydro. I was intending to call a witness by the
20 name of Matwichuck and I won't, if that's a conflict.

21 THE CHAIRPERSON: Thank you, sir. Now
22 I'll call on Ms. Murphy for Centra.

23 Ms. Murphy, does Centra have any comments
24 or objections to any of these parties being granted
25 Intervenor status? And furthermore, do you have any

1 comments with respect to the identified parties' interest
2 in costs?

3 MS. MARLA MURPHY: Centra doesn't have
4 any objection with respect to any of the applications for
5 Intervenor status. With respect to the issue of costs,
6 being mindful of the qualifications that Mr. Meronek has
7 put on the record and the discount that we just got for
8 having Mr. Matwichuck in the back row, I do have to note
9 that the costs as they're proposed are still significant.

10 Mr. Meronek has suggested this morning
11 that you should compare the utility and the Intervenor
12 and -- and try and match up resources. And I -- I think,
13 with respect, that that's not the appropriate means to
14 consider whether or not the budget is appropriate.

15 The role of the utility is obviously very
16 different. Mr. Peters has reminded us this morning of
17 the onus of proof that rests with the Applicant and I can
18 assure you that nobody on this side of the table is
19 resting on their laurels on this application, so to
20 speak. We're intending to put forward our full case
21 supporting the interim order and the relief that's
22 sought.

23 The resources that the company devotes to
24 an application depend very much on -- on the process that
25 comes. If we have fifteen hundred (1,500) IR's come in,

1 it requires more resources. What takes maybe a minute to
2 write in terms of an IR can take many, many hours to
3 compile information and to conduct the analysis that's
4 requested and to put information in a form which is
5 requested by Intervenors or by the Board.

6 So, I wouldn't want to lose sight of --
7 that, you know, we have an apples to apples comparison in
8 terms of the time that might be required.

9 I would encourage, in that respect, that
10 we avoid the snowball effect of having things grow and
11 grow, and that we have focussed interventions and proceed
12 that way with the case.

13 Other than that, I have no specific
14 comments with respect to the cost budget put forward by
15 either CAC or TREE. Thank you.

16 THE CHAIRPERSON: Thank you. The Board
17 will provide its direction with respect to the granting
18 of Intervenor status in an order which will follow in due
19 course.

20 With respect to the issue of the possible
21 awards of costs, I want to remind Applicants to pay
22 particular attention to the criteria the Board utilizes
23 in its decision-making and indicate that the Board does
24 not favour awarding costs with respect to learning
25 curves, nor does it look favourably on billing rates for

1 counsel and advisors in excess of the tariff established
2 for its own advisors and counsel.

3 In short, the Board is very conscious of
4 the need for an efficient and effective hearing and looks
5 for cooperation between and amongst the Intervenors where
6 -- where such is feasible. The Board encourages accepted
7 Intervenors to consult with Board staff with respect to
8 these matters.

9 Saying that, I would like now to turn to
10 the matter of the timetable which has been raised by
11 several parties to date, the timetable for Centra's
12 application.

13 Before I canvass the Intervenors and
14 Centra, do you have any further comments, Mr. Peters?

15 MR. BOB PETERS: I do, Mr. Chairman. And
16 I would ask the Board Members and the parties present in
17 the room to pull out a copy of the draft timetable that's
18 also labelled "Draft Version II". I'm not sure that
19 Professor Miller has a copy yet and I'll -- ah, he's --
20 he's got his homework with him.

21 Draft Version II, Mr. Chairman, was
22 circulated by my office. Let me start off by saying the
23 initial draft was formulated, as it often and usually is,
24 by -- by Centra. They put forward a draft with their
25 application.

1 I confirmed that CAC/MSOS would be
2 intervening and wanted to find out from their perspective
3 how the timetable would fit with -- with any plans to
4 intervene. I did not speak with, although we did provide
5 a copy to Ms. Melnychuk, I did not provide a copy to Ms.
6 Ruzycki until this morning, and neither did I provide a
7 copy to Professor Miller.

8 And so, there have been some suggested
9 changes in the last twenty-four (24) hours from Centra.
10 And, unfortunately, I wasn't in my office to -- to
11 receive those. So, I'd like to make those in real time,
12 with the Board's permission, as we go through this time
13 line.

