

MANITOBA) **Order No. 93/14**
)
THE PUBLIC UTILITIES BOARD ACT) **August 18, 2014**

BEFORE: Régis Gosselin, B ès Arts, MBA, CGA, Chair
Marilyn Kapitany, BSc (Hons), MSc, Member
Neil Duboff, BA (Hons), LLB, TEP, Member

**CENTRA GAS MANITOBA INC.: PROCEDURAL ORDER
AND INTERVENER STATUS ORDER FOR
NON-PRIMARY GAS RATE RIDERS
EFFECTIVE NOVEMBER 1, 2014**

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1.0 EXECUTIVE SUMMARY

This procedural Order relates to an Application by Centra Gas Manitoba Inc. (“Centra”) for non-primary natural gas rate riders effective November 1, 2014. By this Order, the Public Utilities Board (“Board”):

- (a) grants intervener status to the Consumers’ Association of Canada (Manitoba) Inc. (“CAC”), Just Energy Manitoba Inc. (“Just Energy”) and Shell Energy North America (Canada) Inc. (“Shell”); and
- (b) fixes a timetable and process for the hearing of Centra’s Application.

2.0 PROCEDURAL HISTORY

On July 31, 2013, Centra filed an interim application for non-primary natural gas rate riders to take effect on November 1, 2014, and proposed that the matter be dealt with by way of a written hearing.

On August 1, 2014, the Board requested comments from past interveners on the review process and timeline proposed by Centra for the adjudication of the application. In response, the Board received comments from CAC and Just Energy, both of which requested an oral hearing. The Board also received applications for intervener status from CAC, Just Energy and Shell.

On August 8, 2014, Centra responded to the comments of CAC and Just Energy and reiterated its view that a written process would be sufficient, proposing that any oral component of the review take place at the next regulatory proceeding. Centra also advised that some of its key witnesses would be engaged in an intervention before the National Energy Board in September 2014.

3.0 INTERVENERS

Consumers' Association of Canada (Manitoba) Inc.

Application

CAC has long represented residential consumers at Board regulatory proceedings for the purpose of testing the fairness and impacts of Centra's rate requests. CAC indicated its interest to appear throughout the proceeding, submit evidence, test evidence, and make final argument. CAC further advised that it intended to call Mark Stauff as an expert witness to deliver evidence in the proceeding.

CAC advised that it would apply for costs and submit a budget once the timetable is finalized and the extent of the hearing is determined.

Board Findings

The Board accepts CAC's application for intervener status. The Board notes that CAC has participated responsibly in previous Board proceedings and assisted the Board in understanding the issues and evidence in such proceedings.

The Board expects CAC to submit a budget for its intervention by August 24, 2014. The Board reserves its discretion as to accepting and subsequently providing cost awards to CAC. The granting of a cost award by the Board is discretionary and dependent on the Board's view of how such an award would serve 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 at www.pub.gov.mb.ca.

The Board reminds CAC as to limits on reimbursements with respect to the hourly rates charged by professionals and other assisting parties. Guidance in that respect is available from Board staff.

Just Energy Manitoba Inc.

Application

Just Energy filed an application for intervener status, indicating that it is an active retailer of natural gas with affiliates that operate in Manitoba and, as a result, is affected by the issues in this proceeding. Just Energy indicated that it wished to appear throughout the hearing and present oral argument, but not participate in the testing of evidence or participate in the production of evidence. Just Energy indicated that it does not intend to seek costs.

Board Findings

The Board accepts that as a natural gas retailer, Just Energy has an interest in this proceeding and will grant it intervener status.

Since Just Energy indicated that it does not intend to participate in the testing of evidence, the Board will not allocate any time for cross-examination by Just Energy if an oral hearing will be called.

Shell Energy North America (Canada) Inc.

Application

Shell filed an application for intervener status, indicating that it is currently still assessing the application and its degree of participation in the hearing, but that it wishes to reserve its rights for full participation. Shell indicated that it wishes to participate in the testing of evidence and present final argument, but does not intend to appear throughout the hearing or produce evidence. Shell indicated that it does not intend to apply for costs.

