M A N I T O B A

THE PUBLIC UTILITIES BOARD ACT

Order No. 112/12

August 23, 2012

BEFORE: Régis Gosselin, CGA, MBA, Chair
Raymond Lafond, B.A., C.M.A., F.C.A.

A FINAL ORDER WITH RESPECT TO CENTRA GAS MANITOBA INC.'S TRANSPORTATION & STORAGE PORTFOLIO APPLICATION <u>TO THE PUBLIC UTILITIES BOARD</u>

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1.0.0 EXECUTIVE SUMMARY

By this Order, the Public Utilities Board (PUB), on application by Centra Gas Manitoba Inc. (Centra), approves the fixed costs associated with eight proposed contracts between Centra and Great Lakes Gas Transmission and ANR Pipeline. Approval of the eight contracts will allow Centra to finalize a seven-year Transportation & Storage Portfolio effective April 1, 2013. The Portfolio will be used to transport and store western Canadian natural gas into eastern storage facilities during the summer months and draw on that gas for Manitoba customers during the winter months. Cyclability provides additional flexibility within those general parameters. Centra's existing Transportation & Storage Portfolio, which has been in place since 1993, will expire on March 31, 2013.

Approval of the Transportation & Storage Portfolio's fixed costs will allow Centra to reduce the amount of firm transportation capacity Centra holds on the TransCanada Gas Pipelines Limited (TCPL) system providing substantial cost savings to Centra and its customers. The new Transportation & Storage Portfolio is similar to the existing one, but at a cost of approximately $14 million per year it represents savings of approximately $3 million per year compared to the existing Portfolio.

With respect to the current or future feasibility of Manitoba storage, this Order directs Centra to investigate and report to the PUB on the viability of storage options within or adjacent to Manitoba in time to consider such storage options before the expiry of the new Transportation & Storage Portfolio.

This Order also directs Centra to provide the PUB with a report of its evaluation of the potential benefits, if any, of outsourcing all or part of Centra's Transportation & Storage Portfolio in the future to third-party asset managers.

The Board is requesting additional Capacity Management details to be filed by Centra as part of its next Cost of Gas Applicant/General Rate Application.

This Order further directs Centra to file a stakeholder notification and consultation plan with the PUB for comment and approval by September 30, 2017, or 2 ½ years before the expiry of the new Transportation & Storage Portfolio, to allow stakeholder input in time for a renewal or replacement of the Portfolio on March 31, 2020.

2.0.0 PROCEDURAL HISTORY AND INTERVENERS

The logistics of providing natural gas from producers to end users have three components: long-distance transportation through pipelines, temporary storage to deal with demand fluctuations (both seasonal and day-to-day), and distribution to end users through local distribution companies (LDC).

To provide its Manitoba customers with natural gas as needed, the Applicant, Centra Gas Manitoba Inc. (Centra), can either contract to meet its entire winter load through firm transportation capacity on the TCPL system or it can arrange to store gas in the summer months when gas demand is weakest and prices usually lower for withdrawal and use in the winter months when demand is strongest and prices are usually higher. The latter arrangements by Centra are known as its "Transportation & Storage Portfolio". Centra last entered into long-term contracts with respect to its Transportation & Storage Portfolio in 1993. At that time, arrangements were made for a period of 20 years. These arrangements are set to expire on March 31, 2013.

Recognizing that new arrangements would be required in the near future, the PUB was advised during Centra's 2011/12 Cost of Gas Application that Centra had initiated an investigation of alternatives to its existing Transportation & Storage Portfolio. In Order 65/11, which was the rate order with respect to Centra's 2011/12 Cost of Gas application, the PUB directed that Centra seek PUB approval of any gas cost consequences of the new storage and transportation arrangements as a condition precedent to any contracts Centra executes, and that:

> *As such, the Board directs the following changes to the portfolio review process. Centra's discussion paper is to be of sufficient breadth that the myriad options available to Centra are considered, but also of sufficient depth that the favoured options are analyzed, both economically and operationally. Centra is to administer an information request process following the technical conference. Following the information request process, stakeholders are invited to provide the Board with written submissions giving their positions.*
>
> *Centra is to schedule an oral hearing into this matter following the receipt of the submissions. The hearing will be limited to matters involving the replacement of the U.S. storage and transportation assets, a review of the TCPL tolls situation, and the updated gas costs for both 2010/11 – as impacted by the tolls situation – and for future years, as impacted by the storage and transportation portfolio.*
>
> *Centra will complete its internal economic and business case analysis in September and make its final recommendation to the Centra Board of Directors and obtain approval in October. The Board understands that Centra will undertake contractual negotiations after obtaining approval from the Centra Board.*
>
> *It is the Board's intention that Centra seek approval of the gas cost consequences of any arrangements prior to those arrangements being finalized. Board approval of the gas cost consequences is to be a condition precedent to any contractual obligations entered into by Centra.*

On May 19, 2011, Centra provided a draft timetable for the consultation and public review process of Centra's Transportation & Storage Portfolio. The timeline included the provision of a discussion paper, followed by a technical conference. The PUB accepted this timetable on May 26, 2011.

On June 27, 2011, Centra filed a report entitled *Review of Natural Gas Portfolio Options for Centra Gas* authored by ICF International (ICF), an international energy consulting firm engaged by Centra. Pursuant to the review procedure agreed to between Centra and the PUB, stakeholders had an opportunity to provide information requests to Centra. On July 20, 2011, the PUB issued a series of information requests, to which Centra provided responses on August 12, 2011. On July 8, 2011, Centra also held a day-long technical conference regarding its Transportation & Storage Portfolio review process in which stakeholders could participate.

On March 23, 2012, Centra filed its Application in this matter with the PUB.

The PUB held a Pre-Hearing Conference on April 11, 2012.

Four parties applied for intervener status in this matter, all of whom were granted intervener status by way of Order 49/12. These interveners are as follows:

(a) Consumers Association of Canada (Manitoba) Inc. (CAC)

(b) Just Energy (Manitoba) L.P. (Just Energy)

(c) Shell Energy North America (Canada) Inc. (Shell Canada)

(d) BP Canada Energy Group ULC (BP Canada)

Three parties – the PUB, CAC and Just Energy – issued information requests to Centra arising out of Centra's Application. Centra filed responses to these information requests on May 18, 2012.

Of the interveners, only CAC pre-filed evidence in this matter, specifically written evidence of its expert witness, Mark Stauft. Both Centra and the PUB issued information requests to CAC with respect to this evidence, answers to which Centra filed prior to the hearing. On June 22, 2012, Centra filed rebuttal evidence with respect to Centra's pre-filed evidence and answers to information requests.

