

MANITOBA) Order No. 14/07
)
THE PUBLIC UTILITIES BOARD ACT) February 20, 2007

BEFORE: Graham Lane, C.A., Chairman
Eric Jorgensen, Member

**INTERVENER STATUS AND PROCESS:
CENTRA GAS MANITOBA INC. –
2007/2008 AND 2008/2009 RATES AND
COMPETITIVE NATURAL GAS LANDSCAPE PROCEEDING**

EXECUTIVE SUMMARY

By this Order, the Public Utilities Board (Board):

- a) grants intervener status to a number of interested parties; and
- b) establishes a timetable and process for the public hearing of Centra Gas Manitoba Inc.'s (Centra) application with respect to proposed 2007/08 and 2008/09 rates and the concurrent review of the competitive natural gas landscape.

Intervener status is provided to:

- a) Direct Energy Marketing Inc./Municipal Gas (Direct);
- b) Communications, Energy and Paperworkers Union of Canada Local 681 (CEPU);
- c) Consumers' Association of Canada (Manitoba) Inc./Manitoba Society of Seniors (CAC/MSOS);
- d) Coral Energy Canada Inc. (Coral);
- e) Energy Savings (Manitoba) L.P. (ESMC);
- f) Koch Fertilizer (Canada) Ltd., (Koch);
- g) Resource Conservation Manitoba and Time to Respect Earth's Ecosystems (RCM/TREE);
and
- h) Simplot Canada (II) Limited. (Simplot)

BACKGROUND

By a Public Notice published January 23, 2007, the Board advised of Centra's General Rate Application (GRA) for its 2007/08 and 2008/09 fiscal years and its concurrent filing of materials related to the Board's review of the competitive landscape for natural gas. In that Notice, the Board invited applications for Intervener status.

At a Pre-Hearing Conference (PHC) held at Board offices in Winnipeg, Manitoba on Friday, February 9, 2007, the Board heard applications for intervener status and considered a timetable for the process. Also at the PHC, prospective interveners indicated areas of primary interest that they would canvass.

Through the discussions at the PHC and subsequent consultation involving Board Counsel, Centra and interveners, the attached timetable for the hearing was developed.

APPLICATIONS FOR INTERVENER STATUS

Communications, Energy and Paperworkers Union of Canada Local 681

CEPU applied for intervener status by means of a written submission, indicating its intention to appear throughout the hearing, participate in the testing of evidence and present final argument. CEPU advised it will not provide evidence, call a witness or apply for costs.

CEPU represents unionized employees of Manitoba Hydro; Manitoba Hydro provides all functions for Centra. Centra accepted CEPU as an intervener.

Consumers' Association of Canada (Manitoba) Inc./Manitoba Society of Seniors

CAC/MSOS has long represented general consumer and senior's issues at regulatory proceedings related to Centra and its parent Manitoba Hydro. CAC/MSOS sought intervener status expressing an interest in all issues pertaining to Centra's application and the review of the competitive natural gas landscape.

CAC/MSOS indicated its intention to appear throughout the hearing, test evidence, and make final argument. CAC/MSOS noted it would engage consultants with regard to GRA matters, and with respect to the competitive natural gas landscape proceeding that it was exploring the possibility of collaborating with Centra and engaging a joint witness.

CAC/MSOS indicated difficulty working with PDF formatted schedules filed by Centra in its application, and requested the schedules be provided in Excel format, forecasting overall cost savings to result. CAC/MSOS however asked that the Board not adjudicate the matter, that CAC/MSOS would have its consultants discuss the issue with Centra and if the matter cannot be resolved, would consider bringing the matter before the Board by way of a motion. As to the draft timetable, CAC/MSOS suggested amendments with respect to the addition of a second round of Information Requests (IRs) and provision for Centra's rebuttal evidence.

CAC/MSOS indicated it would apply for costs and that the proposed hearing budget would be filed shortly. Centra accepted CAC/MSOS as an intervener, and reserved the right to review and comment on CAC/MSOS' proposed budget, when filed.

Coral Energy Canada Inc.

Coral submitted its application for intervener status in writing. Coral noted that as a licensed broker it was interested in all aspects of the hearing, though its primary interest was with the review of the competitive landscape. Coral noted that it would monitor the hearing and present final argument. Coral indicated it would not apply for costs.

Centra accepted Coral as an intervener.

