CENTRA GAS MANITOBA INC.
RATE RE-BUNDLING APPLICATION

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CENTRA GAS MANITOBA INC.
RATE RE-BUNDLING APPLICATION

1.0 BACKGROUND TO UNBUNDLED RATES

As directed by the Public Utilities Board of Manitoba ("PUB"), Centra Gas Manitoba Inc. ("Centra") implemented unbundled natural gas sales rates in Manitoba in the 1999-2000 time period. The unbundling of rates was intended to facilitate the introduction of the Western Transportation Service ("WTS"), for the development of a more vigorous competitive retail market for natural gas supply in Manitoba and to provide customers with greater market price and rate transparency.

The unbundled rates, as determined in May 2000, remain in place today and are designed to recover costs associated with the following:

1) **Primary Gas:** Natural gas purchased by Centra from Western Canada (e.g. Empress and AECO) and transported on the TransCanada Pipelines Limited ("TCPL") Mainline to Centra's natural gas distribution system in Manitoba, provided under Centra's default system supply option. Primary Gas also refers to natural gas purchased by consumers from independent gas marketers under fixed rate, fixed term contracts and from Centra under the Fixed Rate Primary Gas Service ("FRPGS") option.

2) **Supplemental Gas:** Natural gas supplies other than Primary Gas as required to meet the needs of consumers during periods of peak load or other seasonal requirements. Supplemental Gas includes, but is not limited to, Emerson supply and U.S. supplies.

3) **Transportation to Centra:** Recovers the fixed and variable costs associated with transporting gas supplies to Manitoba, including all US pipeline charges and costs associated with storage facilities.

4) **Distribution to Customer:** Recovers the fixed and variable costs associated with operating Centra's transmission and distribution network, as well as the costs related to Unaccounted For Gas ("UFG").

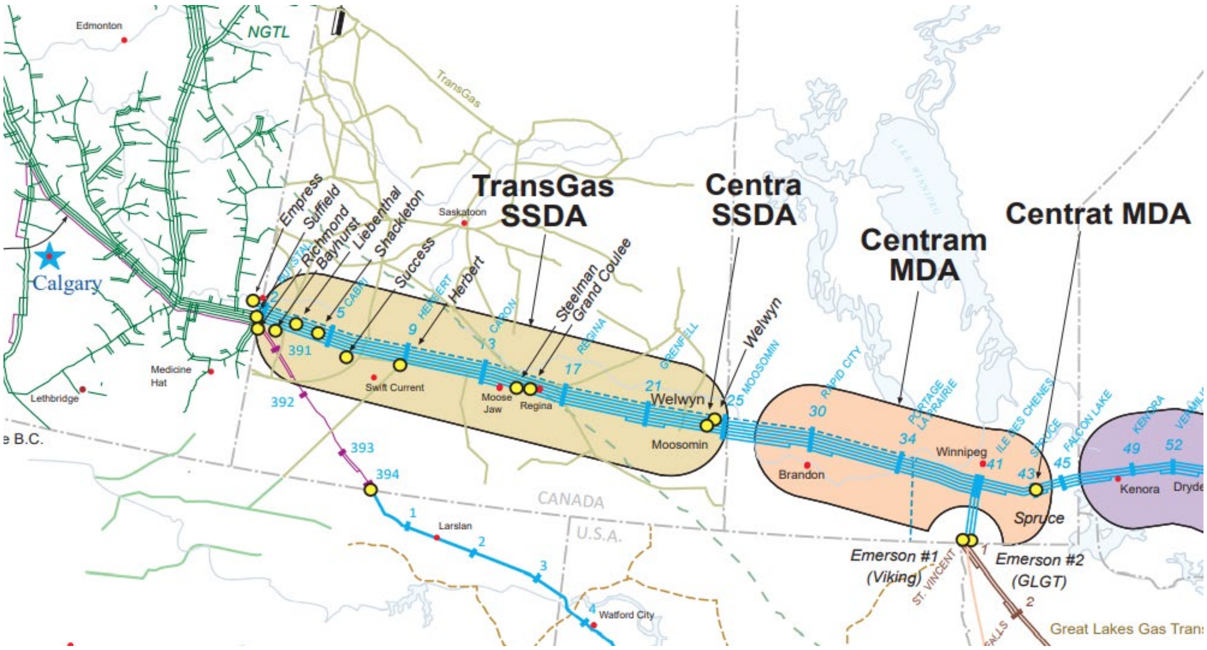
5) **Basic Monthly Charge:** A fixed charge designed to recover, in part, the cost of the customer being connected to Centra's distribution system that is not related to the volume of gas consumed. Examples of costs partially recovered by this charge include meter reading and billing costs, and costs to service and maintain the service lines and meters.

Appendix 1 contains a listing and description of the various acronyms and terms used in this Application.

Primary Gas and Supplemental Gas Rates

Currently, Centra has two gas commodity rates (Primary Gas and Supplemental Gas) that are billed to customers at different percentages, totaling 100%. As described above, Primary Gas is gas sourced from Western Canada (e.g. Empress and AECO) and represents [redacted] 1a, 1c
The notional AECO hub is located on the Nova Gas Transmission Limited ("NGTL") pipeline system within Alberta, while Empress is the interconnecting point between the NGTL system and the TransCanada Pipelines Limited ("TCPL") Mainline at the Alberta/Saskatchewan border. These pipeline systems are depicted in **Figure 1**. Supplemental Gas is gas sourced from other locations such as Emerson and U.S. locations.

Figure 1: The NGTL system and TCPL Mainline



Source: TC Energy Corporation

Centra's customers can buy their Primary Gas from either Centra or WTS marketers. WTS marketers deliver their gas to Centra at Empress, and Centra delivers this gas to customers in Manitoba. As AECO is upstream of Empress, all of Centra's AECO gas purchases flow through Empress to Manitoba. To have an Empress-based Primary Gas rate consistent with Primary Gas rates of WTS marketers, Centra includes its NGTL transportation costs from AECO to Empress as Primary Gas costs.

WTS marketers do not participate in the supply of Supplemental Gas, which may be purchased at multiple locations on a highly variable basis. Centra provides Supplemental Gas to both WTS customers and system supply customers.

Confusion and Complications with Unbundled Rates

While the unbundling of rates and the introduction of WTS successfully supported the development of a fixed rate market for Primary Gas in Manitoba, it has since become apparent that the complex nature of unbundled rates on customer bills has added more confusion than value for customers. Currently, the majority of customers ignore or do not understand the details of their bill regarding the different commodity (Primary and Supplemental Gas) and delivery (Transportation to Centra and Distribution to Customer) charges.