The hearing proceeded over the course of three days, from June 25 to June 27, 2012. A list of witnesses is provided in Appendix A hereto. Closing submissions took place on July 4, 2012. Of the interveners, only CAC called evidence and made closing submissions at the hearing.

3.0.0 EVIDENCE

3.1.0 Expiry of the Current Contracts

Centra currently holds transportation contracts on the TransCanada Pipelines Mainline System (TCPL), the Great Lakes Gas Transmission (GLGT) system, and ANR Pipeline (ANR) system. In addition, Centra contracts with ANR for gas storage in Michigan. Both the GLGT and ANR contracts expire on March 31, 2013.

3.2.0 Options Considered

3.2.1 Overview

In evaluating its options to replace the existing GLGT and ANR portfolio, Centra considered several western storage options (Alberta, Saskatchewan and Williston Basin), northern storage in Iowa, Manitoba storage, eastern storage in Michigan and Ontario and virtual storage offered by third-party asset managers. Interruptible transportation and short-term firm transportation (STFT) were discussed as further alternatives during the hearing.

3.2.2 Western Storage

Alberta and Saskatchewan storage were dismissed outright as alternatives, due to both exposure to TCPL for western storage options and a lack of supply diversity, with gas in both areas supplied primarily through the AECO Hub. With storage held upstream of the Manitoba delivery area, Centra would need to hold significant levels of upstream firm transportation capacity on TCPL's Mainline in order to ensure sufficient deliverability of the storage volumes during cold winter weather. Holding sufficient extra firm upstream capacity precludes the savings that are possible if downstream storage is utilized. Furthermore, holding this extra firm capacity on the TCPL Mainline exacerbates Centra's exposure to the currently high tolls and continuing toll uncertainty on the Mainline stemming from underutilization of the pipeline.

The Williston Basin option was discounted due to economic and operational challenges. Northern storage in Iowa was sold out at the time of Centra's negotiations, and therefore could not be pursued as an option. CAC's expert witness agreed that none of these alternatives were feasible.

3.2.3 Manitoba Storage

Centra considered options for storing gas within Manitoba as part of its review, but advised that there currently is no feasible technical solution being offered in Manitoba, and that no commercial storage providers are operating in the province. Accordingly, Centra ruled out Manitoba storage as a potential solution early in the process.

3.2.4 Eastern Storage

In terms of eastern storage, Centra evaluated the proposed contract with ANR against three other proposals, identified by Centra only as Parties B, C, and D. Centra eliminated the proposals from Parties C and D on the basis that the rates for each individual storage or transportation service from Parties C or D were higher than proposed by Party B. Centra then modelled the ANR proposal against the Party B proposal using the proprietary SENDOUT computer model, and determined that the total costs of the supply, storage, and transportation portfolios for ANR and Party B were within one percent of each other under a variety of price and weather inputs. Using this total portfolio cost information along with an assessment of the reliability, security of supply, flexibility of sources of supply from different supply basins, and the liquidity of those supply basins, Centra arrived at the ANR proposal as its preferred option.

SENDOUT is a commercial software product that was introduced to the energy market in 1985. It is currently in use by approximately 70 natural gas distribution companies in North America as a gas networks and systems optimization tool. Centra is currently licensing the software at an annual cost of approximately $28,000, in addition to a lump-sum $5,900 training expense incurred in 2010. The model was used by Centra to evaluate gas supply, transportation, and storage options. The modelling was premised on Manitoba demand, historical weather, storage and transportation rates, and forward price curves for various supply hubs in North America. SENDOUT selects quantities of supply from various hubs, transportation paths, capacities, and deliverability to provide the least-cost solution over the various weather scenarios.

Centra also commissioned two reports from ICF, an international company offering consulting services in a variety of sectors, including the energy sector. In its initial June 2011 report, ICF provided an overview of the current state of the North American gas market and discussed the options available to Centra to meet its transportation and storage needs. In its supplemental February 2012 report, ICF provided the conclusions of its own portfolio optimization analysis performed independently of that conducted by Centra. ICF's modelling focused only on the proposals from ANR and Party B. ICF concluded that ANR's proposal was similar in value to that of Party B, but ANR's proposal had a slight cost advantage, thus confirming Centra's own conclusions.

3.2.5 Short-Term Firm Transportation

Another alternative identified by CAC but not by Centra is short-term firm transportation from TCPL, also known as STFT. STFT is a firm transportation service that can be contracted for durations from seven days to one year to transport WCSB natural gas from Empress in Alberta to the Manitoba delivery area.

Both Centra and CAC identified the lack of renewal rights or a right of first refusal (ROFR) as a downside to STFT contracts that creates uncertainty. Centra also took the position that because STFT contracts do not provide access to TCPL's risk alleviation mechanism (RAM), Centra would not realize any recovery of costs on unutilized demand charges. RAM is currently a feature of TCPL's annual firm transportation service that allows shippers to mitigate their unutilized demand charges by earning a monetary credit for unutilized capacity that can be applied towards interruptible transportation within the same month. While Centra does not avail itself of interruptible transportation to any significant extent, it does have the ability to sell these credits on the secondary market. A further disadvantage of STFT identified during the hearing is that it does not provide for flexibility with respect to receipt or delivery points, further hindering Centra's ability to dispose of unneeded capacity on the secondary market.

The PUB received testimony that TCPL is proposing to eliminate RAM credits for firm transportation in its current application before the National Energy Board (NEB). Centra as well as other utilities utilizing TCPL are objecting to the elimination of such credits. At least one party before the NEB is also seeking the establishment of RAM credits for STFT contracts. The outcome of the NEB proceeding in that regard is still uncertain.

3.2.6 Virtual Storage

"Virtual" storage involves the contracting with third-party asset managers for gas take-offs and deliveries when needed, thereby providing a contractual alternative to actual, physical gas storage. In Centra's view, while virtual storage is similar in cost to physical storage, it creates marketer supply risk, bankruptcy risk, and renewal risk with the contractual counterparties. Virtual storage was not Centra's preferred option and Centra did not seek any proposals from such service providers in conducting its analysis for the current Application.

