

**M A N I T O B A**  
**THE PUBLIC UTILITIES BOARD ACT**

**Order No. 82/13**

**July 22, 2013**

Before: Régis Gosselin, MBA, CGA, Chair  
Larry Soldier, Member  
Marilyn Kapitany, B.Sc., (Hon), M.Sc., Member

**CENTRA GAS MANITOBA INC.**  
**APPLICATION FOR APPROVAL OF NEW FRANCHISE AGREEMENTS**  
**FOR:**

- (i) RURAL MUNICIPALITY OF NORTH NORFOLK**
- (ii) RURAL MUNICIPALITY OF WOODLANDS**
- (iii) CITY OF PORTAGE LA PRAIRIE**
- (iv) RURAL MUNICIPALITY OF ELTON**
- (v) RURAL MUNICIPALITY OF LANGFORD**
- (vi) RURAL MUNICIPALITY OF SHELLMOUTH-BOULTON; and**
- (vii) RURAL MUNICIPALITY OF STANLEY**

**ARISING FROM THE NEW GENERIC FRANCHISE AGREEMENT**  
**APPROVED BY THE BOARD IN ORDER 159/11**

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## 1. EXECUTIVE SUMMARY

By this Order, the Public Utilities Board (Board) grants Centra Gas Manitoba Inc's (Centra) Application for an Order pursuant to section 45 of *The Public Utilities Board Act* granting interim ex parte approval of new franchise agreements arising out of the Board's Order 159/11 for the following municipalities:

- (a) Rural Municipality of North Norfolk
- (b) Rural Municipality of Woodlands
- (c) City of Portage La Prairie
- (d) Rural Municipality of Elton
- (e) Rural Municipality of Langford
- (f) Rural Municipality of Shellmouth-Boulton; and
- (g) Rural Municipality of Stanley

In Order 159/11, the Board directed:

*Centra is to provide all franchise granting municipalities with a copy of this Order, including Appendix "A" and Appendix "B". Centra is to also advise those municipalities, that may be interested in replacing or revising their current franchise agreements to reflect the Board approved provisions arising from this Order, to file a copy of their amended franchise agreement (and related by-law) with the Board for approval.*

Centra has complied with this directive and has submitted letters to all franchise-granting municipalities that may have been interested in replacing their existing franchise agreements with the revised generic form of agreement approved by the Board in Order 159/11. The seven municipalities referenced above responded to Centra's letters and have given first reading to by-laws entering into new franchise agreements with Centra.

## **2. BACKGROUND**

The Board approved the existing form of Generic Franchise Agreement in Board Order 109/94. Order 109/94, and the application that gave rise to it were issued as a result of the Province of Manitoba's Rural Expansion Policy announced with the Province's 1992 Throne speech. At the time, Centra was planning to expand natural gas service to 23 communities. Since franchise agreements must be approved by the Board, the Board heard an application with respect to a generic form of a franchise agreement that could be used for all municipalities. After hearing submissions from several interveners and 15 municipalities, the Board approved the Generic Franchise Agreement. This form of Generic Franchise Agreement remained in force until the amended form was approved by the Board in Order 159/11. On January 25, 2013, Centra applied to the Board for interim *ex parte* approval of seven franchise agreements arising from the Board's approval of a revised Generic Franchise Agreement in Order 159/11.

## **3. PROCEDURAL HISTORY OF THE APPLICATION**

On August 26, 2011, Centra filed an application to replace the Schedule to the Greater Winnipeg Gas Distribution Act. In the same application, Centra sought approval of a revised Generic Franchise Agreement which was to be used as a template for future franchise agreements and franchise agreement renewals.