In addition to the confusion experienced by customers, the current unbundled rate structure results in administrative complications when differences between actual and forecast weather conditions result in differences between actual and forecast Primary and Supplemental Gas billing percentages. Furthermore, adjustments to billing percentages may create uncertainty for WTS marketers in forecasting the proportion of their customers' overall gas consumption that will be served with Primary Gas. These issues are discussed further in section 2.0 of this Application.

1.1 PUB DIRECTIVE TO REVIEW UNBUNDLED GAS RATE STRUCTURE

During Centra's 2011/12 Cost of Gas Application, based on the billing practices of other Canadian gas utilities, the PUB determined that a review of the unbundled natural gas rate structure should be conducted. In Order 65/11, the PUB noted that:

> *"Some other Canadian utilities only have a three-part rate structure for smaller customers: commodity, delivery, and monthly charge. Combining the Primary and Supplemental Gas charges, and/or the transportation and distribution charges, may help simplify Centra's rate structure."*

Supported by this finding, the PUB directed Centra to propose a process to review and obtain PUB approval of Centra's rate and service structure, including the distinction between Primary and Supplemental Gas.

Commitment to Stakeholder Engagement

In response to the directive in Order 65/11, Centra recognized that there would be implications to stakeholders involved with any re-bundling of rates and that these implications and potential impacts must be considered as part of any review of this issue. As such, Centra committed to the PUB that prior to proposing a new rate structure it would engage with interested stakeholders to understand their concerns and perspectives on the existing and proposed rate structure.

Centra's stakeholder engagement process consisted of a customer satisfaction tracking study (January 2019) and a presentation and consultation engagement (January 2019) with the PUB, WTS marketers, large volume customers and interveners to consider a potential approach to rate re-bundling. In addition, Centra conducted a focus group study (February and March 2020) of Centra customers to gauge customer perceptions of their natural gas bills.

1.2 REASONS FOR AND OVERVIEW OF THE APPLICATION

Based on and consistent with stakeholder and customer feedback, Centra is proposing a gas sales rate structure and related changes that will add value to customers by:

- Simplifying the presentation of natural gas sales rates on customer bills;
- Reducing the complexity of administering gas related charges; and,
- Ensuring that retail competition remains on a fair and level playing field.

To implement its proposed gas sales rate structure and related changes, Centra is applying to the PUB for an Order approving changes to be effective no earlier than November 1, 2022 with respect to the following:

I. The replacement of the existing Primary Gas and Supplemental Gas components with a single Gas Commodity rate component;
II. The replacement of the existing Primary Gas purchased gas variance account ("PGVA") with a new Gas Commodity PGVA, with any residual balance in the Primary Gas PGVA transferring into the Gas Commodity PGVA at that time;
III. The creation of a new Commodity Cost Balancing Deferral ("CCBD") account and associated CCBD rate rider;
IV. The quarterly adjustment of the CCBD rate rider as part of quarterly variable Gas Commodity rate applications; and
V. The migration of the delivery point from Empress to the AECO/NIT ("AECO") gas hub for WTS.

Forecast Gas Costs and Indicative Bill Impacts for Illustrative Purposes Only

This Application does not seek any rate approval from the PUB but includes forecast gas costs and customer bill impacts for illustrative purposes which demonstrates the minimal impact anticipated on customer bills if the proposed re-bundling of natural gas sales rate is approved by the PUB, implemented by Centra and subsequent rate approvals are sought from the PUB.

Changes to Ts & Cs will be Required

If this Application is approved by the PUB, revisions to Centra's Schedule of Sales and Transportation Services and Rates (the "Ts & Cs"), FRPGS materials, as well as any related gas customer education materials, will be required. Centra intends on seeking PUB approval of any such revisions following the outcome of this Application, prior to and to coincide with implementation of the proposed rate structure changes to be effective in November 2022.

Adjustments to Gas Cost Allocation Methodology

In addition to the changes identified above, Centra's proposed new natural gas sales rate structure also requires minor adjustments to the gas Cost of Service allocation methodology. Centra will seek final approval from the PUB of these adjustments as part of the gas Cost of Service Methodology Review Submission which is scheduled to be filed in the spring of 2021.

Combining Transportation & Distribution Rates for Bill Presentation Only

To further simplify the presentation of natural gas sales rates on customer bills, Centra is proposing the replacement of the existing "Transportation to Centra" and "Distribution to Customer" rate components with a single Delivery rate. As this change is for bill presentation purposes only, Centra will continue to seek PUB approval of separate transportation and distribution rates as part of future Applications.

Sufficient Notice Required for WTS Marketers re: AECO Delivery Point

Centra is proposing that the changes to its natural gas rate structure become effective November 1, 2022. By this date, Centra expects to be able to accommodate the transition of the WTS delivery point from Empress to AECO. This will provide WTS marketers sufficient time to transition their supply arrangements from Empress to

AECO, making AECO the common commodity point for WTS marketers and Centra (as discussed further in Section 3.1).

Communication Plan

Centra will support the implementation of its proposed changes in natural gas rates and related processes as identified in this Application with a communication plan comprised of various media avenues to ensure the necessary information reaches and educates all impacted stakeholders and customers in a timely and effective manner. The communication plan will be implemented in advance of the November 1, 2022 effective date to ensure that customers have sufficient opportunity to learn about and understand the changes. **Appendix 2** includes the potential channels to be used to communicate these changes to customers.

2.0 STAKEHOLDER ENGAGEMENT PROCESS

Centra's stakeholder engagement process consisted of a customer satisfaction tracking study (January 2019) and a presentation and consultation engagement (January 2019) with the PUB, WTS marketers, large volume customers and interveners to consider a potential approach to rate re-bundling. In addition, Centra conducted a study (February and March 2020) using focus groups of Centra customers to gauge customer perceptions of their natural gas bills. The following describes the nature and results of the different stakeholder engagement activities.

2.1 JANUARY 2019 CUSTOMER SATISFACTION TRACKING STUDY

From January 9-15th, 2019, a Customer Satisfaction Tracking Study ("CSTS") was conducted, consisting of a phone survey of a random and representative sample of 500 customers, to gauge the perceptions of customers on their natural gas bill. Only respondents who use natural gas to heat their home and are partly or fully responsible for paying their homes' utility bills were asked questions specific to natural gas. Ultimately, 205 customers provided responses.

Customers were asked about how often they check their energy bill, the level and nature of the details they review, and if they look at the natural gas components on their bill, and if so, could they identify any of the gas rate components (Primary Gas, Supplemental Gas, Transportation and Distribution) without prompting. Lastly, customers were asked their opinion as to whether or not showing the different rate components on their energy bill was useful to them or did it make the energy bill too complex. **Appendix 3** contains the complete presentation of the results of the CSTS.

