

**Order No. 77/21**

**SECOND PROCEDURAL ORDER IN RESPECT OF CENTRA GAS MANITOBA  
INC.'S RATE REBUNDLING APPLICATION**

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**July 15, 2021**

**BEFORE:** Larry Ring, Q.C., Panel Chair  
Marilyn Kapitany, B.Sc. (Hon), M.Sc., Board Vice-Chair,  
Susan Nemec, FCA, FCPA, Member  
Michael Watson, Member

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## 1.0 Executive Summary

This is the second Procedural Order in respect of Centra's Rate Rebundling Application (the "Application"). By this Order, the Public Utilities Board (the "Board") approves the Applications to Intervene by Consumers' Association of Canada (Manitoba) Inc. ("CAC") and Direct Energy Marketing Limited ("Direct Energy"). Approved interveners are required, within 10 days of the issuance of this Order, to prepare and file their detailed cost estimates with the Board for review and comment by Board staff, pursuant to the process set out in the Board's Interim Intervener Costs Policy.

The Board also grants Centra's motion that certain information within the Application be received by the Board in confidence pursuant to Rule 13(2), and establishes a process and timeline for the filing of Information Requests.

## 2.0 Procedural History

On March 23, 2021, Centra filed its Application in response to Directive 14 of Order 65/11 with the Board. In its filing of the Application, Centra requested that the Board receive portions of its Application in confidence pursuant to Rule 13(2) of the Board's Rules of Practice and Procedure.

On June 25, 2021, Centra issued Procedural Order 69/21. By that Order, the Board directed a process for the hearing of the Application and established a deadline for the receipt of Intervener requests. The Board also provided Centra with the opportunity to file written comments in respect of any Intervener requests.

On July 2, 2021, the Board received applications for Intervener status from CAC and Direct Energy. On July 7, 2021, Centra filed written comments regarding CAC's and Direct Energy's Applications to Intervene.

By email dated July 7, 2021, the Board provided CAC with the opportunity to respond to Centra's written comments. CAC provided its response to the Board on July 9, 2021.



### 3.0 Submissions Regarding Intervener Participation

#### CAC

As set out in CAC's Intervener Application form, CAC is a volunteer, non-profit, independent organization working to inform and empower customers, and to represent the consumer interest in Manitoba. CAC submits that it represents the interests of consumers across Manitoba in a number of areas, including regulatory review of utilities, and that it has been a regular intervenor in regulatory matters concerning Centra for over thirty years.

The organization seeks input on its policy positions from consumers through the innovative use of surveys, focus groups, social media, and through its ongoing programs and services to the public. Between 2019 to 2021, CAC was in contact with close to 8,000 customers through consumer engagement activities, information events, workshops, focus groups, and other programs.

CAC seeks to intervene in this proceeding to represent the interests of residential natural gas customers. CAC asserts that it intends to pursue a comprehensive intervention focussed on issues of importance to residential natural gas customers. CAC submits that the Application has the potential to impact costs to consumers and the calculation of these costs, and also may potentially change the way consumers view and access information about their costs.

If granted Intervenor status, CAC intends to retain two expert consultants on technical issues and policy issues relating to the Application. CAC also submits that it may seek the services of a professional research firm on matters requiring customer input. CAC intends to seek an award of costs.

## **Direct Energy**

Direct Energy is a registered natural gas marketer in Manitoba. In its Intervener Application form, Direct Energy states that it serves commercial gas sites in Manitoba.

Direct Energy asserts that it is directly affected by the Board's decision in this proceeding on the basis that Centra has requested Board approval for the migration of the delivery point from Empress to the AECO/NIT ("AECO") gas hub for the Western Transportation Service ("WTS"). If the Board approves this request, WTS marketers, such as Direct Energy, will deliver their gas to Centra at AECO instead of at Empress. Direct Energy submits that it is directly affected by this proposed change. Direct Energy also asserts that it seeks to fully assess Centra's Application.

Direct Energy does not intend to seek an award of costs.

## **Centra**

In its written comments in response to the Intervener Applications filed by CAC and Direct Energy, Centra states that it does not object to Direct Energy's proposed intervention. With respect to CAC's Intervener Application, Centra raises several concerns.