14 The Draft Version II, up until February
15 the 3rd and the pre-Hearing conference, is, I'm pleased
16 to report, is right on track. Where we -- where we have
17 a -- a proposed amendment is for Centra to file what we
18 call Volume II. And you heard from a couple of the
19 Intervenors today, indicate they have a particular
20 reference in it. You heard Mr. Meronek say that there
21 may be unknown issues in that.

22 The filing of Volume II will not be on
23 February 14th as initially suggested, but the -- the date
24 would be pushed back one (1) week to February 21. And I
25 would ask parties to put that in their notes. And I

1 recognize, Mr. Chairman and Board Members, that we are
2 providing a suggestion to the Board and the Board will
3 consider this after the pre-Hearing conference.

4 Now having said that the Volume II would
5 be filed on February 21, then it becomes a question of
6 how much time is needed for the first round of
7 Interrogatories to be asked on that, and I believe both
8 Ms. Ruzycki and Ms. Melnychuk have indicated that they
9 have a concern if it's only one (1) week, and they
10 probably will be asking for an extension of time in that
11 area.

12 I will indicate that on the -- the Centra
13 to File Cost of Gas Update, and it just says CGMI, I left
14 that for discussion with Centra, Centra has indicated
15 that they can -- they can have that materials available
16 on April the 29th, and that would be the same date, April
17 29th for the Centra to file a Reminder Notice with the
18 Board.

19 In moving down, Draft Version 2, or PUB
20 Exhibit 2, the PUB approval of Reminder Notice would be
21 needed by May the 4th, and I appreciate that's an
22 internal housekeeping matter for the Board primarily, and
23 Centra.

24 And then in terms of publishing the
25 Reminder Notice in the daily and weekly newspapers, that

1 could be accommodated on May 14th, as well as on the
2 weekly newspapers that are published between May 16th and
3 20th.

4 The Hearing of the -- to commence on
5 May 31st, is a subject that discussed this morning, and
6 as Centra has indicated in both her comments and as well
7 as to myself, that because of the availability of
8 witnesses, and recognizing they want to call three (3)
9 Panels, they would propose that their first Panel called
10 would be the Cost-of-Gas Panel.

11 That's inverted from the, often the normal
12 course, where the Revenue-Requirement Panel would testify
13 first, but here it would be the Cost-of-Gas Panel put up,
14 starting on -- and would be available starting on May the
15 30th.

16 And that would be to allow witness who
17 would otherwise be on the Revenue-Requirement Panel, to -
18 - to be absent at matters that they have committed to in
19 that time frame. But it would allow the Cost-of-Gas
20 Panel to get on and hopefully finish that week.

21 And then the Hearing would continue with
22 the other Panels in due course.

23 So, the only change I've really brought to
24 your attention, Mr. Chairman, is the -- the filing of
25 Volume II would be moved to February 21, and I expect

1 there will be a request then that the time table be
2 adjusted to allow additional time to ask Information
3 Requests, and I will let the parties speak to that, and
4 any other comments they would have on this draft, and I
5 would ask the Board to take it all into consideration
6 before finalizing the -- the time lines. Thank you, Mr.
7 Chairman.

8 THE CHAIRPERSON: Thank you, Mr. Peters.
9 Would any of the Intervenors wish to comment? Mr.
10 Meronek...?

11 MR. BRIAN MERONEK: Yes, sir. I don't
12 see too much difficulty with what has been proposed, save
13 and except for the -- the cost-of-gas material. I'm fine
14 with February 14 for the -- for the material that's been
15 filed to date, that's plenty of time.

16 But with respect to the new material, I
17 think there should be two (2) weeks allowed and -- or ten
18 (10) days or -- and somehow work it in, because a week
19 just isn't enough.

20 The cost of gas, cost allocation rate
21 design matters, particularly are fairly number-intensive
22 in terms of trying to -- to sort out and I would like to
23 see more time with respect to that aspect.

24 THE CHAIRPERSON: Ms. Melnychuk...?

25 MS. KAREN MELNYCHUK: Again, I just raise

1 the issue of the one (1) week, in regards to Volume II
2 being filed and IRs to be filed with the Utility. We
3 would like, at a minimum, the two (2) weeks.