Majority of Customers only look at Consumption and Amount Owing

Overall, the results of the survey indicated that while the majority of customers look at the bill details, their consumption and dollar amount owing are of primary interest. Only 30% of customers said they look at the natural gas rate components on their bill and only 2% of customers could identify all the core gas rate components without prompting. Approximately two thirds (62%) of the surveyed respondents were unable to identify any components without prompting. Customers generally liked the idea of having at least some level of breakdown on their bill, even though the majority did not look at these details.

2.2 JANUARY 2019 STAKEHOLDER PRESENTATION AND CONSULTATION

Centra held a stakeholder engagement on January 17, 2019. The engagement consisted of a presentation by Centra on the topic of re-bundling rates, followed by an exchange of thoughts and ideas amongst the participants. Participants included representatives from the PUB, the Consumers Association of Canada (Manitoba) ("CAC"), large volume customers and WTS marketers. **Appendices 4** and **5** contain a copy of Centra's January 17, 2019 presentation and the list of attendees, respectively.

Complications with Un-bundled Rates

Centra's presentation included the history of why commodity rates were unbundled in 1999-2000 along with an explanation as to the evolution of and distinction between Primary Gas and Supplemental Gas. In addition, the presentation reviewed the complications associated with maintaining separate Primary Gas and Supplemental Gas rates including the following:

- **Confusion for the Customer:** The distinction between Primary Gas and Supplemental Gas rates is not well understood by customers and does not enable the customer to understand the different components of the bill. Although the original intent of re-bundling was to promote transparency and knowledge for the customer to facilitate an enhanced competitive landscape, customers have not demonstrated a desire for such information.

- **Administrative complexity (e.g. Billing Percentages)**: The Primary Gas billing percentage represents the percentage of a customer's overall annual natural gas usage that gas marketers under the WTS, and Centra under the FRPGS, can provide. The difference between the Primary Gas billing percentage and 100 percent represents the percentage forecast of Supplemental Gas usage. Annual billing percentages based on forecast normalized weather are calculated at the outset of each new gas year and often change quarterly throughout the year, largely as a result of weather and its effect on gas consumption and purchase requirements. As such, actual billing percentages are often inconsistent with the annual billing percentages based on forecast normalized weather.

  There is administrative complexity to maintaining the analytical and accounting requirements associated with two separate commodity rates. This is especially true as it pertains to the annual requirement to ensure that the billing percentages for Primary Gas and Supplemental Gas on customers' bills equate to the relative percentages by which the Primary Gas and Supplemental Gas was purchased. This requirement is further complicated by the fact that different customer groups (firm and interruptible) have different billing percentages and billing adjustments lag behind past events (e.g. colder than normal weather). As such, these billing adjustments can appear non-sensical to the customer as the adjustments are reflected in bills weeks or months after the event has occurred.

- **Difficulties with Disposing of Supplemental PGVA**: The annual requirement to ensure that Primary Gas and Supplemental Gas billing percentages on customer bills reflect the relative percentage of Primary Gas and Supplemental Gas purchased can result in a situation where the Supplemental Gas billing percentage approximates or equates to 0% (e.g. in a warmer than normal winter scenario). Such low billing percentages would not allow for the recovery of Supplemental Gas PGVAs which is why Supplemental Gas PGVAs are recovered through the

Distribution rate on customer bills. When significant refundable balances accumulate in the Supplemental Gas PGVA, the incorporation of the Supplemental Gas refund rate rider in customers' Distribution rates can lead to negative net billed rates for larger volume customers because their Distribution base rate is insufficient to absorb the Supplemental Gas refund rate riders.

- **Distorted Price Signals for Supplemental Gas**: Historically, Supplemental Gas rates have been adjusted during Cost of Gas or General Rate Application processes which, due to the timing of these applications, can lead to scenarios where Supplemental Gas rates are not reflective of current market prices.

- **Difficulties for WTS Marketers in Forecasting Primary Gas Supply Obligations:** Manitoba end-use customers' natural gas supply requirements are highly uncertain and subject to change due to the highly weather sensitive nature of gas demand in the province. In addition to this weather-related volume uncertainty, WTS marketers face the added uncertainty as to what proportion of their customers' overall gas consumption will ultimately be served with Primary Gas (which is the only portion of customers' overall annual consumption that can currently be provided under both the WTS and the FRPGS) versus Supplemental Gas (100% of which must be provided by Centra as part of its default utility Sales Service).

- **Customers Cannot Fix a Commodity Rate on 100% of Consumption:** Given that gas marketers are not in a position to provide Supplemental Gas to their customers under WTS, gas marketers are not able to supply 100% of their customers' requirements and as such, customers are not able to fix a commodity rate on 100% of their consumption.

2.3 CRITERIA FOR DEVELOPING A SINGLE COMMODITY SOLUTION

Following the review of the challenges and complexities associated with administering separate Primary Gas and Supplemental Gas rates, Centra presented its criteria for developing a single commodity rate solution including:

- Ensure retail competition remains on a fair and level playing field;

- Ensure neither system nor WTS customers are advantaged at another's expense;
- Ensure that WTS gas marketers are not unfairly advantaged or disadvantaged;
- Reduce operational and administrative complexity where possible;
- Ensure that all of Centra's upstream costs continue to be collected from customers;
- Maintain the timely price signals inherent in Centra's current default Primary Gas rate;
- Maintain comparability between the various competitive rate offerings; and,
- Enable customers, system or WTS, to fix the rate on 100% of their commodity.

A Single Commodity and Delivery Rate

Following the discussion on its criteria for developing a solution, Centra proposed its concept for a single commodity rate. In addition to replacing Primary Gas and Supplemental Gas with a single commodity rate, Centra further proposed to combine the Transportation to Centra and Distribution to Customer rate components into a single re-bundled Delivery Charge. Under this proposal, Transportation rates and Distribution rates would continue to be determined and presented on Centra's schedule of rates for PUB approval consistent with the current methodology. The Transportation and Distribution rates would be combined for customer bill presentation purposes only.

Section 3.0 of this application provides further details of Centra's proposal to re-bundle Primary Gas and Supplemental Gas rates.

2.4 STAKEHOLDER FEEDBACK

Following the completion of the January 2019 presentation, Centra requested written feedback from attendees by February 8, 2019. Centra received written feedback from two of the attendees, Direct Energy Marketing Limited ("DEML") and the CAC. DEML was fully supportive of the re-bundled commodity-only rate and noted:

> *"The increased liquidity at AECO would mitigate operational issues and would facilitate equal and open competition, while providing price transparency to natural gas consumers in Manitoba."*

The CAC suggested there could be technical and content issues that may need to be addressed and also suggested the importance of engaging and hearing directly from consumers and small business customers. To address the potential concern raised by the CAC over content, Centra has provided detailed evidence on the proposed single Gas Commodity rate and Commodity Cost Balancing Deferral account in Sections 3 and 4 of this Application for additional clarity.