3.2.7 Interruptible Transportation

The PUB received evidence, through CAC's expert witness Mr. Stauft, that since Centra first contracted for its existing Transportation & Storage Portfolio in 1993, TCPL's Mainline utilization for long-haul transportation has dropped 70%, to the point where the pipeline is now "badly under-utilized". In terms of current pipeline capacity, Centra would likely be able to meet 100% of Manitoba demand through interruptible transportation on the TCPL Mainline. This may well be the cheapest option to service Manitoba. Mr. Stauft suggested that the cost would be approximately $13.5 million per year. However, both Centra's witness panel and Mr. Stauft agreed that it would be inappropriate for a utility, whose primary goal is to provide security of supply, to rely on interruptible transportation, since interruptible transportation is not guaranteed.

3.3.0 Centra's Preferred Option

3.3.1 GLGT Transportation

As part of Centra's proposed contractual arrangements, Centra will contract for 53,280 GJ/day of firm transportation capacity on GLGT from April 1 to October 31 of each year. This capacity will enable Centra to ship gas purchased from the WCSB for storage purposes from Emerson, Manitoba to Crystal Falls, Michigan, where the GLGT connects to the ANR pipeline. Since there is no direct connection between the TCPL network and the ANR network, this contract is necessary to move gas into storage. For the winter months, Centra will contract for firm GLGT capacity of 236,716 GJ/day from Crystal Falls to Emerson to back-haul storage gas from Michigan, as well as gas purchases from Farwell in Michigan, to Manitoba. Back-haul is a concept by which Centra takes physical gas molecules from the pipeline up-stream, and injects the same quantity from storage into the pipeline downstream for further transportation and ultimate delivery downstream. As a result, the gas from storage that is notionally back-hauled is not the gas consumed in Manitoba.

3.3.2 ANR Transportation

Centra's proposed transmission arrangements with ANR can be separated into four components:

1. Firm transportation, during the summer injection period, in the amount of 52,964 GJ/day from Crystal Falls to ANR storage. This capacity can be used to transport either WCSB-sourced gas or gas sourced from the Chicago area to storage.

2. Firm transportation, during the summer injection period, in the amount of 7,385 GJ/day from Joliet Hub to ANR storage. This capacity will be used to assist in refilling storage with Chicago supply accessed via ANR's Joliet Hub. This capacity is needed to refill storage following a cold winter when storage supplies have been drawn down more than usual.

3. Firm transportation, during the winter months, in the amount of 215,614 GJ/day from ANR storage to the ANR/GLGT interconnection at Crystal Falls, Michigan to facilitate winter storage withdrawals.

4. Firm transportation, during the winter months, in the amount of 42,202 GJ/day from Joliet Hub to ANR storage to enable Centra to manage its storage levels with access to Chicago supply.

3.3.3 ANR Storage

Centra plans to contract with ANR for a total storage capacity of 15,500,000 GJ or 15.5 PJ. The daily winter deliverability will be 217,764 GJ/day, while the daily summer injection capacity will be 88,571 GJ/day. Since Centra intends to reduce the amount of firm transmission capacity it holds with TCPL, Centra intends to make increased use of storage capacity compared to past practice. That increase is at least in part due to the ability to use storage gas to adjust to changing load requirements as dictated by Manitoba weather, thus reducing reliance on the “swing gas” component of Centra’s Primary Gas supply contract.

As part of the storage arrangement, Centra will have 8.1 PJ of seasonal storage capacity for which injections are limited to the summer months and withdrawals are limited to the winter months. Storage gas under this component may be cycled up to 1.0 times annually.

The remainder of the 15.5 PJ of storage will be annual storage capacity of 7.4 PJ, which permits both injections and withdrawals in any season and allows gas to be cycled up to 1.42 times annually. This cyclability allows Centra to inject an additional 42% of gas, or 3.1 PJ, over and above the 7.4 PJ limit in any year, provided Centra has previously withdrawn at least that amount. This component of the storage arrangements allows for year-round daily injections of up to 42,286 GJ/day. Centra has advised that cyclability allows it to hold less TCPL firm transportation capacity than would otherwise be required.

3.3.4 Term

The proposed term of Centra's new Transportation & Storage Portfolio is seven years. This compares to a 20-year term for the existing Portfolio.

Centra's witness panel testified that Centra initially approached ANR with a five-year term, but in the process of negotiations proposed a seven-year term instead. Centra stated that it was always envisioning an "intermediate" term, and that a seven-year term fits that criterion. Centra further stated that the increase from a five-year term to a seven-year term secured three inducements Centra considered favourable. Firstly, it resulted in a reduction of tolls compared to the five-year term. Secondly, the storage capacity was divided into two components, namely annual storage and seasonal storage, with the annual storage having a 1.42 cyclability rate. Thirdly, it provided a heavily discounted winter capacity in the pipeline between Joliet and ANR storage. In Centra's view, the current proposal is a "package deal", and Centra would not be able to reduce the seven-year term to a five-year term without having to re-negotiate other aspects of the proposal.

Mr. Stauft testified that he was surprised that Centra had chosen a seven-year term as opposed to a three to five-year term in light of the current "uproar and discombobulation" with respect to the TCPL Mainline and in the natural gas market across Canada. Mr. Stauft suggested a shorter time frame for Centra to lock itself into a new Transportation & Storage Portfolio to achieve added flexibility to respond to changes in market conditions. However, both Mr. Stauft and Centra acknowledged that they did not have confidence in predicting whether the market would change favourably for or adversely to Centra over the next several years.

3.3.5 Cost

The annual cost of Centra's proposed Transportation & Storage Portfolio is US$14,049,344 per year. This represents a fixed cost reduction of US$3 million per year compared to the current arrangement, which costs US$17 million per year. All contract pricing is in U.S. dollars, with no consideration of the exchange rate or hedging thereof.

The release of excess transportation capacity as well as the exchange of gas in its storage facility with gas delivered to Manitoba is called Capacity Management. In the past, Centra has been able to recover some of the cost of unused capacity by selling it in the secondary market. This recovery is not factored into the US$17 million per year cost of the existing Transportation & Storage Portfolio. Since under the currently proposed Portfolio Centra expects to have less excess capacity that can be sold off, the actual savings of $3 million compared to the existing Portfolio may be somewhat overstated. However, all parties at the hearing agreed that savings will still be significant.

In addition to the $14 million of fixed costs associated with the proposed storage and transportation assets, Mr. Stauft provided evidence that TCPL's Storage Transportation Service (STS), which facilitates the movement of gas from the Manitoba Delivery Area to Emerson and into the GLGT system, is approximately $3 million per year. An additional approximate $1 million/yr will be incurred for variable costs, such as storage, injection and withdrawal charges, and pipeline fuel charges. While Centra is not requesting approval of the $3 million per year of STS tolls or $1 million per year of variable costs at this time, that pipeline capacity is necessary to access the U.S. Transportation & Storage Portfolio assets.