First, Centra submits that CAC's Application is incomplete because CAC fails to provide the current number of members within CAC's organization. Second, Centra asserts that CAC fails to specify any key issues within Centra's Application that are of significant concern to CAC's members. Centra notes that CAC representatives participated in the stakeholder engagement and consultation on customer research that Centra conducted prior to filing the Application.

Third, Centra notes that CAC seeks to evaluate the potential impact on costs to consumers and how customers can view or access information about costs. Centra submits that it is not seeking approval of rates as part of its Application, and that CAC's Executive Director was involved in Centra's customer research and Centra incorporated feedback received from CAC.

Fourth, Centra notes that CAC proposes to engage two expert consultants to evaluate policy issues and technical issues. Centra submits that no specific policy or technical issues have been identified by CAC and that retaining two consultants is excessive given the limited scope of the Application.

Finally, Centra takes issue with CAC's statement that it may retain a professional research firm on matters requiring customer input. Centra points out that it retained a research firm to undertake market research, and that CAC's Executive Director reviewed the focus group approach, provided input, and expressed no significant concern with the approach. Centra submits that it would amount to unnecessary and expensive duplication if CAC sought services of a professional research firm.

### **CAC's Reply**

As indicated above, in response to the concerns raised by Centra, CAC provided additional submissions to the Board. CAC noted that it had unintentionally failed to include the approximate number of its customer contacts (8,000) between 2019-2021 in its Intervener Application.

CAC also clarified that the issue of how customers see information on their bills and how they access information is of key importance to CAC. Further, CAC noted that no issues list has been prepared and that as such, its submissions were based on a high-level understanding of the material. In addition, CAC submits that while pre-application engagement of stakeholders is appreciated by CAC, it should not preclude CAC's ability to test issues and finalize its positions during the Board proceeding.

CAC also submits that although impacts on rates are anticipated to be minimal, there is some impact regarding the reduction proposed to the Interruptible class, which impacts all classes.

With respect to the retaining of two consultants, CAC notes that it is aware of the Board's criteria for interventions and costs awards and intends to avoid the duplication of effort between experts.

Regarding its intention to potentially retain a research firm, CAC submits that it was involved in pre-application and consultation, but noted some process concerns. CAC states that it intends to retain a research firm if the report prepared by the research firm engaged by Centra reflects the process concerns observed by CAC or if CAC believes additional engagement was warranted.

## **4.0 Board Findings**

### **Intervener Applications**

The Board approves the participation of Interveners in order to assist the Board in its understanding of the issues relating to Centra's Application. Approved Interveners are required to actively participate in the hearing process. Interveners are also required to introduce information that adds to the Board's understanding of the issues, and to avoid duplication. Failure to add value to the process or to avoid duplication will have cost consequences. While the Board notes that Direct Energy has indicated that it is not seeking an award of costs for its proposed intervention, Direct Energy is also required to add value to the process and to avoid duplication with CAC on matters of evidence and the testing of issues.

The Board has considered the Applications to Intervene submitted and approves separate Intervener status for CAC and Direct Energy.

Eligibility for costs awards will be governed by the Board's Interim Intervener Costs Policy, available on the Board's website. Interveners who intend to seek costs for their participation in the Application are to, within 10 days of the issuance of this Order, submit their detailed cost estimates for their interventions, including consultants and expert witnesses. Interveners are to use the fillable Excel spreadsheet available on the Board's website for preparing and filing cost estimates and applications for cost awards. Cost estimates that are incomplete or prepared improperly will be returned to the Intervener.

The filing of Intervener cost estimates does not guarantee or disqualify an Intervener from eligibility for a cost award. All cost awards are in the sole discretion of the Board and all

applications for cost awards will be considered by the Board in accordance with the criteria set out in Section 3.0 of the Interim Intervener Costs Policy.

Should any approved Intervener seeking an award of costs determine that its scope of participation in the proceeding or its final cost application will deviate or differ materially from its cost estimate, the Intervener is to notify the Board staff forthwith. Such deviations will be considered by the Board after the hearing when it evaluates the contributions made by interveners.