Centra further engaged with WTS marketers, one on one, following the January 17, 2019 consultation to obtain additional feedback. No concerns were expressed by any WTS marketers about any aspect of the potential changes to the current natural gas rate structure or the shifting of the WTS delivery point from Empress to AECO.

In addition, by letter to the PUB on April 30, 2019, Centra noted that it planned to conduct further market research using a third-party firm to gauge consumer preferences with respect to unbundled and re-bundled rates. As discussed in the following section, Centra engaged Prairie Research Associates Inc. ("PRA") to complete this market research.

2.5 PRAIRIE RESEARCH ASSOCIATES INC. FOCUS GROUP STUDY

PRA conducted an in-person focus group study with residential and commercial customers. PRA conducted six focus groups in total, three in Winnipeg (February 26, 2020 and March 6, 2020) and three in Portage la Prairie (March 4, 2020). In each location, two groups were held with residential customers and one with businesses.

The focus group approach was reviewed with a representative from the CAC prior to the focus groups taking place and a CAC representative attended the first two focus group sessions in Winnipeg on February 26, 2020.

To qualify for the focus groups, participants had to have purchased natural gas and reviewed at least one of their bills (beyond the total owing) in the past year. In addition, participants could not have been in a focus group in the past six months or work for Manitoba Hydro. In total, 44 participants attended the groups. In June 2020, PRA presented the results of their study to Manitoba Hydro representatives. The results are detailed in the following sections.

2.6 PERCEPTIONS OF CURRENT AND REVISED BILLS

Current Bill

PRA initiated the study with each group by asking them questions pertaining to their current use and perceptions of their Manitoba Hydro bill. **Appendix 6** provides the complete presentation of the results of the PRA focus group study. The following is a summary of the key findings:

- "*Generally, participants look at their bills very irregularly, most often simply looking at the total amount owing for the month. If the total amount owing is different than expected, they might examine their usage (typically gas usage), unless they can easily explain the change."*
- *"Those on an Equal Payment Plan look at bills closer to the end of the EPP year to determine if they are going to have any amount owing or credits."*
- *"Participants in the business groups appear to refer to or check their bills even less diligently than participants in the personal use groups. Most often, business participants said that they simply look at the amount owing and pay it, rather than reviewing any detail."*

Revised Bills

Following the general discussion, participants were then shown bills with two changes to the natural gas breakdown: one with Primary Gas and Supplemental Gas charges replaced with a "Gas Consumption" charge, and a second with the combined Gas Consumption charge plus the Transportation to Centra and Distribution to Customer combined into a single Delivery Charge. **Appendix 7** contains the two bills presented to customers. **Figure 2** below provides the results of the participant responses.

Figure 2: Focus Group Customer Responses

Combined Gas Consumption Rate Only		**Combined Gas Consumption and Delivery Rate**	
Result	**# of Responses**	**Result**	**# of Responses**
Much Better	13	Much Better	14
Slightly Better	15	Slightly Better	24
No Difference	6	No Difference	1
Slightly Worse	6	Slightly Worse	3
Much Worse	1	Much Worse	1

As demonstrated in the table, participants tended to prefer the presentation with a single commodity charge and single delivery charge. According to PRA, this was:

> *"…primarily because most cared about the amount they were going to pay for their natural gas, and the simplification of information did not impact what was most important to them."*

As indicated in the PRA report, the few participants who were not in favour of the proposed changes to combine the rates into a single commodity charge and single delivery charge mentioned two reasons and a practical potential compromise:

- *"The most common reason was they thought having more information is better, even though almost all of these participants did not understand the difference in charges and acknowledged that they have no control over what is charged for each amount."*
- *"The other reason was around trust in the change. Several participants said that by combining the charges, they thought Manitoba Hydro may be trying to hide something."*
- *"A compromise for participants who had some concerns with the change was to have the breakdown of the costs available online, so that if someone wanted to know the breakdown, it was still available to them. If the information were available elsewhere, then participants had almost no concerns with the change."*

PRA Key Findings

Overall, PRA noted in its key findings that:

- *"Most participants did not understand or care about how natural gas charges are calculated, and when referred specifically to them, most said that they had never even noticed the detail in the breakdown."*
- *"Because of this, the majority of participants were in favour of changing to a simplified version of calculating natural gas costs."*
- *"The few who were not in favour of the change typically took an idealistic stance that more information is better, even though almost all of these participants admitted to never paying attention to this information or fully understanding it."*
- *"Ultimately, those who were opposed to the change were fine with it if the breakdown of information was available to them in other ways, such as online."*

3.0 APPROACH TO RE-BUNDLING

Centra proposes to replace Primary Gas and Supplemental Gas rates with a single Gas Commodity rate. In addition, Centra intends to make its Gas Commodity rate an AECO-based rate and to make AECO the delivery point for WTS marketers.[1] The Gas Commodity rate will be a variable rate that is set quarterly and will be established in essentially the same manner as the current quarterly variable Primary Gas rate, with the exception that it will be based on forecast AECO supply costs rather than Empress supply costs. Centra's gas commodity costs will accordingly fall into either "AECO supply" or "non-AECO supply" categories. This AECO-based Gas Commodity rate will be applied to all gas volumes consumed by Centra system supply customers, irrespective of Centra's purchase of non-AECO supply to meet aggregate customer demand.[2]

In quarterly Gas Commodity rate applications, Centra will use a 12-month AECO futures price strip and its forecast cost of AECO supply in storage to determine the 1a

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[1] Making AECO the basis of Centra's Gas Commodity rate and the WTS delivery point will be made possible due to the NGTL expansion capacity that Centra expects to obtain in [redacted] (discussed in Section 3.1 below).

[2] The difference between the actual cost of AECO supply and non-AECO supply will be tracked in a new deferral account (the proposed Commodity Cost Balancing Deferral), which is discussed in section 3.4.

AECO supply costs that will be embedded in the Gas Commodity base rate. This will be similar to the current process of using 12-month futures prices to forecast Primary Gas costs at Empress along with Centra's forecast cost of Primary Gas in storage. In addition, a gas overhead component will be added to the weighted average AECO supply cost (as is done today to the weighted average Primary Gas cost), thereby establishing the Gas Commodity base rate.

Indicative Quarterly Gas Commodity Rate Calculation

Indicative **Schedule 3.1** has been provided as an example of how the Gas Commodity rate will be calculated in quarterly applications and is similar to current Primary Gas quarterly applications. Lines 1 through 17 detail the calculation of the Gas Commodity base rate.