3.4.0 Right of First Refusal (ROFR) Process

Under its existing contractual arrangements, Centra had the right of first refusal (ROFR) when renewing its arrangements. However, Centra advised that pursuant to the ROFR terms, ANR and GLGT were not required to match any competing offer below the maximum FERC-approved tariff rates and that since ANR has been able to sell storage at maximum rates, Centra considered it unlikely that the exercise of ROFR rights would have resulted in any significant savings to Centra. Centra characterized the ROFR rights as primarily ensuring capacity at the expiry of its contractual relationship rather than securing favourable pricing.

3.5.0 Impact of TCPL Tolls

TCPL tolls have increased significantly in recent years, as TCPL has faced fixed costs that must be recovered from decreasing throughput volumes. Centra advised the PUB that, from 2007 to 2011, the TCPL toll from Empress to the Eastern Zone rose from $1.03/GJ to $2.24/GJ; the toll to the Manitoba Delivery Area is approximately one third of the Eastern Zone Toll. These tolls were based on a settlement agreement reached between TCPL and the shippers on the Mainline that was in effect for 2007 through 2011. The settlement agreement originally contemplated Eastern Zone Tolls in the range of $1.03/GJ to $1.06/GJ by 2011, based on throughput forecasts made at the time the settlement agreement was approved by the NEB, and considerably less than the toll eventually approved for 2011. The interim approved Eastern Zone Toll for 2012 is also $2.24/GJ.

The reasons for the reduced throughput on the TCPL Mainline are related to the development of previously uneconomic gas resources closer to the eastern load centres which therefore do not require long haul transportation on the Mainline, as well as new competing pipelines, such as the Rockies Express in the United States, that bring alternative (to WCSB) supplies of gas to Eastern markets. These alternatives to WCSB gas transported on the Mainline have resulted in reduced long haul contracting on the Mainline. As the long haul contracts have decreased, the tolls needed by TCPL to recover its fixed costs have increased. This has created an iterative dilemma, whereby increasing tolls reduces the long haul contracted volumes, which in turn increases tolls further to recover the same fixed costs.

TCPL is currently proposing a restructuring to the NEB, part of which includes a reduction to the tolls from current levels. Centra is intervening in that proceeding and advised that it is likely that tolls based on the restructuring will be at least 30% higher than the tolls initially proposed by TCPL, although still lower than the current tolls and the potential tolls absent any restructuring. None of the witnesses before the PUB saw themselves in a position to accurately predict neither the level of TCPL tolls following the current NEB hearing, nor whether tolls could be expected to stabilize after the current hearing. However, Centra’s and CAC’s witnesses agreed that the additional gas supplies from unconventional sources, such as shale gas, and the construction of new transmission pipelines in North America could result in continuing reduced throughput volumes and corresponding upward pressure on tolls as TCPL continues to face significant competition.

3.6.0 Impact of FERC Tariffs

As American gas utilities, both GLGT and ANR are subject to rate regulation by the U.S. Federal Energy Regulatory Commission (FERC). Unlike the Canadian NEB or the PUB, the FERC does not set prescriptive tariffs, but rather provides GLGT and ANR with a range within which these utilities can operate, effectively capping the maximum rate that the utilities may charge. Centra’s contractual arrangements with GLGT and ANR represent significant discounts from the maximum FERC rate. Should the FERC, at any time over the seven-year term of the proposed Transportation & Storage Portfolio, decide to reduce the maximum FERC tariffs to amounts below those contracted for by Centra, it will reduce the fixed costs associated with Centra’s Portfolio, as neither GLGT nor ANR can legally charge rates higher than the FERC-approved maximum.

The FERC also has the ability to set minimum tariffs for the two U.S. utilities. Currently, the minimum tariff rates for GLGT and ANR are zero, which means FERC has effectively chosen not to exercise its power to mandate minimum tolls. However, should FERC at any point during the term of Centra’s Transportation & Storage Portfolio increase the minimum tariffs to a level higher than those contracted for by Centra, Centra’s fixed costs would increase beyond the costs assumed in Centra’s Application.

4.0.0 INTERVENER SUBMISSIONS

4.1.0 CAC

CAC was generally supportive of Centra's Application. CAC argued that Centra required storage and that any non-storage option was not currently viable. CAC further argued that eastern storage was in fact the preferred option and that, all other things being equal, Centra might as well stay with the party with whom it is the most comfortable, in this case ANR.

CAC questioned whether the ICF report commissioned by Centra provided any information of which Centra was not already aware, such as to justify its approximate $250,000 price tag.

CAC's primary point of contention was the seven-year contractual timeframe proposed by Centra. CAC's expert, Mark Stauft, suggested that, given the general "discombobulation" in the natural gas market over the past several years, Centra would be better served by a shorter-term contract that would provide it with greater flexibility to respond to market changes by reconfiguring its portfolio, if necessary. CAC dismissed Centra's warning that annual storage portfolio costs could reach maximum rates of $31 million if Centra was forced to renegotiate the contract earlier than seven years as alarmist, given that the FERC set maximum rates several years ago and has subsequently not altered them, and since Centra has access to other competitive storage and transportation options, it is unlikely ANR and GLGT would increase rates to the maximum rates. When discussing the difference between a five-year contract and a seven-year contract, CAC argued that the winter storage from Joliet to Chicago, which was included in the seven-year arrangement, had hardly any financial value, and that the cyclability presented no significant economic value either. As such, CAC suggested that since Centra was initially satisfied to enter into a five-year arrangement, it should not have locked itself in for another two years.

CAC further argued that locking in winter and summer transportation from Joliet to Chicago at a cost of approximately $250,000 per year was likely unnecessary due to other alternatives being available.

Nonetheless, CAC did not recommend that the PUB direct Centra to re-negotiate with ANR for a five-year contract, noting that, absent unfettered negotiations, ANR would likely be able to extract pricing concessions from Centra.