4 THE CHAIRPERSON: Ms. Ruzycki...?

5 MS. NOLA RUZYCKI: We would also agree
6 that a minimum of two (2) weeks would be required for the
7 IRFs.

8 THE CHAIRPERSON: Professor Miller...?

9 DR. PETER MILLER: I have a difficult
10 time estimating what the consultants will -- will need,
11 you know, to go through the material, but ten (10) days
12 to two (2) weeks would probably be satisfactory.

13 THE CHAIRPERSON: Thank you to each of
14 the Intervenors for providing their comments on the time
15 table. Ms. Murphy...?

16 MS. MARLA MURPHY: Can I just have one
17 minute, please.

18

19 (BRIEF PAUSE)

20

21 THE CHAIRPERSON: Ms. Murphy, I
22 understand you have a proposal?

23 MS. MARLA MURPHY: We're working on it
24 very quickly, yes. When I suggested to Mr. Peters this
25 morning that the cost of gas -- cost allocation rate

1 design material wouldn't be available until February
2 21st, I didn't expect that that would be of concern or
3 have an impact on the remaining part of the schedule
4 given that cost of gas and cost allocation matters
5 generally only have one round of IRs. That's been the
6 practice.

7 It hasn't been that there's been (2) in
8 that case. It appears that the hope of the Intervenor
9 is that there will be two (2) rounds of IRs for that --
10 that material and I'll leave that to the Board's
11 discretion as to whether you choose to adopt that
12 practice or not.

13 If the Board does accept that practice
14 what I would like to suggest is that the first round
15 Information Requests be provided on February 28th, at
16 least for the volume I and for any questions that they
17 have with respect to volume II and that if there's some
18 more time needed, that there be a -- a second filing of
19 Information Requests a week later or some other period
20 later, but that Centra would still be working to file its
21 answers to the first round Information Requests on March
22 21st.

23 Obviously if there's a lot of them that
24 come in later than February 28th, we may not get them all
25 in at that date, but certainly that's what we'd like to

1 work to, to preserve the schedule as much as we can.

2 With respect to the commencement of the
3 hearing, it was my suggestion to Mr. Peters this morning
4 that we would put the Cost of Gas Panel up first. That
5 will assist us in addressing some problems that we have
6 with the availability of some of the witnesses.

7 On the schedule it indicates May 31st,
8 however, Centra wouldn't have a policy witness available
9 for the Cost of Gas Panel on that day, so we propose to
10 start on the 30th of May, hear the policy issues on that
11 day and have the remaining portion of the Cost of Gas
12 Panel be heard for whatever number of days that week is
13 necessary. The Revenue Requirement Panel could be
14 available to go the next week. Thank you.

15 THE CHAIRPERSON: Thank you. The Board
16 would like Mr. Peters to continue to work with Centra and
17 the Intervenors to arrive at a consensus for how we
18 handle this and we'll provide it with the final order of
19 the timetable.

20 Do the Parties, Intervenors or Centra have
21 any final comments that they want to make at this time?
22 Professor Miller...?

23 DR. PETER MILLER: Yes, I neglected to
24 say that whether we intervene or not still is subject to
25 approval by our organizations. You know, we kind of

1 scramble at the last minute on these things and it's
2 difficult to do the appropriate consultation on that.

3 THE CHAIRPERSON: Thank you, Professor
4 Miller.

5 If any Party has additional thoughts,
6 please provide them to the Board in writing. Please
7 understand that information received may or may not be
8 considered a public document by the Board. If you have
9 any questions in that respect, please seek the advice of
10 Board Staff before submitting your views.

11 The Board will consider the matters it
12 heard this morning and will pursue any additional
13 information it requires from the Intervenors such as
14 proposed budget. We'll publish its Order as to the
15 granting of Intervenor status in the timetable in due
16 course.

17 As was the case with the Cost of Gas
18 Hearing last year, the Board intends to develop its own
19 first round of interrogatories as soon as possible and
20 we'll circulate to the approved Intervenors as well as to
21 Centra to allow time for the Intervenors to avoid
22 duplication to assist in cooperation.

23 Thank you for coming and we stand
24 adjourned.

25

1 --- Upon adjourning at 10:20 a.m.
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6 Certified Correct
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10 _____
11 Carol Wilkinson
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