New Gas Commodity PGVA

To establish the Gas Commodity billed rate, a Gas Commodity rate rider will be determined in quarterly Gas Commodity rate applications in essentially the same way the Primary Gas rate rider is determined today. A new Gas Commodity PGVA will track monthly AECO supply inflows and outflows (i.e. actual and outlook AECO supply costs vs. actual and outlook cost recovery through rates), and the net balance will be used to calculate the rider to be applied to the Gas Commodity base rate. The distinct Primary Gas and Supplemental Gas PGVAs will be eliminated.[3]

While Centra has provided illustrative gas costs in this conceptual application for the gas year commencing November 1, 2022, Centra has not provided proxy prior period deferral balances. As such, the Gas Commodity PGVA balance in **Schedule 3.1** line 20 is zero. Any PGVA balance as of October 31, 2022 would simply be divided by the forecast volume on line 21 of **Schedule 3.1** to determine the Gas Commodity rate rider (e.g. a $2 million balance would result in a rate rider of [redacted]/m^3). Note that the 1e volume on line 21 of the schedule is based on forecast total system supply volume, whereas the current Primary Gas PGVA rate rider is based on forecast Primary Gas volumes only.

[3] This disposition of the Primary Gas and Supplemental Gas PGVAs is discussed in Section 3.6.

Primary and Supplemental Billing Percentages Eliminated

The Gas Commodity billed rate will be applied to all gas volumes consumed by Centra system supply customers (i.e. customers not buying gas from WTS marketers or under the FRPGS). In addition, the gas rates charged by WTS marketers will be applied to all gas volumes consumed by their respective WTS customers. Accordingly, billing percentages currently required for Primary Gas and Supplemental Gas will be eliminated for system supply, WTS, and FRPGS customers.

3.1 AECO-BASED COMMODITY

In addition to its proposal to move to a single Gas Commodity rate, Centra intends to make this Gas Commodity rate an AECO-based rate and to make AECO the delivery point for WTS marketers. This will be made possible due to the NGTL expansion capacity that Centra expects to obtain in [redacted] which will enable Centra 1a
to [redacted][4] 1a, 1c
Correspondingly, Centra will no longer treat NGTL transportation costs from AECO to Empress as commodity costs (currently necessary to facilitate an Empress-based Primary Gas rate and comparability to WTS rate offerings that are based on delivery to Centra at Empress). NGTL costs will be treated as transportation costs for rate-making purposes and ultimate recovery in the Transportation to Centra rate.[5]

Centra also currently treats the cost of compressor fuel at Empress as a Primary Gas cost. Compressor fuel is required by TCPL at Empress to accommodate the transportation of gas to downstream markets including Manitoba. WTS marketers incur the cost of providing fuel to Centra at Empress for WTS volumes. Centra provides fuel to TCPL at Empress sufficient for both system supply and WTS volumes, with the cost of fuel for only system supply recovered in Centra's Primary Gas rate.

Empress is the only location where Centra treats compressor fuel as a commodity cost rather than a transportation cost, due to WTS considerations. However, there is no 1a, 1c

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[4] [redacted]

[5] To be included in a combined Delivery Charge if approved in this application.

NGTL compressor fuel charge for transportation from AECO to Empress. While TCPL fuel at Empress will still be required for all gas volumes, moving Centra's commodity point and the WTS delivery point to AECO provides the opportunity to treat Empress fuel as a transportation cost, which will allow for fair and proportional cost recovery as both system supply and WTS customers would pay the same Transportation to Centra rate on all gas volumes consumed.

Fixed Rate Gas Commodity Service

With AECO becoming the common commodity point for Centra's quarterly variable Gas Commodity rate and WTS marketer offerings, Centra's Fixed Rate Primary Gas Service will also become an AECO-based service offering. With the elimination of Primary Gas, Centra proposes to rename the service as Fixed Rate Gas Commodity Service ("FRGCS"). The service will be unchanged from the current offering with the exception of the calculation of the forecast weighted average cost of gas ("WACOG") for the offered contract terms. As FRGCS will have AECO-based rates rather than Empress-based rates, Centra will no longer include transportation costs from AECO to Empress and TCPL compressor fuel costs at Empress in the WACOG calculation. These changes are anticipated to take effect in August 2022 to enable Centra to commence offering FRGCS for a November 1, 2022 flow date.

3.2 WTS IMPACTS

WTS will be impacted by the shift of the WTS delivery point from Empress to AECO and the elimination of billing percentages associated with moving to a single Gas Commodity rate.

With the WTS delivery point shifting from Empress to AECO, WTS marketers will be able to manage their supply at AECO without any requirement to hold NGTL transportation capacity to Empress. The AECO hub is the most liquid gas hub in the Western Canadian Sedimentary Basin. This liquidity more readily facilitates the adjustment of gas volumes in response to changes in Manitoba gas demand.

WTS Marketers Able to Supply 100% of Customer Gas Volumes

The elimination of Primary Gas, Supplemental Gas, and associated billing percentages means that WTS marketers will be able to supply 100% of their customers' gas volumes. This means that WTS marketer daily gas quantities provided to Centra will rise modestly relative to the status quo. For example, the current aggregate WTS marketer maximum daily quantity ("MDQ") is approximately 6,000 GJ/day. If this MDQ were based on Primary Gas and Supplemental Gas billing percentages of 95% and 5% respectively, moving to a single Gas Commodity rate would result in the WTS MDQ increasing to 6,316[6] GJ/day.

As noted in Section 2.4, all WTS marketers that responded to requests for feedback indicated full support for these proposed changes. In addition, as discussed in Section 3.1 above, WTS marketers will no longer have to provide compressor fuel for the transportation of their gas volumes to Manitoba.

Centra intends to provide at least 12 months' notice to WTS marketers in advance of implementing these changes.

3.3 SINGLE DELIVERY RATE

In addition to replacing Primary Gas and Supplemental Gas rates with a single Gas Commodity rate, Centra is also proposing to replace the Transportation to Centra and Distribution to Customer rates with a single Delivery rate. This change would be for bill presentation purposes only, to further simplify how rates are displayed on the customer's bill. Under this proposal, Transportation to Centra rates and Distribution to Customer rates would continue to be determined and presented on Centra's schedule of rates for approval by the PUB. However, such rates would be combined into a single Delivery Charge on the customer's bill.

As part of this proposed change and in response to the findings of the PRA research, Centra could provide information on its external website showing the Delivery rate broken down into its Transportation and Distribution components for review by those

[6] Calculated as: 6000 / 0.95 = 6,316 GJ/day.

customers who may be interested in availing themselves to such information without sacrificing the simplicity of the bill preferred by the majority of customers.