CAC also suggested that Centra could consider outsourcing all or part of its Transportation & Storage Portfolio to third-party asset management companies. Such management would require the asset manager to meet the Manitoba gas demand at all times, but would allow them to sell excess capacity, with revenues realized from such sales flowing to Centra, net of a share of the profits flowing to the asset manager. Centra expressed concerns about the risk related to the financial health and performance of any asset manager or counterparty that contracted with Centra. CAC's expert witness Mr. Stauft disagreed with Centra's concerns about third-party asset managers and testified that the natural gas market had evolved substantially over the past decade, and that there were at least 30 different asset management companies providing services to gas utilities. A number of eastern LDCs currently avail themselves of such services. Mr. Stauft testified that proposals could be obtained through an RFP process, and that Centra would not have to choose an "all-or-nothing" approach. Rather, Centra could choose to contract out certain aspects of its portfolio. Centra advised, at the hearing, that it had not completely dismissed the idea of third-party asset management, but it was not currently its preferred approach.

CAC further submitted that Centra's stakeholder consultation in the context of this Application was inadequate. CAC argued that since Centra does not earn a profit on the sale of gas or the storage and transportation thereof, the interests of Centra and CAC are aligned. In CAC's submission, the technical conference held by Centra prior to this Application shed no light on Centra's intentions and there was no consultation on such considerations as the length of new contractual arrangements and the asset purchases.

CAC proposed that prior to the expiry of the contract, Centra should meet with CAC representatives on a without-prejudice and confidential basis to discuss its options. It should then hold formal discussions with CAC and PUB advisors to seek input into the type of contract, contract length, the portfolio mix and pricing ranges. Where there is a disagreement, Centra should provide a rationale for its decision-making. Centra should keep CAC informed as to the significant components of its negotiations and, if there is an agreement on contract terms, an application can be made jointly by Centra and CAC. If there was no agreement, the application would proceed in the ordinary course. Centra took the position that the consultation process was adequately designed and gave interveners two opportunities to ask questions and make submissions, in addition to the ability to provide evidence and participate in the hearing process before the PUB.

4.2.0 Other Interveners

None of the other interveners made any submissions in this Application.

5.0.0 BOARD FINDINGS

5.1.0 Overview

The PUB approves the fixed costs associated with Centra's Transportation & Storage Portfolio Application without any amendments, for the reasons set out below.

5.2.0 Storage Services and Selection of the ANR Proposal

5.2.1 Overall Evaluation

Centra is in the unenviable position that it must rely on transportation of natural gas from sources outside the Province. For many years, Centra's primary source of gas has been gas from the WSCB, transported on the TCPL Mainline.

The demand for natural gas in Manitoba is highly seasonal, with most of the demand in the Province occurring in the winter months for space-heating loads. Centra must be in a position to meet 100% of the Manitoba winter demand and ensure that the requisite level of transportation capacity into the Province is available. While Centra could meet all of Manitoba's gas demand by contracting exclusively for firm capacity with TCPL, all witnesses before the PUB were unanimous in concluding that relying on TCPL firm transportation capacity alone would be significantly more expensive than reducing TCPL firm transportation capacity through the use of downstream storage. CAC's witness suggested that the cost of relying exclusively on TCPL firm transportation from Alberta to Manitoba would be approximately $50 million a year. At this time, storage is clearly a necessary and prudent component of Centra's overall operations in the current gas market.

The PUB agrees with the views expressed by both Centra and CAC that reliance on interruptible transportation is not an acceptable risk for a utility such as Centra, other than with respect to interruptible customers. Any interruptible services can potentially be cut during peak times if there exists insufficient capacity, and, in a cold climate such as Manitoba, the security of supply is a paramount concern.

Further, it appears unlikely to the PUB that reliance on STFT as an alternative to storage would be of any significant financial benefit to Centra. CAC's expert witness estimated that exclusive reliance on STFT would result in a total winter-season cost of approximately $17.3 million, plus an additional opportunity cost of $4 million by losing the ability to take advantage of summer/winter price differentials in the commodity cost of gas, plus an additional $2 million of incremental load balancing charges as a result of the loss of the ability to balance swings in the load using storage gas.

Within the feasible storage options, the PUB accepts Centra's evidence, based on its own calculations and those of ICF, that the ANR proposal represents the most competitive option for Centra, and that the ROFR process would have been unlikely to result in a better outcome due to ANR not being required to accept any tolls less than the FERC-approved maximum. None of the interveners argued that ANR's proposal was not the most competitive bid, which suggests broad consensus that Centra's judgment in this regard is sound.

While at a proposed cost of $14 million annually, Centra's proposed Transportation & Storage Portfolio represents annual savings of $3 million compared to the $17 million per year cost of Centra's current contractual arrangements, the PUB believes that the relevant comparison is not to previous costs, but rather to the other options considered by the applicant. Centra agreed with that approach. The PUB is satisfied that, even when compared to the other options considered, Centra's proposed Portfolio is the most competitive solution. In particular, it represents significant savings compared to reliance on firm transportation or STFT services. While CAC correctly pointed out that TCPL tolls will still be incurred to move western Canadian gas to storage, all parties concurred that the reduction in firm transportation capacity that is achieved through Centra's proposed Portfolio will be substantial.

With respect to the $250,000/yr transportation tranche between Joliet and ANR storage, CAC has not persuaded the PUB that in the context of Centra's overall proposed Transportation & Storage Portfolio, locking in some capacity between those two hubs is unreasonable.

5.2.2 Term

The choice between a three to five-year term and a seven-year term for the new arrangement is a discretionary exercise in judgment by Centra that the PUB is not prepared to second-guess. With the benefit of hindsight, it may well turn out in several years that a shorter term would have been preferable; the opposite may be the case as well. The PUB did not have before it any concrete evidence that the natural gas market would likely change in the near future in such a manner as to reduce Centra's need for storage. There is currently no indication that TCPL tolls will stabilize in the near future, nor can any party truly predict the further changes in the natural gas market.

As structured, Centra's proposed Transportation & Storage Portfolio allows Centra to purchase and import some U.S.-sourced gas, which provides Centra with diversity of supply by allowing the WCSB to supply between 60-100% of the required gas and making it possible for Centra to source up to 40% from the United States. This provides Centra with some operational flexibility during the seven-year term to allow it to respond to market changes. Centra is also able to contract for additional storage and transportation capacity if the current arrangements are insufficient. Conversely, Centra can dispose of unneeded capacity on the secondary market, albeit at rates likely less than the contract rates, as has been the recent experience with Centra's surplus transportation capacity.

While in a rapidly changing marketplace, flexibility is valuable, the same can be said about achieving a degree of predictability and stability. A seven-year term for Centra's Transportation & Storage Portfolio is an intermediate term that, in the PUB's opinion, achieves a reasonable balance between flexibility, predictability, and stability.