Direct Energy Marketing Inc./Municipal Gas

As a broker, Direct's interest extends to all aspects of Centra's operations, though Direct indicated its major issue for the upcoming proceeding was the review of the competitive natural gas landscape, to which Direct would provide evidence and present witnesses.

Direct expressed particular interest with respect to Centra's role of default supplier, the benefit to consumers of choice, the prospects of monthly enrollments, and Centra's gas supply contract.

Direct advised its intention to appear throughout the hearing, participate in the production and testing of evidence, and provide final argument. Direct indicated its support for the timetable amendments proposed by CAC/MSOS. Direct does not seek a cost award.

Centra accepted Direct as an intervener.

Energy Savings (Manitoba) L.P.

ESMC, a broker, indicated its interests were similar to that of Direct and that its focus would include:

- i) Centra's derivative hedging program and the Rate Setting Mechanism;
- ii) the Equal Payment Plan, as the default condition;

- iii) the potential for a Centra fixed-price fixed-term offering;
- iv) Centra's commodity supply contract(s);
- v) the potential for improved broker services by Centra;
- v) the allocation of Centra costs to brokers;
- vi) the implications of changes to the competitive landscape;
- vii) the nature and extent of competition in the natural gas market; and
- viii) the Board's Code of Conduct for brokers, including the rules for signing up customers.

ESMC also indicated it might comment on other issues that arise during the hearing. ESMC noted an intention to appear throughout the hearing, participate in the production and testing of evidence, call a witness and provide final argument. ESMC indicated no intention to apply for costs. ESMC provided support for the timetable amendments proposed by CAC/MSOS.

Centra accepted ESMC as an intervener.

Koch Fertilizer Canada Ltd.

Koch recently acquired the Simplot's Brandon fertilizer plant and, in applying for intervener status, noted that the cost of gas is a major cost component for the ammonia plant. Koch indicated an intent to appear throughout the hearing, participate in the testing of evidence and present final argument. Koch will not provide evidence or apply for costs.

Centra accepted Koch as an intervener.

Resource Conservation Manitoba and Time to Respect Earth's Ecosystems

RCM/TREE noted its continuing interest in encouraging practices towards making society and the economy more sustainable. RCM/TREE noted its particular intent to examine Centra's DSM Programming, costs and cost allocation, low-income programming as well as all other issues pertaining to the implementation of a Sustainability mandate, including the concept of full cost accounting.

RCM/TREE indicated its intent to appear throughout the hearing, participate in the production and testing of evidence and present final argument. RCM/TREE noted its non-profit status and reliance on cost awards, indicating its intent to apply for costs.

RCM/TREE noted that it would likely seek legal assistance for its intervention; in the past RCM/TREE has put forward its position through volunteers. RCM/TREE indicated support for the timetable amendments suggested by CAC/MSOS.

Centra accepted RCM/TREE as an intervener, while reserving the right to review and comment on its proposed budget.

Simplot Canada (II) Limited

Simplot is a large potato processing plant located in Portage la Prairie and dependent upon natural gas as a major energy input. Simplot applied for intervener status indicating a direct and substantial interest in the matters to be considered.

Simplot indicated its intent to examine all matters that relate to its interests and to address evidence on specific matters. Simplot did not apply for costs.

Centra accepted Simplot as an intervener.

CENTRA'S COMMENTS

As previously indicated, Centra had no objections to the applications for intervener status from the applicants, though it retained the right to comment on budgets to be filed or updated by CAC/MSOS and RCM/TREE.

With regards to the matter of providing schedules in Excel format, Centra noted a number of difficulties associated with doing so that had been shared previously, and restated the reasons in resisting the request of CAC/MSOS. As to CAC/MSOS's suggested timetable amendments, Centra indicated that while it had not had an opportunity to examine the suggested changes, it perceived difficulty in integrating the two schedules (GRA and the review of the competitive

natural gas landscape). Centra noted a second round of IRs for the previous GRA proceeding that was restricted to Volume I of Centra's filing.

BOARD FINDINGS

The Board accepts all applicants for intervener status as interveners.

The Board notes that Direct, CAC/MSOS, CEPU, ESMC, RCM/TREE and Simplot (as past owner of the Brandon plant now owned by Koch) have participated responsibly in previous Board hearings related to Centra, and welcomes Coral, Koch and Simplot's Portage la Prairie plant operation to the proceedings.