### **Centra's Confidentiality Motion**

Centra filed with the Board a proposed redacted public version and an unredacted version of its Application. In the filing of its Application, Centra requested that the Board receive the redacted portions of its Application in confidence pursuant to Rule 13(2) of the Board's *Rules of Practice and Procedure*.

Centra's grounds for seeking specific information not to be placed on public record were coded in its Redaction Criteria and identified adjacent to the proposed confidential information in Centra's Application. Centra publicly filed its Redaction Criteria with the filing of the Application.

In further support of its request pursuant to Rule 13(2), Centra submitted that the current unlimited pricing discretion afforded to TransCanada Pipelines Limited ("TCPL") in establishing short-term firm and interruptible transportation bid floors on the Canadian Mainline has caused Centra to consider historical and forecast annual gas supply and gas cost information as commercially sensitive. Centra is concerned that public disclosure of certain information, including information on Centra's transactions, commercial arrangements, and operations, will expose Centra and its ratepayers to increased costs and irreparable harm by virtue of Centra being a captive shipper on the Canadian Mainline. If this confidential information was to become public, Centra submits the potential for adverse pricing activity by market participants will result to the detriment of Centra. Consequently, the Utility submits its competitive market position is reasonably

expected to be prejudiced by public disclosure of this confidential information, including the potential for material cost increases to Centra and its ratepayers.

The Board accepts Centra's submissions regarding its Rule 13(2) request and the Board has determined that the proposed redacted information will be held in confidence by the Board pursuant to Rule 13(2)(a) and (b). The Board finds that the proposed redacted information is consistent with information that the Board has previously received in confidence in past proceedings. The Board is satisfied that holding this information in confidence outweighs the public interest in disclosure of this information.

To the extent access to confidential information is sought by approved Interveners, Interveners need to first communicate with Centra to resolve the disclosure issues. If disclosure issues are unable to be resolved by communication with Centra, the Board will adjudicate any requests for access by Interveners to confidential information. That said, the Board notes that the information redacted by Centra may not be required for Interveners to participate fully in the proceeding, and that as such, Intervener access to this information may not be necessary.

### **Timeline for Information Requests**

In Order 69/21, the Board directed that one round of Information Requests be held to streamline the proceedings. The Board stated that it would file its Information Requests with Centra first, and would schedule timelines for approved Interveners to pose their Information Requests of Centra, Centra's response, and the filing of Intervener evidence and any rebuttal evidence.

The Board will file its Information Requests with Centra by July 16, 2021. The Board directs approved Interveners to file their Information Requests of Centra by July 23, 2021. The Board directs Centra to file their responses to the Information Requests posed by the Board and approved Interveners by August 13, 2021. A table setting out these dates is provided below:

<b>Item</b>	<b>Deadline</b>
Board Information Requests to Centra	July 16, 2021
Intervener Information Requests to Centra	July 23, 2021
Centra Responses to Information Requests	August 13, 2021

Interveners are to advise the Board as soon as they determine, or no later than August 16, 2021, whether they intend to file evidence. The timelines for filing Intervener evidence, posing Information Requests to Interveners, and the filing of any rebuttal evidence from Centra will be scheduled at a later date depending on whether Interveners file evidence.

Any questions of clarification are to be directed to the Board in writing for response.

**5.0 IT IS THEREFORE ORDERED THAT:**

1. Intervener status for Centra's Rate Rebundling Application **BE AND IS HEREBY APPROVED FOR:**
  - a. Consumers' Association of Canada (Manitoba) Inc.; and
  - b. Direct Energy Marketing Limited.
2. Centra's request that the Board receive certain information within the Application in confidence pursuant to Rule 13(2) **BE AND IS HEREBY APPROVED.**
3. Approved Interveners are directed to file their Information Requests of Centra by July 23, 2021, and Centra is directed to file its responses to the Information Requests posed by the Board and approved Interveners by August 13, 2021.

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](http://www.pubmanitoba.ca).

THE PUBLIC UTILITIES BOARD

"Larry Ring, Q.C."

Panel Chair

"Rachel McMillin, B.Sc."

Acting Associate Secretary

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Acting Associate Secretary