5.2.3 Manitoba Storage

While the PUB accepts that there are no viable options for storing gas within Manitoba at this time, without conducting an investigation into the feasibility of Manitoba storage as a first step, Manitoba storage will never be seriously considered at future portfolio evaluations.

Therefore Centra is to investigate and report to the PUB on the viability of storage options within or adjacent to Manitoba by December 31, 2014, with the report sufficiently detailed to allow Centra's Executive Committee and the PUB to adequately consider whether Manitoba storage should be pursued before the replacement Portfolio expires on March 31, 2020. This date is selected in order for Centra to have sufficient lead time to develop a Manitoba storage option prior to the expiry of the replacement Portfolio if Manitoba storage appears to be feasible.

5.2.4 Third Party Asset Management

The concept of outsourcing some or all of Centra's transportation and storage portfolio to a third party manager was brought up in this proceeding. The PUB notes that this concept was canvassed at length in the 2009/10 & 2010/11 GRA. At that time, Mr. Stauft proposed that a third party manager would be able to extract additional value out of Centra's storage and transportation assets, based on a theoretical calculation of the value of Centra's storage which showed that Centra was only earning half of the potential storage-related capacity management revenues. Centra disagreed with this calculation and stated that it had previously held discussions with third party asset managers. These discussions resulted in a lack of interest on the part of the asset managers. Centra also stated that the risks in turning over control of the assets, including the volume of gas in storage that, at the time, was valued at approximately $100 million, were not commensurate with the rewards – that is, any possible additional capacity management revenues. In the current proceeding, Centra further opined that the storage and transportation assets needed to be operated as a unit and Centra could not outsource the operation of a portion of its Portfolio.

The PUB, in Order 128/09, expressed concern about Centra incurring additional risks:

> *The Board is concerned with any additional risk that Centra may take on, and must balance any increased risk with a reward that justifies the risk.*

In Order 128/09, the PUB also directed:

> *The Board requests more detailed information from Centra, in confidence if necessary, on the specific contacts that Centra has had with counterparties interested in managing Centra's assets.*
>
> *In the meantime, the Board will not require Centra to either solicit interest from third party asset managers or prepare a Request for Proposal for their services.*

In the current proceeding, the PUB heard a similar argument from Mr. Stauft that there is value to Centra and its ratepayers to have a third party manage its storage and transportation assets.

The PUB has an interest in learning more about these potential arrangements, and the potential additional value that may be extracted from Centra's portfolio. The PUB has not received a satisfactory response to its Directive issued in Order 128/09 to date. Therefore, the PUB directs Centra to consider and re-evaluate the feasibility of contracting all or parts of its portfolio to third-party asset managers. Centra is to provide the PUB with a sufficiently detailed report to allow Centra and PUB to evaluate the merits of contracting all or parts of its storage portfolio with third party asset managers. Centra is to report back to PUB by December 30, 2014, in confidence if necessary. This will allow Centra to operate the new Portfolio for more than a full year.

5.2.5 TCPL Issues

The PUB is concerned about the outcome of TCPL's restructuring application before the NEB. At stake are transportation costs that will be borne by Manitoba consumers for the immediate future, but this restructuring also lays the groundwork for transportation costs for decades to come. The PUB notes that Manitoba is currently captive to the TCPL Mainline, in that, at present, all gas burned in Manitoba is transported from the west through the Mainline. It is possible that, in the future, the traditional flow of gas could reverse, as GLGT has bi-directional capabilities. Unless and until that happens, Manitoba consumers will continue to physically consume gas from the WCSB.

Centra has considerably reduced its firm transportation capacity on the Mainline in response to rising tolls. The PUB notes that this is possible because of the ability of Centra to back-haul gas on GLGT. The ability to back-haul is contingent upon a minimum flow of forward-haul gas on the GLGT system. If there are continued and significant reductions in forward-haul flows, the PUB has concerns that back-haul may no longer be available to Centra. Furthermore, Centra, being captive to the Mainline, could find itself as one of the last shippers on the Mainline if other shippers continue to decrease their contracted capacity and flows. The PUB is concerned about the resulting tolls from such a situation, and encourages the NEB to be mindful of the situation that Centra and Manitoba gas consumers could eventually find themselves in when adjudicating TCPL's restructuring application. The PUB would be supportive of other options for the supply of natural gas to Manitoba if TCPL tolls become unreasonably high and Centra has other economic alternatives than WCSB-sourced gas transported on the TCPL Mainline.

The bi-directional capability of GLGT, whereby gas can physically flow from the United States to the Manitoba Delivery Area, provides some comfort to the PUB in that Manitoba gas consumers may not be as captive to the Mainline as was once thought. However, the PUB still sees considerable uncertainty with the potential flow reversal on GLGT, notwithstanding Centra's proposed Portfolio appears to be indifferent to whether the gas flowing from ANR storage to Manitoba on GLGT is back-hauled or forward-hauled.

The PUB supports Centra's intervention in the NEB proceeding and its support for the interests of Manitoba's gas ratepayers. Centra's position that a long term solution is necessary to the continued problem of reduced contracted flows on the Mainline and resulting toll increases reflects the PUB's position.

5.2.6 Hindsight

The PUB recognizes that Centra's Transportation & Storage Portfolio Application took place outside the ambit of a Cost of Gas Application and is based on Centra's prospective assessments of its transportation and storage needs. The PUB's approval of Centra's Application means that the annual costs incurred for Centra's proposed Portfolio over the next seven years will not be disallowed in any Cost of Gas Application. Nonetheless, the PUB will periodically review the performance of Centra's proposed Portfolio with the benefit of hindsight to evaluate the Portfolio. The PUB sees value in these reviews in order to determine whether Centra's approach to portfolio design and evaluation of the alternatives was effective. Put another way, what would or could Centra do better when the time comes to replace the new portfolio?

During the hearing, a suggestion was made that the SENDOUT optimization software could be used for retrospective testing of the portfolio. Centra expressed its view that inputting actual weather and market prices into the SENDOUT model will not accomplish a retrospective analysis successfully, as the portfolio is designed to serve a variety of weather scenarios without the benefit of knowing the actual weather and actual market prices in the future. Inputting actual weather and prices in SENDOUT could produce a radically different portfolio since the weather could be radically different than the average weather of the twenty weather scenarios. Furthermore, knowledge of the weather and market prices does not reflect the reality that Centra does not know the weather or market prices for the upcoming year.

The PUB agrees that using SENDOUT retrospectively will not assist in evaluating the performance of the portfolio. Modeling the actual weather and market prices will serve only to identify the surplus or deficient capacities in the portfolio that are attributable almost entirely to weather effects.

