

Order No. 135/20

**AN APPLICATION BY CENTRA GAS MANITOBA INC.
TO REVIEW AND VARY DIRECTIVE 4 OF ORDER 130/20 – PRE-FILING
WORKSHOP FOR THE COST OF SERVICE STUDY METHODOLOGY REVIEW
APPLICATION**

November 19, 2020

BEFORE: Larry Ring, Q.C., Panel Chair
Marilyn Kapitany, B.Sc.(Hon), M.Sc., Member
Carol Hainsworth, C.B.A., Member
Susan Nemec, FCPA, FCA, Member
Michael Watson, Member

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1.0 Executive Summary and Background

By this Order, the Manitoba Public Utilities Board (“Board”) grants the November 5, 2020 Application of Centra Gas Manitoba Inc. (“Centra”) to review and vary Directive 4 of Order 130/20, which states *“The Board directs Centra to hold, by no later than April 1, 2021, a pre-filing workshop for past Interveners of record and Board staff and advisors to review Centra’s existing COSS [Cost of Service Study] methodology and the basis for the methodology used.”* [emphasis added].

Specifically, the Board sets aside both the April 1, 2021 workshop date and the scheduling requirement that the workshop be held prior to Centra’s filing of its COSS methodology review submission with the Board. Following Centra’s filing of its COSS methodology review submission, the Board will schedule the date for the post-filing workshop.

Background

Centra’s Cost of Service Study (“COSS”) is used to allocate costs to customer classes. The COSS methodology is intended to identify the costs of serving the different customer classes based on the nature of the costs that are incurred and the services provided. The output of the COSS can then be used as a tool in determining the rate design and the specific rates for each of the different customer classes.

In Order 152/19, the Board found that a COSS methodology review should be held prior to the next Centra General Rate Application, with the deadline for filing initially set as May 1, 2020. For reasons detailed in Orders 49/20 and 130/20, the filing date for Centra’s COSS methodology review application has been revised to May 3, 2021.

Included in Order 130/20 was the Board’s direction that, to enhance the efficiency of the COSS methodology review process, Centra hold a pre-filing workshop by April 1, 2021 for past Interveners of record and Board staff and advisors to review Centra’s existing COSS methodology and the basis for its use. Centra has applied to review and vary this directive, pursuant to Rule 36 of the Board’s Rules of Practice and Procedure.

2.0 Centra's Application to Review and Vary the Timing of the Pre-Filing Public Workshop: Directive 4 of Order 130/20

Centra's Review and Vary Application requests that the Board set aside the directive that a pre-filing workshop be held by April 1, 2021 and substitute the scheduling of the workshop for after Centra has filed its COSS Methodology Review submission with the Board. Centra's Application was also circulated to past Interveners of record.

As Centra's existing COSS methodology was reviewed by some Interveners at the 2019/20 General Rate Application and also because the existing methodology will form the baseline for Centra's consultant's report, Centra requests that the Board reschedule the workshop for a date after Centra has filed its COSS methodology review submission. Centra's position is that holding a workshop to again review the existing COSS methodology prior to the filing of the consultant's report and Centra's submission would be duplicative of the extensive foundational work that was completed at the last GRA and would be an unnecessary procedural step.

Centra further submits that rescheduling the workshop as requested would provide all parties with the opportunity to review and then openly discuss the consultant's findings as well as Centra's submissions to determine what, if any, issues are contested.

3.0 Board Findings

Based on Centra's submission of November 5, 2020, the Board finds that the date and scheduling sequence associated with the pre-filing workshop should be reviewed.

For the reasons identified further below, the Board grants Centra's Review and Vary Application regarding the date and scheduling sequence associated with the pre-filing workshop as contained in Directive 4 of Order 130/20.

Specifically the Board sets aside both the April 1, 2021 workshop date and the scheduling requirement that the workshop be held prior to Centra's filing of its COSS submission with the Board. Following Centra's filing of its COSS methodology review submission, the Board will schedule the date for the post-filing workshop.

The Review & Vary Application provided the Board with updated information as to Centra's engagement of an external consultant and the timelines for both the consultant's report and Centra's internal processes leading up to the filing of its COSS methodology review by May 3, 2021. Additionally Centra has indicated that, based on its prior Request for Proposal for a COSS consultant, proponents were indicating a minimum of three months would be required to prepare a draft report, followed by additional time for a final review and completion of the final report. Following receipt of the consultant's final report Centra would prepare its COSS methodology review submission and file it with the Board. Based on the updated information and circumstances regarding the timing of the consultant's review, the anticipated timing for the consultant's final report is March 2021.

Based on the updated information provided by Centra regarding the timelines for the independent consultant and the preparation of Centra's submission, the Board finds that a pre-filing workshop may not achieve the intended process efficiencies. The Board further finds that, as submitted by Centra, the process will be enhanced and there will be value to the Board and to parties as a result of a workshop being held following Centra's filing of its COSS review submission.

Rescheduling the workshop to a date after the consultant has completed its final report and after Centra has filed its COSS methodology review submission would allow interested parties the opportunity to review and discuss that evidence to determine what, if any, issues remain contested. This rescheduling may lead to a more efficient public hearing process.

4.0 IT IS THEREFORE ORDERED THAT:

1. Centra Gas Manitoba Inc.'s November 5, 2020 Application to review and vary the date associated with Directive 4 of Order 130/20 BE AND IS HEREBY GRANTED.
2. Directive 4 of Order 130/20 BE AND IS HEREBY VARIED such that, on a date to be determined by the Board, Centra shall, following Centra's filing of its Cost of Service Study Methodology Review submission, hold a workshop to review its consultant's report and to review Centra's filed submission.


Board decisions may be appealed in accordance with the provisions of Section 58 of *The Public Utilities Board Act*, or reviewed in accordance with Section 36 of the Board's Rules of Practice and Procedure. The Board's Rules may be viewed on the Board's website at www.pubmanitoba.ca.

THE PUBLIC UTILITIES BOARD

"Larry Ring, Q.C."
Panel Chair

"Rachel McMillin, B.Sc."
Assistant Associate Secretary

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issued by The Public Utilities Board


Assistant Associate Secretary