3.4 COMMODITY COST BALANCING DEFERRAL ("CCBD")

Through the approach described in Section 3.0, the single Gas Commodity rate (base rate plus rider) will provide for the recovery of all AECO supply costs. In addition, as the Gas Commodity rate will be applied to all volumes consumed by system supply customers including non-AECO supply volumes, the Gas Commodity rate will also contribute to the recovery of non-AECO supply costs. However, as the cost of AECO supply and non-AECO supply will differ, Centra proposes to establish the CCBD, a new deferral account that will track the difference between AECO supply costs and non-AECO supply costs. This deferral account will allow for the determination of a CCBD rate rider that will recover or refund this difference in actual costs.

Forecast of CCBD Balance

The CCBD balance can be forecast by determining the forecast monthly unit price difference between AECO supply and non-AECO supply and multiplying this unit value by the monthly forecast quantity of non-AECO supply. This is demonstrated in **Schedule 3.2** from lines 1 through 5. The forecast net balance of $2.4 million would not be embedded in rates. Rather, the actual balance in the CCBD account would be determined in a future period and recovered from or refunded to customers in the CCBD rider.

As non-AECO supply is required to meet the aggregate gas demand of system supply and WTS customers (similar to the current role of Supplemental Gas), the CCBD rider will be collected from both system supply and WTS customers. Indicatively, an annual CCBD balance of $2.4 million would require a CCBD rider of [redacted]/m^3 if amortized 1e over a subsequent 12-month period, based on forecast system supply, WTS, and FRPGS volumes. As all customers are charged Centra's Distribution to Customer rate, Centra proposes to apply the CCBD rider to this rate[7] (similar to the current practice with Supplemental Gas rate riders). Centra further proposes to implement a process

[7] To be included in a combined Delivery Charge if approved in this application.

that will calculate and adjust the CCBD rider on a quarterly basis, as discussed in the next section.

3.5 CCBD DISPOSITION

Centra proposes to implement a process that will mechanistically adjust the CCBD rider on a more timely quarterly basis. As discussed in Section 3.4, the new CCBD account will track the difference between actual AECO supply costs and actual non-AECO supply costs, allowing for the determination of a CCBD rate rider that will recover or refund this difference in actual costs. Employing a rate rider in this manner provides the opportunity to make quarterly rider adjustments, which would keep the rider relatively current with market conditions while avoiding the accumulation of balances over extended periods.

Quarterly Adjustment to CCBD

As the purpose of the CCBD is to account for non-AECO supply costs, adjusting the CCBD rider quarterly would be consistent with the approach currently employed with Centra's quarterly variable Primary Gas rate and proposed quarterly variable Gas Commodity rate (which will account for AECO supply costs). As such, all of Centra's gas commodity costs will be reviewable by the PUB quarterly for interim ex parte approval. Final approval of both AECO and non-AECO supply costs would be sought by Centra in periodic Cost of Gas Applications.

As Centra proposes that re-bundled rates take effect November 1, 2022, quarterly disposition of the CCBD balance would commence February 1, 2023. For discussion purposes only, Centra will assume that the monthly forecast CCBD dollar amounts in **Schedule 3.2** are actuals. Accordingly, the combined quarterly CCBD balance between November 2022 through January 2023 would be [redacted] (line 5), and Centra would 1a
seek to recover this balance plus carrying costs over a 12-month period in the CCBD rider starting February 1, 2023. The following is an example of the calculation of the CCBD rider (excluding carrying costs).

Figure 3: Example Quarterly CCBD Calculation

Commodity Cost Balancing Deferral Rate Rider (CCBD)			
CCBD Outlook Balance at January 31, 2023		[redacted]	1a
System + FRPGS + WTS Annual Forecast Sales	10^3m^3		1d
CCBD Rate Rider at February 1, 2023	$\$/10^3m^3$	**$0.97**	

This example CCBD rider equates to $\$0.0010/m^3$ (rounded), which as discussed in Section 3.4 would be recovered from system, WTS, and FRPGS customers in Centra's Distribution to Customer rate.

The CCBD rider would be updated the following quarter (i.e. effective May 1, 2023) based on the then-current CCBD balance. This balance would include the effects of new costs (differences in actual costs of AECO supply and non-AECO supply) and the rider amortization of the CCBD balance over the preceding quarter (i.e. from February 1, 2023 through April 30, 2023). This process will repeat itself every quarter with the CCBD rider fluctuating accordingly.

Centra further proposes that this mechanistic approach to quarterly CCBD adjustments be included in quarterly variable Gas Commodity rate applications. In addition to the calculation shown in **Figure 3** above, a schedule detailing the CCBD outlook balance[8] would be provided in each quarterly application. Combining quarterly processes in this manner will achieve regulatory efficiency while providing the PUB with the most up-to-date cost and recovery information for both AECO supply and non-AECO supply.

[8] Outlook balance to the end of the quarter preceding the implementation date of the applied-for quarterly variable Gas Commodity rate and CCBD rider.

3.6 DISPOSITION OF PRIMARY GAS AND SUPPLEMENTAL GAS PGVA BALANCES

With the proposed implementation of the single Gas Commodity rate on November 1, 2022, Primary Gas and Supplemental Gas PGVA balances will exist to October 31, 2022. Centra proposes to dispose of these balances as follows.

Primary Gas PGVA

As the new quarterly variable Gas Commodity rate will be similar to the current quarterly variable Primary Gas rate, Centra proposes that any residual balance in the Primary Gas PGVA as of October 31, 2022, be transferred into the new Gas Commodity PGVA (discussed in Section 3.0). Centra's quarterly variable rate application for its November 1, 2022 Gas Commodity rate will identify the outlook Primary Gas PGVA balance to October 31, 2022 and calculate the Gas Commodity rate rider to be applied based on this Primary Gas PGVA balance. As of November 1, 2022, any residual Primary Gas PGVA balance will transfer to the Gas Commodity PGVA for continuous quarterly disposition, and the Primary Gas PGVA will be closed.

Supplemental Gas PGVA

Centra anticipates filing a Cost of Gas Application prior to the proposed implementation of rate re-bundling as of November 1, 2022. In that application, Centra will provide its Supplemental Gas PGVA outlook balance to October 31, 2022, including prior period balances. In this proceeding Centra will propose to establish a rate rider to take effect November 1, 2022, designed to dispose of the Supplemental Gas PGVA outlook and prior period balances over a 12-month period. Consistent with current practice, this rider will be applied to Centra's Distribution to Customer rate. Following the 12-month amortization period, any residual balance will become a prior period deferral, set aside for future amortization following a subsequent Cost of Gas Application.