Therefore, in order to conduct an effective post facto review, it is important to have suitable metrics with which to compare the performance of the portfolio. One of the metrics in evaluating the portfolio is whether the Manitoba load is served each and every day. The PUB is confident that the portfolio proposed by Centra will succeed in this objective, and certainly there will be considerable scrutiny if it does not.

However, the next metric to consider is whether the portfolio was acquired at the lowest cost while maintaining the ability to reliably serve the load in all circumstances.

Centra stated that, as a part of its future Cost of Gas applications, it will continue to submit supply, storage, and transportation costs, pipeline unutilized demand charges, and results of its capacity management activities, including releases of excess pipeline capacity. Centra expects that this information will be used to evaluate the performance of its portfolio. While the PUB welcomes this information and will use it to evaluate the gas costs incurred by Centra, this information alone does not provide a comparator or metric with which to determine whether the portfolio was optimized. The PUB is aware of the fact that the portfolio may not be optimal for any particular weather scenario at all, even what is considered “normal” weather, since it is designed to be the overall optimal portfolio for a diverse variety of weather scenarios.

Mr. Stauft provided limited guidance on how the Portfolio should be evaluated post facto, suggesting that the portfolio could be compared to a different portfolio to see if it produced a more or less favourable economic result. The PUB interprets this to mean that Centra could track the performance of a mock portfolio, one that is different than the proposed Portfolio, and compare the annual costs of each. However there are multitudes of alternative portfolios that Centra could have chosen, each varying the amount of storage capacity, deliverability, and pipeline capacities.

One comparative portfolio for which Centra could track the costs is the Party B portfolio. In order to track the annual costs of Party B’s portfolio, Centra would record the necessary data throughout the period that the Portfolio is in place, including daily gas purchases and corresponding prices from the different hubs that supply Party B’s storage facility. The end result is a comparison between the total annual gas costs incurred with the proposed Portfolio and the costs that would have been incurred with Party B’s portfolio. The SENDOUT modeling of the costs of each portfolio showed that they are expected to be similar when considering the total costs of supply, storage, and transportation, with a slight advantage to the proposed Portfolio. If Party B’s portfolio in the end turns out to be less expensive, or significantly more expensive, than the proposed Portfolio, there should be reasons that can explain these eventualities. The PUB sees values in discovering and understanding these reasons, as they may prove useful to Centra and the PUB for the next review of the transportation and storage options.

However, tracking any mock portfolio, including Party B's portfolio, would require duplication of Centra's decision making on a daily basis, as the decision under each portfolio would depend on several variables, including the daily market price of gas at different hubs, the market value at which excess capacity could be sold, along with constraints in the transportation capacities and storage deliverability of each portfolio. The fixed costs of each portfolio are known; the unknown factors are the variable costs and Capacity Management revenues. The PUB is not convinced at this time that the potential insight to be gained from such an exercise would justify the administrative effort of imposing upon Centra the requirement to track and make educated decisions under a mock portfolio on a daily basis.

The PUB does not have the answer to how best to evaluate the portfolio retrospectively, nor can it envision how a post facto analysis will assist Centra in learning from the recently completed modeling and evaluation exercise. When the time comes for Centra to begin deliberating the replacement of the proposed Portfolio, Centra could, with enough historical data, construct an optimum portfolio to compare to the currently proposed Portfolio. This would show the optimum portfolio for the actual weather and market prices experienced since 2013, but it still would not reflect a prudent portfolio. This is because Centra designed the proposed Portfolio to be optimal for twenty different weather scenarios, not four or five. Accordingly, the PUB does not require Centra to retrospectively determine an optimal portfolio at a future date.

5.3.0 Capacity Management Revenues

Since the proposed Portfolio is expected to have less excess capacity than the current portfolio, the expectation is that the Capacity Management revenues will decrease, but neither Centra nor Mr. Stauft could predict how much the decrease might be.

The PUB expects Centra to include a forecast of Capacity Management revenues in its forecast of the Cost of Gas in the upcoming GRA. The past practice has been to take a rolling average of the past five years of Capacity Management revenues, and the PUB is of the view that this practice need not change even with the expectation of decreased Capacity Management revenues with the proposed Portfolio. The upcoming Gas Year from November 1, 2012 to October 31, 2013 spans the current and proposed Portfolios, and so provides one year of transition. If it becomes obvious in the future that the five year rolling average is not an appropriate forecast for future Capacity Management revenues, the PUB will expect Centra to propose a different methodology.

In respect of the review of actual Capacity Management revenues, the past practice has been for Centra to identify the total Capacity Management revenues for the past year as part of the actual gas costs for approval by the PUB. The PUB expects this practice to continue. Typically, Centra provides the total annual Capacity Management revenue, broken down into exchanges, capacity release, and carrying costs, along with the monthly totals of Capacity Management revenue. In light of the changes to the Portfolio and the expected decrease in revenues, the PUB directs Centra to provide a more fulsome report on Capacity Management activities in the upcoming GRA and subsequent GRA and Cost of Gas proceedings. At a minimum, Centra should provide the monthly totals of Capacity Management revenues broken down into type (capacity release or exchanges) and component of the portfolio (e.g. GLGT winter back-haul, TCPL FT). These monthly revenues by component should also be shown as a percentage of the costs incurred by Centra to operate each Portfolio component each month.

5.4.0 Changes in FERC Tariffs

Based on the fact that Centra obtained substantial discounts from the FERC-approved maximum tariffs from both GLGT and ANR, it appears unlikely that Centra’s costs associated with the proposed Transportation & Storage Portfolio will decrease at any time during the term as a result of reductions in the tariff cap by FERC. Conversely, the fact that FERC has not seen it fit to impose any minimum tariffs to date and has left the two U.S. utilities free to negotiate suggests that Centra’s costs are unlikely to increase due to increases in the minimum tariff rates. Nonetheless, the PUB’s approval of the fixed costs associated with Centra's proposed Portfolio is based on evidence received by the PUB as to the actual cost of the Portfolio for each year, and the PUB is not prepared to pre-approve costs it cannot yet predict. Accordingly, the PUB will approve the fixed costs of the proposed Portfolio in the amount of $14,049,344 per year but will require Centra to seek further approval if this amount changes due to the FERC amending either the maximum or the minimum tariffs imposed on GLGT and ANR.

