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August 12, 2021

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

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

Dear Dr. Christle:

**RE: CENTRA GAS MANITOBA INC. (“CENTRA”)
Comments on the Consumers Association of Canada’s Cost Estimate for Intervention in
Centra’s Rate Re-bundling Application**

On July 15, 2021, the Public Utilities Board of Manitoba (“PUB”) issued Order 77/21 providing procedural direction with respect to the review of Centra’s Rate Re-bundling Application. In the Order, the PUB required interveners who intend to seek costs for their participation in the review of the Application to submit their detailed cost estimates within ten days of the issuance of the Order. On July 29, 2021, Centra received the Consumers Association of Canada (Manitoba) Inc. (“CAC”) estimate for intervention from the PUB along with instructions to provide any comments on the estimate by August 12, 2021. Centra provides its comments with respect to CAC’s estimate herein.

Centra’s comments on the CAC estimate takes into consideration the nature of this Application. Such consideration includes:

- Centra is not seeking approval of rates as part of this Application. Forecast gas costs and customer bill impacts were provided for illustrative purposes only to demonstrate the minimal impact on customer bills (i.e. zero for most classes, including the residential class);
- The Application delivers a customer-centric improvement by simplifying Centra’s rates and bill presentation in accordance with the input received directly from Centra’s actual customers; and
- CAC was directly involved in the market research and stakeholder engagement undertaken to inform Centra’s Application.

CAC’s letter of July 9th in reply to Centra’s comments on its intervener application, stated that:

“As the PUB is aware, the consultants that the organization proposes to engage for this proceeding, Ms. Derksen and Mr. Rainkie have a joint regulatory practice in which Ms. Derksen focusses on technical matters and Mr. Rainkie focuses on policy matters.”

CAC’s July 26th cost estimate to intervene in Centra’s Rate Re-bundling Application is approximately \$95,000, including \$63,000 for consultants, which is weighted 60% (\$37K) to Ms.

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Derksen, 40% (\$26K) for Mr. Rainkie, given that the subject matter is weighted toward technical matters.

As documented in Centra's July 6, 2021 comment letter to the PUB, Centra remains concerned from an efficiency and cost perspective that CAC's application proposes to engage two consultants as part of this process. The fact that Ms. Derksen and Mr. Rainkie have for their own and undisclosed reasons pursued and structured their business affairs as a joint regulatory practice despite being separately incorporated provides no justification as to whether ratepayers should incur the costs for both consultants for this proceeding and presumably every other regulatory proceeding in Manitoba for which CAC wishes to retain either Ms. Derksen or Mr. Rainkie. Such decisions should be premised on the expectation of the expertise and the value each individual consultant may provide with respect to the specific issues in the Application independent of how they have selected to structure their own business affairs. Both the CAC intervener application and cost estimate fail to provide any detail as to which issues, as identified in the Application, will be addressed by either Ms. Derksen or Mr. Rainkie. In addition, none of the issues identified can be characterized as high-level "policy" issues that would require the expertise of Mr. Rainkie and even if they were, such issues could easily be addressed by the proposed expertise of Ms. Derksen as supported by her CV which states and lists her experience as an:

*"Independent expert witness on **ratemaking policy**, cost of service, rate design and regulatory compliance matters before MPUB on behalf of the Consumers Coalition,..."*

Centra submits that, in accordance with Ms. Derksen's qualifications as set forth in her CV including her previous and extensive career with Centra, she is qualified and capable to independently evaluate any "policy" issues that result from the proceeding. Furthermore, CAC is also supported by legal counsel with 48 years of experience and has the benefit of institutional knowledge of issues resulting from its extensive experience over the past 30 years, together with the extensive and lengthy experience of CAC's Executive Director, Ms. Gloria Desorcy, in Centra regulatory proceedings. As such, CAC has ample resources in formulating any policy position CAC may advance as part of this proceeding.

Centra further notes that this Board has found that Ms. Derksen and Mr. Rainkie engaged in duplicative, unreasonable work in past proceedings (see Orders No. 118/19 and 180/19). While such duplication can be addressed through cost awards, it is preferable and more efficient for all parties to avoid potential duplication from the outset. Duplicative or irrelevant evidence adds complexity and cost to this proceeding unnecessarily which is ultimately borne by Centra's customers.

Overall, Centra submits the engagement of both Ms. Derksen and Mr. Rainkie on behalf of the CAC is excessive given the extremely minimal bill impacts and given that the proposal is a customer centric improvement that market research demonstrated customers prefer. Centra respectfully requests that the PUB exercise its discretion to formally limit CAC's ability to file evidence of only one consultant for this proceeding by way of Order and to request the CAC revise their estimate before any additional costs are unnecessarily incurred as part of this proceeding.

Centra appreciates the opportunity to provide submissions on CAC budget estimates. The above submissions are without prejudice to Centra's right to make further or additional submissions on

the admissibility or weight to be placed on intervener evidence, or final cost awards. Centra looks forward to receiving a formal Board Order addressing and ruling upon the matters raised in this submission. Should you have any questions with respect to this submission, please contact the writer at 204-360-3257 or Darryl Martin at 204-360-4487.

Yours truly,

MANITOBA HYDRO LEGAL SERVICES

Per:



Brent Czarnecki
Barrister & Solicitor