The Board issued Order 159/11 on November 16, 2011 approving a revised Generic Franchise Agreement. In addition, Directive 5 of Order 159/11 required Centra to provide a copy of Order 159/11 to all municipalities that have granted franchises to Centra and to advise all franchise-granting municipalities of their option to replace their current franchise agreements with an amended franchise agreement of the form

approved by the Board in Order 159/11. Centra was to file copies of any amended franchise agreements and corresponding by-laws arising from the notification of the franchise-granting municipalities with the Board for approval.

Centra subsequently advised the franchise-granting municipalities of the available option to replace their existing franchise agreements in the form of the Generic Franchise Agreements approved by the Board in Order 159/11. Seven of the franchise municipalities applied to replace their current franchise agreement with the new generic franchise agreement approved in Board Order 159/11.

Centra's Application for approval of the seven revised franchise agreements was filed with the Board on January 25, 2013.

#### **4. CENTRA'S APPLICATION**

In its Application, Centra provided copies of each of the franchise agreements as well as each of the by-laws from each municipality. Each of the by-laws has received first reading by the respective municipal councils.

Centra included a map defining the franchise areas within each municipality. Centra also included representative copies of the notification letters sent to the municipalities.

##### **North Norfolk**

The proposed franchise agreement for the Rural Municipality of North Norfolk replaces a franchise agreement dated February 9, 2004 and approved by the Board by Order 20/04.

When Centra purchased the assets of the Gladstone-Austin Natural Gas Co-op in 2004, Centra maintained the Tax Rebate Agreement with the municipalities affected by the purchase to continue to receive tax rebates in lieu of capital contributions. The new

franchise agreement does not affect the Tax Rebate Agreement with the Rural Municipality of North Norfolk.

### **Woodlands**

The proposed franchise agreement for the Rural Municipality of Woodlands replaces a franchise agreement dated July 11, 2000 and approved by the Board by Order 95/00.

### **Portage La Prairie**

The proposed franchise agreement for the City of Portage La Prairie replaces a franchise agreement that expired on August 9, 1996. To date, both the City and Centra have continued their respective rights and responsibilities under the terms of the expired franchise agreement.

### **Elton**

The proposed franchise agreement for the Rural Municipality of Elton replaces a franchise agreement approved by the Board by Order 113/93 and also replaces a crossing agreement which expired December 17, 1999. To date, both the Rural Municipality and Centra have continued their respective rights and responsibilities under the terms of the expired crossing agreement. Centra confirmed that an additional crossing agreement approved by the Board by Order 77/95 was subsequently superseded and rendered null and void.

The areas covered by the expired crossing agreement:

- Sections 1-36, Township 11, Range 17 WPM; and
- Sections 1-36, Township 12, Range 17 WPM.

have been added to the franchise agreement.

## **Langford**

The proposed franchise agreement for the Rural Municipality of Langford replaces a franchise agreement dated November 10, 1970 and approved by the Board by Order 117/70.

Centra identified that it has extended service to customers located outside of the existing franchise areas, including seven customers south of franchise area identified in the 1970 franchise agreements, as well as two customers east of the Town of Neepawa. To date, both the Rural Municipality and Centra have maintained their respective rights and responsibilities as if the 1970 franchise agreement covered these locations.

These areas where these customers are located, which are adjacent to the existing Centra transmission and distribution mains but are not clearly defined in the previous franchise agreement, have been included in the replacement franchise agreement:

- Sections 3, 4, 9, 10, 15, 16, 21, 22, 27, 28, 33, and 34, Township 13, Range 15 WPM; and
- Sections 3, 10, 15, 22, 23, 26, and 35 Township 14, Range 15 WPM.

## **Shellmouth-Boulton**

The proposed franchise agreement for the Rural Municipality of Shellmouth-Boulton replaces franchise agreements with the former Rural Municipality of Boulton dated August 12, 1965 and with the former Rural Municipality of Shellmouth dated October 8, 1965, and subsequently approved by the Board by Orders 117/65 and 116/65, respectively. The proposed franchise agreement also replaces a crossing agreement

with the former Rural Municipality of Shellmouth, approved by Order 122/65, which expired June 11, 1994.