3.7 INDICATIVE GAS COST FORECAST

To further demonstrate how gas costs will be forecast under the re-bundled rate structure and the straightforward nature of the proposed changes, Centra has prepared an indicative gas cost forecast **Schedule 3.3** for the gas year commencing

November 1, 2022, which coincides with the anticipated implementation date. Notable changes to this schedule resulting from the proposed changes in this application are:

- NGTL transportation costs appear under Fixed Transportation on line 3 (currently treated as a Primary Gas cost);
- Compressor fuel costs are contained on one line (line 14), with no need to distinguish between fuel for Primary Gas at Empress and fuel at other locations; and
- Under Supply Costs, AECO supply and non-AECO supply replace Primary Gas and Supplemental Gas (lines 23 through 26).

Centra notes that of the $196.1 million indicative gas cost forecast in **Schedule 3.3** (line 37), $193.6 million would be embedded in base rates on a forecast basis. The remaining $2.4 million reflects the forecast balance in the CCBD (**Schedule 3.2**, line 5) and would not be embedded in base rates. The actual CCBD balance as determined in future periods would be recovered from or refunded to customers through the CCBD rider.

Centra reiterates that all schedules are indicative and for demonstration purposes only.

4.0 COST ALLOCATION PREPARED FOR INDICATIVE BUNDLED RATES

Centra's approach to Cost Allocation in this Application is consistent with past studies and the PUB approved methodology, with only minor adjustments required to account for the single Gas Commodity rate and the change of the WTS delivery point from Empress to AECO. To provide a representative bill impact of replacing Primary Gas and Supplemental Gas rates with a single Gas Commodity rate, Centra has developed indicative base rates using the PUB approved cost allocation process and inputs (e.g. non-gas costs, load forecast) from Centra's 2019/20 GRA (Order 161/19) adjusted for the following:

- An indicative gas cost forecast for the gas year commencing November 1, 2022 based on a 12-month AECO futures price strip and its forecast cost of AECO supply in storage to determine the AECO supply costs that will be embedded in the Gas Commodity base rate (as described in Section 3.0 of this Application);

- Updated definitions for two upstream functions ("Production" and "Pipeline" functions) to account for the change in the gas delivery point from Empress to the AECO hub; and
- Consolidation of Primary, Supplemental Firm and Supplemental Interruptible classes into a single Gas Commodity class

4.1 UPDATES TO UPSTREAM FUNCTION DEFINITIONS

"Functions" represent broadly defined groups of costs that describe the purpose or function of costs and are used in the first step of the cost allocation process. Centra has updated the definitions for two of its upstream functions "Production" and "Pipeline" to be reflective of the change in the gas delivery point from Empress to the AECO hub. The updates are provided in **Figures 4** and **5** as follows:

Figure 4: Production Definition

<table>
<tr><th colspan="2">Production</th></tr>
<tr><th>Current Definition</th><th>Proposed Definition</th></tr>
<tr><td>Production costs include the commodity costs of gas supply purchased and flowed directly to the market, including Canadian sourced supply purchased at the Alberta border plus fuel costs to transport the gas to the Manitoba receipt points, and gas supply purchased from U.S. sources. Production costs also include the cost of gas withdrawn from storage to supply the Manitoba load.</td><td>Production costs include the commodity costs of gas supply purchased and flowed directly to the market, including gas supply purchased from Western Canada and gas supply purchased from U.S. sources. Production costs also include the cost of gas withdrawn from storage to supply the Manitoba load.</td></tr>
<tr><td colspan="2">Explanation of the Change:
As discussed in Section 3.0 of this Application, Centra is proposing to move to an AECO-based delivery point. This change will have two impacts on the current definition of the Production function:
1) It is necessary to remove the reference to the Alberta border; and,
2) TCPL compressor fuel should be removed from production and re-functionalized as pipeline so it can be recovered through Transportation rates. This change is consistent with how Centra treats all other compressor fuel.</td></tr>
</table>

Figure 5: Pipeline Definition

<table>
<tr><th colspan="2">Pipeline</th></tr>
<tr><th>Current Definition</th><th>Proposed Definition</th></tr>
<tr><td>Pipeline costs include fixed and variable costs of transporting gas on the TransCanada Pipelines Limited (“TCPL”) system from Empress, Alberta to
Centra’s Transmission and Distribution System, i.e. Centra’s Manitoba receipt gates.</td><td>Pipeline costs include fixed and variable costs of transporting gas on the NGTL system from the AECO hub in Alberta to Empress (Alberta/Saskatchewan border point) and on the TCPL system and other Canadian pipelines to Centra’s Transmission and Distribution System (Centra’s Manitoba receipt gates), including TCPL fuel costs.</td></tr>
<tr><td colspan="2">Explanation of the Change:
As discussed in Section 3.1 of this Application Centra will no longer treat NGTL transportation costs from AECO to Empress as commodity costs. This practice was only required to facilitate an Empress-based Primary Gas cost comparable to WTS rate offerings. With the change to an AECO-based commodity rate, the following modifications to the definition of the Pipeline function are required:
1) Update the definition to include NGTL transportation costs from AECO to Empress.
2) Update the definition to include TCPL compressor fuel that was removed from the “Production” function. This change is consistent with how Centra treats all other compressor fuel.</td></tr>
</table>

4.2 CONSOLIDATION OF PRIMARY AND SUPPLEMENTAL GAS CLASSES

The consolidation of Primary Gas and Supplemental Gas rates into a single Gas Commodity rate necessitates the elimination of the discrete Primary Gas and Supplemental Gas (further disaggregated into Supplemental Firm and Supplemental Interruptible) customer classes currently used in the cost allocation study. These discrete customer classes were necessary to allocate non-gas related costs associated with procuring and managing those gas supplies. Those non-gas related costs were then recovered in the Primary Gas and Supplemental Gas overhead rates. Centra is proposing to establish a new single Commodity Overhead Rate (non-gas component) to replace Overhead Rates currently embedded in the Primary Gas and both

Supplemental Gas rates and to combine the three discrete customer classes into one customer class called Gas Commodity.

4.3 INDICATIVE RATE SCHEDULES

Regardless of the proposed rate re-bundling (i.e. a single Gas Commodity rate and the CCBD rider), Centra would proceed with moving its Primary Gas commodity point from Empress to AECO effective November 1, 2022, due to obtaining NGTL expansion capacity (expected in [redacted] In this unbundled scenario, NGTL costs and 1a
Empress fuel would be treated as Transportation costs. Also, Primary Gas would be AECO-based and Supplemental Gas would be non-AECO-based, similar to the AECO supply and non-AECO supply categories in the re-bundled scenario described in this application. As such, forecast AECO supply and non-AECO supply costs serve as an appropriate and reasonable proxy for Primary Gas and Supplemental Gas costs in reviewing indicative rates and bill impacts.

To demonstrate the effect of re-bundling Primary and Supplemental Gas into a single Gas Commodity rate, Centra has developed two sets of indicative rates reflecting the gas cost forecast for the 2022/23 Gas Year as provided in **Schedule 3.3** of this Application and non-gas costs consistent with those approved in the 19/20 General Rate Application.