Shell is a registered natural gas marketer in Manitoba providing fixed-rate, fixed-term natural gas contracts. It has acted as an intervener in proceedings involving Centra in the past.

Board Findings

The Board accepts that as a natural gas marketer, Shell has an interest in this proceeding and will grant it intervener status in principle to test evidence and present final argument. Shell is to provide the Board with a description of the extent of its intervention by August 24, 2014.

Since Shell indicated that it does not intend to appear throughout the proceeding, the Board will not allocate any time for cross-examination by Shell if an oral hearing will be called.

4.0 HEARING PROCEDURE

Arguments by the Parties

The Board received comments from Centra, CAC and Just Energy.

Centra submits that the hearing should proceed in writing and that the oral public review process should take place at the next regulatory hearing, allowing for a more fulsome understanding of the issues facing Centra going forward. Centra points to the fact that the Board has accepted a written process for its non-primary gas rate applications in the past, an example being the 2011/12 Cost of Gas Application.

CAC submits that the current Application represents a marked departure from recent rate orders and that the Board should fully vet the changes and ensure that interveners have a fulsome record at their disposal. As such, CAC recommends an oral hearing.

Just Energy states that because Centra seeks to recover \$45.7 million over 24 months, fulsome documentation and an in-depth examination of Centra's natural gas portfolio and the reasons for the large recovery amount are required. In Just Energy's view, the best way to proceed would be to hold an oral hearing.

Board Findings

The Board recognizes that Centra's Application must be fully tested, but notes that it represents an interim application of a nature which has been successfully tested through a written process in the past.

In this case, the Board will order a written process with one round of Information Requests. However the Board will reserve time for a two-day oral hearing on October 2 and 3, 2014 if it should not be possible to adequately test the evidence through the written process. Following the deadline for Centra to answer Information Requests, the Board expects to receive brief written submissions from the parties as to whether an oral hearing should proceed.

5.0 TIMETABLE

The Board considered the time required to properly consider the issues and receive input from relevant interested parties and has set the timetable as contained in Schedule A herein. The Board reminds all participants that the ability to run an efficient process is met in large part by all parties adhering to the schedule.

6.0 IT IS THEREFORE ORDERED THAT:

1. Intervener status is granted to:
 - (a) Consumers' Association of Canada (Manitoba) Inc.;
 - (b) Just Energy Manitoba Inc.; and
 - (c) Shell Energy North America (Canada) Inc.
2. Schedule "A" as attached shall be the Timetable for the orderly exchange of information by the participating parties with respect to Centra's Application for interim non-primary gas rate riders effective November 1, 2014.
3. The hearing process for the disposition of Centra's Application shall be in writing unless ordered otherwise by the Board. If the Board so orders, an oral hearing will take place on October 2 and 3, 2014.

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.

THE PUBLIC UTILITIES BOARD

"Régis Gosselin, B ès Arts, MBA, CGA"
Chair

"Kurt Simonsen, P.Eng"
Acting Secretary

Certified a true copy of Order No. 93/14
issued by the Public Utilities Board

Acting Secretary

SCHEDULE "A" - TIMETABLE

Item	Due Date
Filing of Interim Rate Application	Thursday, July 31, 2014
Registration for Intervener Status	Wednesday, August 27, 2014
Filing of Information Requests	Friday, August 29, 2014
Responses to Information Requests	Monday, September 15, 2014
Interveners to Submit Evidence and File Submissions as to Need for Oral Hearing	Monday, September 22, 2014
Centra to File Submissions as to Need for Oral Hearing	Tuesday, September 23, 2014
Board to Render Decision on Need for Oral Hearing	Thursday, September 25, 2014
Closing Submissions from Interveners (If No Oral Hearing)*	Monday, September 29, 2014
Closing Submissions from Centra (If No Oral Hearing)*	Friday, October 3, 2014
Oral Hearing (If Ordered)	October 2 & 3, 2014

*Should the Board convene an Oral Hearing, closing submissions from Centra and Interveners would take place during the oral hearing on October 3, 2014.