5.5.0 Stakeholder Consultation

CAC has a long history of intervening before the PUB in electricity and natural gas applications, and CAC's perspective has always been valuable, even where the PUB ultimately ended up disagreeing with CAC's submissions. Nonetheless, the process for obtaining intervener status before the PUB is open to all potential stakeholders, and the PUB must approve intervener status on an application-specific basis. The PUB can never predict the number of potential intervener applications it receives. As such, the PUB is not in a position to grant CAC "special" intervener status by pre-emptively requiring Centra to consult with CAC prior to the expiry of the seven year term of the new Transportation & Storage Portfolio. A meaningful consultation process must be open to all stakeholders and strike the right balance between protecting the confidentiality of negotiations conducted by the utility on the one hand, and providing sufficient input by stakeholders to affect the outcome on the other hand.

The PUB will not make an order with respect to consultation on the renewal of Centra's Transportation & Storage Portfolio at this time, seven years before the expiry of Centra's proposed Portfolio. Rather, the PUB will order Centra to propose a stakeholder notification and consultation process with respect to the replacement of the Transportation & Storage Portfolio to the PUB by September 30, 2017. This timeframe will start the consultation process 2 ½ years before the expiry of the term. The PUB's expectation is to make a procedural order at that time setting appropriate terms and boundaries for the consultation process.

The consultation process should allow interveners such as CAC to provide meaningful input into key terms of any future Transportation & Storage Portfolio, such as the choice between different concepts, the duration of any agreements, and overall storage volumes, without constraining or otherwise impeding Centra's ability to negotiate contractual relationships, recognizing that ultimate approval will remain with the PUB and that interveners will still have an opportunity to challenge Centra's decisions before the PUB.

5.6.0 Completeness of Application

Centra followed the PUB's direction by providing an initial discussion paper, hosting a technical conference, and responding to information requests in 2011. However, as Centra had not conducted its detailed analysis of the various options at that time, the responses to some information requests were vague or did not provide any information. The PUB would have preferred that more detailed information have been provided at that time, and views Centra's responses to be unnecessarily vague and non-committal to the likely outcome of the portfolio review.

The PUB also notes that Centra did not provide certain information in its subsequent Application, instead only providing this information in response to information requests and rebuttal. The PUB was left wondering why this information was not included in the Application. For example, Centra did not elaborate on the risks of a shorter contract term in its Application. It only addressed the issue in its rebuttal evidence, and provided additional justification for the term of the contract in responses to information requests. Likewise, Centra fully explained its rationale for selecting 15.5 PJ of storage in its rebuttal evidence, but not its Application. In the end, the evidentiary and hearing processes elicited the information the PUB needed to make its decision. However, the PUB would prefer a process by which all of the relevant information was submitted with the initial filing of the Application, which would likely lead to a more streamlined and efficient regulatory review.

PUB 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 PUB's Rules of Practice and Procedure (Rules). The PUB's Rules may be viewed on the PUB's website at www.pub.gov.mb.ca.

6.0.0 IT IS THEREFORE ORDERED THAT:

1. The fixed costs associated with Centra's proposed Transportation & Storage Portfolio Application in the amount of $14,049,344 annually from April 1, 2013 to March 31, 2020 **BE AND HEREBY ARE APPROVED**.

2. If the annual fixed costs of Centra's Transportation & Storage Portfolio for any given year during the seven-year term change as a result of changes to the minimum or maximum FERC tariffs imposed on Centra's contractual counterparties, Centra is to seek the PUB's approval of those changed costs as part of its Cost of Gas Application for the respective year(s).

3. Centra is to provide the PUB with a sufficiently detailed report on the merits of third party asset management sufficient to allow Centra and the PUB to assess third party asset management options and the value such options may provide. Centra is to provide this report to the PUB by December 30, 2014, in confidence if necessary.

4. Centra is to investigate and report to the PUB on the viability of storage options within or adjacent to Manitoba by December 31, 2014, with the report sufficiently detailed to adequately consider whether Manitoba storage should be pursued when the replacement Portfolio expires on March 31, 2020.

5. Centra is directed to, as part of its next Cost of Gas Application or GRA, to provide the monthly totals of its Capacity Management revenues from its current Transportation & Storage Portfolio broken down into type (capacity release or

exchanges) and component of the Portfolio. These monthly revenues by component should also be shown as a percentage of the costs incurred by Centra to operate each Portfolio component for the given month. Centra is to also provide this information for its new Transportation & Storage Portfolio as part of each subsequent Cost of Gas Application.

6. By no later than September 30, 2017, Centra is to file with the PUB, for comment and approval, a proposed stakeholder notification and consultation process with respect to a potential renewal or replacement of its Transportation & Storage Portfolio effective April 1, 2020.

THE PUBLIC UTILITIES BOARD

"RÉGIS GOSSELIN, CA, MBA"
Chair

"HOLLIS SINGH"
Secretary

Certified a true copy of Order No. 112/12 issued by The Public Utilities Board

Secretary

APPENDIX A - APPEARANCES

Counsel

Centra	-	Doug Bedford
Board Counsel	-	Bob Peters
CAC	-	Brian Meronek Tomas Masi

Witnesses

Centra Panel:

Vince Warden	-	Senior Vice President, Finance & Administration, and Chief Financial Officer
Greg Barnlund	-	Manager, Regulatory Services
Neil Kostick	-	Project Leader, Gas Supply Division
Lori Stewart		Department Manager, Gas Supply, Transportation & Storage
Brent Sanderson	-	Department Manager, Gas Market Analysis & Administration

CAC Panel:

Mark Stauft	-	(Expert Witness)

APPENDIX B - LIST OF ABBREVIATIONS

ANR		ANR Pipeline
BP Canada		BP Canada Energy Group ULC
CAC		Consumers Association of Canada (Manitoba) Inc.
Centra		Centra Gas Manitoba Inc. (the Applicant)
FERC		Federal Energy Regulatory Commission (U.S.)
GJ		Gigajoule (Unit of Energy)
GLGT	-	Great Lakes Gas Transmission Limited Partnership
GRA		General Rate Application
ICF		ICF International
Just Energy	-	Just Energy (Manitoba) L.P.
LDC		Local Distribution Company
NEB		National Energy Board
PJ		Petajoule (Unit of Energy - One Million Gigajoules)
PUB		Public Utilities Board
RAM		Risk Alleviation Mechanism
RFP		Request for Proposals
Shell Canada		Shell Energy North America (Canada) Inc.
STFT		Short-Term Firm Transportation

TCPL	TransCanada Pipelines Limited
WCSB	Western Canadian Sedimentary Basin