

1 **REFERENCE:**

2 Evidence of Andrew McLaren, page 1

3 **PREAMBLE:**

4 **QUESTION:**

5 a) Please provide a copy of InterGroup retainer letter as well as instructions and  
6 assumptions provided to InterGroup. If no formal retainer agreement was entered into,  
7 please provide a narrative of all discussions in which InterGroup received instructions  
8 with respect to the scope of its evidence.

9 b) Please explain how InterGroup determined what issues within the Application were “of  
10 interest” to IGU members. Please identify any issues addressed within the Pre-Filed  
11 Evidence that were raised specifically by IGU members.

12 c) Please advise whether InterGroup held consultations with IGU members or other  
13 industrial customers. File all related documentation including but not limited to:  
14 notice/request for consultation; presentation; notes taken by InterGroup during the  
15 consultation and any post meeting summary or reports. If no contemporaneous written  
16 material is available, please file a narrative of all consultations.

17 d) Please confirm that Mr. McLaren was the sole author of the evidence. If not confirmed,  
18 please identify what portions of the evidence were developed by or in concert with  
19 others.

20 **ANSWER:**

21 a) Through c)

22 InterGroup does not have a formal retainer letter with the IGU members. Instructions and  
23 assumptions were received during a number of conference calls and telephone  
24 conversations. These took place both in large groups, and also in one on one  
25 conversations with individual IGU members.

26 Initial conversations took place with individual IGU members over the period November  
27 2018 – January 2019. These conversations occurred as a few members of the Manitoba  
28 Industrial Power Users Group (MIPUG) were concerned about the upcoming Centra GRA  
29 based on discussions they had with Centra Gas. InterGroup followed up with other MIPUG  
30 members who were large gas users to see if similar concerns existed and whether an

31 industrial group should be formed for a potential industrial focused intervention. Individual  
32 members reached out to other known industrials with similar concerns.

33 During these initial calls members raised concern about the balancing fee proposal and  
34 Centra’s approach to consultation to date, the proposed allocations for the heating value  
35 deferral account customer allocations, the threshold change in Terms and Conditions from  
36 200 GJ to 2,500 GJ per day, and more broadly the overall level of rate increases being  
37 proposed.

38 Draft issues lists were developed by InterGroup based on these initial conversations with  
39 IGU members and reviewed with IGU members for comment during conference calls. IGU  
40 members had the opportunity to review topics for consideration in evidence in advance of  
41 evidence being submitted.

42 Mr. McLaren did not keep detailed notes from all individual conversations with IGU  
43 members. Group conference calls and key activities undertaken with IGU include the  
44 following dates:

<b>Date</b>	<b>Purpose of Call</b>	<b>Attended</b>
January 16, 2019	Initial discussion on possible group intervention, including general areas for issue scoping (focused mainly on downstream issues relating to large gas users): <ul style="list-style-type: none"> <li>• Balancing Fees</li> <li>• Terms and Conditions</li> <li>• Cost of Service</li> <li>• Rate Design</li> <li>• Other</li> </ul>	Representatives from Koch Fertilizer, Gerdau, Maple Leaf, Simplot, McCain’s, InterGroup and legal counsel
January 17, 2019	Discussion with Koch representatives related to company specific issues and proceeding with combined group issues	Representatives from Koch Fertilizer & InterGroup

<b>Date</b>	<b>Purpose of Call</b>	<b>Attended</b>
February 28, 2019	<p>Update call with group after being granted intervenor status. Overview on confidential materials impacting detailed review. Also discussed reaching out to other industrial intervenors.</p> <p>Reviewed issues to pursue in discovery including:</p> <ol style="list-style-type: none"> <li>1. Balancing charges – multiple aspects to this issue including; (i) Centra’s proposal &amp; tolerance levels proposed, (ii) Ability for customers to mitigate imbalances (customer pooling, account transfers), (iii) Centra’s proposed penalty (ensuring cost based)</li> <li>2. Postage Stamp Rates (including allocation of capital additions) and Cost Of Service (COS) allocation issues</li> <li>3. Heating Value Deferral Account allocation</li> <li>4. Broader Revenue Requirement topics (ROE)</li> </ol>	Representatives from Koch Fertilizer, Gerdau, Simplot, Maple Leaf, BP, InterGroup and Legal Counsel
April 10, 2019	Circulated Draft Round 1 Information Requests for review and comments before finalizing. Comments received were incorporated into requests.	Representatives from Koch Fertilizer, Gerdau, Simplot, Maple Leaf, BP, Bunge Canada, InterGroup and Legal Counsel
May 1, 2019	Correspondence with members regarding IGU motion for confidential information and Centra’s response. Comments received were incorporated into submission.	Representatives from Koch Fertilizer, Gerdau, Simplot and Maple Leaf, InterGroup and Legal Counsel