The areas covered by the expired crossing agreement include:

- Sections 1 through 34 inclusive, West ½ 35, East ½ 36, Township 22, Range 28 WPM;
- Sections 1 through 36 inclusive, Township 23; Range 28 WPM; and
- Sections 1 through 36 inclusive, Townships 24, Range 28 WPM.

These areas have been added to the franchise agreement.

### **Stanley**

The proposed franchise agreement for the Rural Municipality of Stanley replaces a franchise agreement dated October 11, 1967 and approved by the Board by Order 156/67, as well as a crossing agreement dated June 8, 1989 which subsequently expired.

The area covered by the crossing agreement in Sections 19 through 36, Township 3, Range 5 WPM has been added to the franchise agreement.

The wording of the Rural Municipality of Stanley's By-Law 8-12 specifies that there are customers currently being served by its system in the Rural Municipality of Stanley that are located outside of the area of the expired crossing agreement. Centra confirmed that all customers being served in the Rural Municipality of Stanley are located within the proposed franchise area.

### **Expired Franchise and Crossing Agreements**

In several instances, Centra has allowed franchise agreements and crossing agreements with franchise-granting municipalities to expire. Centra reviewed all of its

crossing agreements with franchise-granting municipalities and identified an expired agreement with the Rural Municipality of Dufferin. Centra filed an application for an expanded franchise area covering the area of the expired crossing agreement on June 28, 2013. Centra also identified a distribution pipeline in the Rural Municipality of Blanshard that is not covered by a franchise or crossing agreement. Centra plans to bring an application for approval of an agreement with the Rural Municipality of Blanshard to the Board in due course.

Centra also identified that it is serving customers outside of franchise areas in the Rural Municipalities of Daly and Cornwallis. Centra filed an application to amend its franchise with the Rural Municipality of Cornwallis on May 24, 2013. Centra is working with the Rural Municipality of Daly to enter into a new franchise agreement, and will bring an application to the Board in due course.

## **5. BOARD FINDINGS**

The Board is satisfied that Centra has provided its franchise granting municipalities with adequate notification that they may replace their existing franchise agreements with Centra with franchise agreements in the revised generic form approved by the Board in Order 159/11.

In several instances, Centra has allowed crossing agreements with franchise-granting municipalities to expire. In other instances, Centra has extended mains or services to customers that are located outside of franchise areas. The Board requested that Centra review its existing and expired franchise and crossing agreements, and where necessary, bring applications for renewals of these agreements to the Board for approval. In its letter of June 28, 2013, Centra confirmed that it is complying with the Board's request. The Board will address the approvals of these agreement renewals in future Orders.

If it has not already done so, Centra is to inform the Rural Municipality of Shellmouth-Boulton of the typographical error in its By-law No. 1205 referring to Order 159/11 as "Order 151/11".

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 (Rules). The Board's Rules may be viewed on the Board's website at [www.pub.gov.mb.ca](http://www.pub.gov.mb.ca).

**6. IT IS THEREFORE ORDERED THAT:**

1. Pursuant to section 45 of the *PUB Act*, Centra's request for an Order approving amended franchise agreements for the following municipalities:

- (a) Rural Municipality of North Norfolk
- (b) Rural Municipality of Woodlands
- (c) City of Portage La Prairie
- (d) Rural Municipality of Elton
- (e) Rural Municipality of Langford
- (f) Rural Municipality of Shellmouth-Boulton; and
- (g) Rural Municipality of Stanley

in the form of the Generic Franchise Agreement approved by the Board in Order 159/11 **BE AND IS HEREBY APPROVED.**

THE PUBLIC UTILITIES BOARD

"Régis Gosselin"

Chair

"Kurt Simonsen, P.Eng."

Associate Secretary

Certified a true copy of Order No. 82/13  
issued by The Public Utilities Board

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Associate Secretary