1. **Unbundled Rates** - indicative base rates using AECO and non-AECO supply as a proxy for Primary and Supplemental Gas as per **Schedule 4.1**; and
2. **Bundled Rates** - indicative base rates reflecting the replacement of Primary Gas and Supplemental Gas rates with a single Gas Commodity rate and an updated Overhead rate for November 1, 2022 as per **Schedule 4.2**.

The treatment of NGTL costs and Empress fuel as Transportation costs is the same across both unbundled and bundled scenarios and is therefore neutral. In the absence of rate re-bundling, Centra would be seeking approval from the PUB to move the WTS delivery point to AECO, which WTS marketers have expressed full support for to date.

Centra will continue to present the rates for Transportation to Centra and Distribution to Customers separately in the rate schedules, as Centra intends to combine these rates into a single "Delivery Charge" for bill presentation purposes only.

With the elimination of Supplemental Gas and the move to a single Gas Commodity rate, there will no longer be distinct Supplemental Gas rates for Firm and Interruptible customers. The same CCBD rate rider will be applied to all Sales customers. However, Interruptible customers will still be subject to curtailment and may incur the cost of Alternate Supply obtained at spot market prices.

4.4 INDICATIVE CUSTOMER BILL IMPACTS

As discussed in Section 3.4 of this Application, the Gas Commodity rate will be applied to all volumes consumed by system supply customers including non-AECO supply volumes. However, Centra's Gas Commodity rate will be based on forecast AECO supply costs only so any difference in the actual cost of AECO vs non-AECO supply will be accumulated in the CCBD. Because that portion of costs will be recovered through a rider as opposed to base rates (as is done under the current rate structure), the base rate bill impacts under the proposed bundled rates structure will be different compared to the current unbundled rate structure as demonstrated in columns 4 and 5 in Figure 6 below.

As non-AECO supply is required to meet the aggregate gas demand of system supply and WTS customers (similar to the current role of Supplemental Gas), the balance in the deferral account will be recovered from (or refunded to) both system supply and WTS customers using the CCBD rider.

Centra notes that the indicative forecast balance in the CCBD account for the 2022/23 gas year is $2.4 million. As discussed in Section 3.4 of this Application, an indicative CCBD rate rider required to recover a $2.4 million annual balance would be $[redacted]/$m^3$ (if amortized over a subsequent 12-month period). 1e

Once the CCBD rider disposition is added to the indicative customer bill calculation, such that Centra is recovering gas commodity costs in full, the annual bill for most customer classes under Centra's proposed bundled rate structure remains, consistent with the annual bill for customers under Centra's current, unbundled rate structure. With the exception of the Interruptible class as demonstrated in Figure 6 below, there will not be a bill impact for customer classes due to the transition to a bundled rate structure.

The favourable bill impact for the Interruptible class is due to the elimination of the distinct Supplemental Gas rates for Firm and Interruptible customers as discussed in Section 4.3. Because the same CCBD rate rider will be applied to all Sales customers, Interruptible customers who pay a different (currently higher) rate for Supplemental Gas than Firm customers will see more of a (favourable) bill impact from moving to the bundled rate structure than other customers.

The bill impact to customers of moving from the current unbundled rates to the proposed bundled rate structure are approximated in columns 6 through 9 of Figure 6 below. **Schedule 4.3** provides the total annualized bill impacts for the indicative November 1, 2022 bundled base rates compared to the indicative November 1, 2022 unbundled base rates and the disposition of the CCBD rider.

Figure 6: Indicative Customer Bill Impacts

Customer Class (1)	Consumption (10^3M^3) (2)	Load Factor (3)	Annual Indicative Bill with Unbundled Rates 22/23 (4)	Annual Indicative Bill with Bundled Rates 22/23 (5)	CCBD Rider (6)	Annual Indicative Bill with Bundled Rates & CCBD Rider 22/23 (7)	Diff (8)	% Diff (9)	
SGS	1.0		$386	$384	$2	$386	$ 0	0.0%	
	2.2		$652	$648	$4	$652	$ 0	0.0%	
	11.3		$2,640	$2,621	$19	$2,640	$ 0	0.0%	
LGS	11.3		$3,021	$3,002	$19	$3,021	$ 0	0.0%	
	679.9		$126,768	$125,612	$1,156	$126,768	$ 0	0.0%	
HVF	850	25%	$166,377	$164,932	$1,445	$166,377	$ 0	0.0%	
	12,600	75%	$1,791,367	$1,769,947	$21420	$1,791,367	$ 0	0.0%	
HVF (T-Service)	2,600	40%	$76,654	$76,654		$76,654	$ -	0.0%	
	17,600	75%	$327,003	$327,003		$327,003	$ -	0.0%	
Mainline	2,833	40%	$444,010	$439,194	$4,816	$444,010	$ 0	0.0%	
	41,000	75%	$5,268,720	$5,199,020	$69,700	$5,268,720	$ 0	0.0%	
Special Contract	[redacted]	[redacted]	[redacted]	[redacted]		[redacted]	$ -	0.0%	2d
Power Stations	[redacted]	[redacted]	[redacted]	[redacted]		[redacted]	$ -	0.0%	
Mainline (T-Service)	14,000	40%	$295,332	$295,332		$295,332	$ -	0.0%	
	44,000	75%	$519,100	$519,100		$519,100	$ -	0.0%	
Interruptible	850	25%	$134,685	$131,115	$1,445	$132,560	$ (2,125)	-1.6%	
	14,164	75%	$1,765,857	$1,706,369	$24,079	$1,730,447	$ (35,410)	-2.0%	

5.0 <u>CONCLUSION</u>

Centra's proposed approach to re-bundling its natural gas sales rate structure is intended to alleviate the confusion and complexity inherent in existing natural gas sales rates. As confirmed by the research, customers prefer a simpler presentation of natural gas sales rates on their bills provided they can continue to access more detailed information (e.g. on-line web site) should they wish to do so. Indicative bill impacts demonstrate that customers will not experience any or very minor bill impacts resulting from the re-bundling of their rates. Centra's Application also reduces the complexity of administering natural gas sales rates through the elimination of Primary and Supplemental gas rates billing percentages and ensures that retail competition remains on a fair and level playing field in Manitoba. Notably, WTS marketers are fully supportive of the changes proposed in this Application and if approved, will have the opportunity to offer customers 100% of their natural gas commodity requirements. Centra's Application for the re-bundling of natural gas sales rates is simple, practical, efficient and provides benefits to customers, gas marketers and the utility. As such, and for all of the reasons noted herein, Centra submits that the Application is in the public interest and respectfully requests that the PUB approve the Application as expeditiously as possible.