The Board reserves its discretion as to accepting and subsequently providing cost awards with respect to the budget to be filed by CAC/MSOS and RCM/TREE, the only interveners seeking a cost award. The granting of a cost award by the Board is a discretionary act dependent upon the Board's view of how such an award serves the public interest. Criteria used by the Board in its assessment of cost award applications, though not binding on the Board, are set out in the Board's Rules of Practice and Procedure, which may be found on the Board's website, www.pub.gov.mb.ca. In addition to the criteria, the Board also limits reimbursement with respect to the hourly rates charged by professionals and/or others assisting parties seeking cost awards; guidance is available from Board staff.

As to CAC/MSOS request that Centra file certain schedules in a different format, to enable the intervener to work with the data in developing options and/or recommendations, the Board will wait to hear further on the matter from CAC/MSOS.

With regards to the timetable, the Board did ask Board Counsel to consult with all parties to arrive at a schedule that represents a consensus and is workable and efficient in the view of Counsel. The resulting timetable is attached.

IT IS THEREFORE ORDERED THAT:

1. Intervener Status for the hearing in respect of Centra's GRA 2007/08 and 2008/09 and the Competitive Natural Gas Landscape is granted to:
 - i. Communications, Energy and Paperworkers Union of Canada Local 681;
 - ii. Consumers' Association of Canada (Manitoba) Inc./Manitoba Society of Seniors;
 - iii. Coral Energy Canada Inc.;
 - iv. Direct Energy Marketing Inc./ Municipal Gas;
 - v. Energy Savings (Manitoba) L.P.;
 - vi. Koch Fertilizer Canada Ltd.;
 - vii. Resource Conservation Manitoba/Time to Respect Earth's Ecosystems;and
 - viii. Simplot Canada (II) Limited.

2. The timetable for the hearing is attached as Schedule "A" and will be posted on the Board's web site.

THE PUBLIC UTILITIES BOARD

"GRAHAM F. J. LANE, C.A."

Chairman

"G. GAUDREAU, CMA"

Secretary

Certified a true copy of Order No. 14/07
issued by The Public Utilities Board

Secretary

SCHEDULE "A"

Centra Gas Manitoba Inc. 2007/08 & 2008/09 General Rate Application & Competitive Landscape Proceeding

Timetable

By No Later Than

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| File Public Notice with PUB (GRS & Competitive Landscape) | January 16, 2007 |
| Centra to File Volume I | January 19, 2007 |
| PUB Approval of Notice | January 23, 2007 |
| Publish Notice in Daily/Weekly Newspapers | Jan 27 & Jan 29 – Feb 2, 2007 |
| Interested Parties to Register with the PUB for Intervener Status | February 5, 2007 |
| Pre-Hearing/Issues Conference | February 9, 2007 |
| Centra to File Volume II – GRA | February 28, 2007 |
| Centra Receives 1 st Round GRA IRs on Volume I | March 5, 2007 |
| Centra Receives 1 st Round GRA IRs on Volume II | March 12, 2007 |
| Centra Responses to 1 st Round GRA IRs on Volume I and II | April 2, 2007 |
| Centra Receives 2 nd Round GRA IRs on Volume I and II | April 9, 2007 |
| All Parties to File Competitive Landscape Evidence | April 16, 2007 |
| Centra Responses to 2 nd Round GRA IRs on Volume I and II | April 30, 2007 |
| All Parties to File Competitive Landscape IRs | April 30, 2007 |
| Interveners to File Evidence on GRA | May 7, 2007 |
| Centra to File Cost of Gas Update & Reminder Notice | May 11, 2007 |
| All Parties to File Information Requests on GRA Intervener Evidence | May 14, 2007 |
| All Parties Respond to Competitive Landscape IRs | May 17, 2007 |
| PUB Approval of Reminder Notice | May 17, 2007 |
| Publish Reminder Notice in Daily/Weekly Newspapers | May 26 & May 28 – June 1/07 |
| Interveners Respond to GRA IRs | May 28, 2007 |
| Centra to File GRA Rebuttal Evidence | June 1, 2007 |
| All Parties File Competitive Landscape Rebuttal Evidence | June 4, 2007 |
| GRA Hearing Commences | June 5, 2007 |
| Competitive Landscape Hearing Commences | June 18, 2007 |