<b>Date</b>	<b>Purpose of Call</b>	<b>Attended</b>
May 22, 2019	<p>Update call on status of review (including confidentiality motion) and to discuss areas for Round 2 Information Requests, mainly focused on more detailed follow-up in areas:</p> <ul style="list-style-type: none"> <li>• Balancing Fees (forecast revenue versus costs to Centra, understanding consultation process, and tools or options pursued for customers to balance)</li> <li>• Cost of Service (demand allocation and understanding of methods, link to cost causation)</li> <li>• Rate Design (zone of reasonableness, rate design principles and scenarios)</li> <li>• Capital additions in intervening years (specifically Transmission mains, cost causation of projects, allocation to customer classes)</li> <li>• Heating Value Deferral Account (Amortization of balance, allocation of deferral account, cost causation linkages, history of account)</li> <li>• Postage Stamp rates (changes in historical application &amp; customer landscape/usage)</li> </ul>	Representatives from Koch Fertilizer, Gerdau, Simplot, BP, Bunge Canada, InterGroup
May 24, 2019	Circulated draft Round 2 Information Requests for review and comment prior to submission. Comments received were incorporated into requests.	All IGU members (plus Bunge and BP)
June 13, 2019	Update call regarding scope for evidence drafting, including on balancing fee issue. Discussion regarding schedule and potential for written process over oral hearing.	Representatives from Koch Fertilizer, Simplot, Maple Leaf, BP, InterGroup and Legal Counsel

<b>Date</b>	<b>Purpose of Call</b>	<b>Attended</b>
June 17, 2019	Circulated draft evidence questions for balancing fee evidence to members for review and comment prior to finalizing balance fee evidence drafts. Comments received were incorporated into requests.	All IGU members (plus Bunge and BP)
June 19, 2019	Draft evidence was circulated to members for review and comment prior to finalization. Comments received were incorporated into requests.	All IGU members (plus Bunge and BP)

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46 InterGroup has been involved in consultations with industrials that are not included in the  
47 IGU group on multiple occasions as requested by the PUB in its Order 24/19. As IGU  
48 reported in its April 12, 2019 update filing, regarding the other approved separate  
49 interveners, the following activities have taken place to coordinate intervention and reduce  
50 duplication:

- 51 • BP Canada Energy Group ULC – The IGU has been in communication with BP  
52 Canada and has worked together to date on the balancing fee issue, including in  
53 review of the issue and in developing Information Requests to date. BP and the  
54 IGU plan to continue to maintain communication on this topic with IGU taking the  
55 lead.
- 56 • Bunge Canada – The IGU has been in communication with Bunge Canada and  
57 has discussed efficiencies in process related to intervening on the balancing fee  
58 issue. Where positions align, both parties are prepared to continue working  
59 together and communications are ongoing on this.
- 60 • McCain Foods (Canada) – IGU made contact with representatives from McCain  
61 Foods early on in the intervention process and discussed related issues and  
62 intervention. Since the Order 24/19, IGU has reached out to McCain Foods  
63 representatives several times and has had discussions with legal counsel on  
64 related key issues, including Centra’s proposed balancing fee and management of  
65 natural gas daily balancing. The IGU plans to continue conversations with McCain  
66 Foods to minimize duplication.
- 67 • Richardson International Limited – In discussion with representatives for  
68 Richardson International Limited, it has been communicated that Richardson does  
69 not intend at this time to take an active role in the Centra Gas GRA.

70           Representatives on gas supply for Richardson are working with the IGU on the  
71           balancing fee issue to date and intent to continue collaboration where positions  
72           align moving forward.

73           Since the April filing, InterGroup has continued to communicate with BP and Bunge on  
74           IGU matters, and both have participated in some of the IGU discussions (noted above).  
75           Both BP and Bunge have commented on IRs, had access to draft evidence for review and  
76           worked with IGU to minimize duplication throughout the hearing process, primarily on the  
77           balancing fee issue.

78           InterGroup has also had a few discussions on Centra Gas matters with Roquette, a new  
79           MIPUG member that is currently under construction in Portage La Prairie, Manitoba. At  
80           the time of discussions, Roquette was yet to confirm natural gas service with Centra and  
81           as a result was unsure which customer class it would be in and which issues may be of  
82           concern. Informal discussions occurred with Roquette representatives on January 3, 2019  
83           and June 11, 2019; notes, presentations and/or documentation was not undertaken.

84           d)

85           Mr. McLaren is the primary author of the evidence. He was assisted by Melissa Davies of  
86           InterGroup in preparing the evidence.