

Centra Gas Manitoba Inc. 2019/20 General Rate Application TCPL/CENTRA I-1a-f

REFERENCE:

Centra 2019/20 GRA Evidence, Tab 8, Schedule 8.9.1 through 8.9.5, Centra 2019/20 GRA Evidence, Tab 8, Appendix 8.4, Centra 2019/20 GRA Evidence, Tab 8, Appendix 8.5

PREAMBLE TO IR (IF ANY):

In Reference 1, Centra provides gas supply cost information from 2014/15 through 2018/19. In Reference 2 and 3, Centra depicts summer and winter operations in maps. In Reference 4, Centra provides updated information with respect to the 2019/20 GRA Evidence.

QUESTION:

- a) Please confirm that Centra has used the most recent Mainline abandonment surcharges which came into effect January 1, 2019 in calculating the \$14.1 million reduction in transportation costs as a result of Mainline tolls approved by the NEB on March 13, 2019. If not confirmed, please update the information and analysis in the GRA to reflect the appropriate surcharges.
- b) Do the new Mainline tolls impact Centra's Gas Portfolio summer operations as depicted in Reference 2? Please explain.
- c) Do the new Mainline tolls impact Centra's Gas Portfolio winter operations as depicted in Reference 3? Please explain.
- d) References 2 and 3 show that Centra uses Michigan storage in its winter and summer Gas Portfolio. Has Centra analyzed the use of WCSB storage options to meet winter and summer demand? If not, why not? If so, please provide the date of the last analysis and file this analysis (under confidentiality provisions if necessary).
- e) When using Centra's STS service to meet peak day demand as shown in References 2 and 3, does Centra utilize all of the 8 nomination windows that are provided with STS service? Please identify those nomination windows that are used and those that are not.
- f) As per Reference 1, Schedules 8.9.3 (a) and (b) line 11, please describe in detail how the forecasted Load Balancing Charges are calculated. What is causing the forecasted amounts to vary from month-to-month?

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RATIONALE FOR QUESTION:

TransCanada is interested in the MPUB having current, accurate, and sufficient information in advance of making any determination as to whether the proposals in Centra's 2019 GRA are just, reasonable and in the public interest. TransCanada requests that Centra place additional information on gas supply costs, and the Gas Portfolio winter and summer operations, on the record in this proceeding (under confidentiality provisions if necessary).

RESPONSE:

- a) Not confirmed. The referenced Schedules 8.9.1 through 8.9.5 are based upon a May 15, 2018 strip date and represent forecast figures for the entire 2018/19 Gas Year. In addition to other updates, the most recent Mainline abandonment surcharges effective January 1, 2019 will be incorporated into Centra's pre-hearing update materials.
- b) and c)

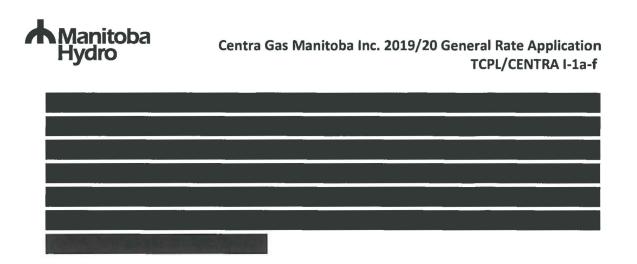
The figures in References 2 and 3 directionally reflect the operation of Centra's portfolio, which is not affected by tolls. From a planning perspective, Centra considers tolls in concert with other costs, which factor into the design of Centra's portfolio.

- d) Centra analyzed WCSB storage options in 2018, as described in Tab 9 of Centra's 2019/20 General Rate Application and filed on November 30, 2018.
- e) Centra uses the Timely, Evening, ID1, ID2, ID3, and STS 05:00 nomination windows. The STS 11:00 and STS 01:00 nomination windows are not currently used by Centra.
- f) There is no detailed calculation of Centra's forecast annual load balancing charges of \$250,000. Rather, as illustrated in the response to IGU/Centra I-1 a) through c), it represents an approximation of the LBA fees that have been incurred with relative consistency year-over-year, net of balancing fees recovered from T-Service customers.

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REFERENCE:

Centra 2019/20 GRA Evidence, Tab 8, Schedule 8.5.0 through 8.8.5, MPUP Letter dated February 26, 2019 regarding Centra Gas Manitoba Inc.'s 2019/20 General Rate Application and Rule 13 Motion Respecting Confidential Information

PREAMBLE TO IR (IF ANY):

TransCanada is interested in the MPUB having current, accurate and sufficient information in advance of making any determination as to whether the proposals in Centra's 2019 GRA are just, reasonable and in the public interest.

In Reference 2, the MPUB states that "In further support of its Rule 13 Confidentiality Motion, Centra submitted that the current unlimited pricing discretion afforded to TransCanada Pipelines Limited ("TCPL") in establishing short-term firm and interruptible transportation bid floors on the Canadian Mainline has caused Centra to consider historical and forecast annual gas supply and gas cost information as commercially sensitive. Centra is concerned that public disclosure of certain information, including information on Centra's transactions, commercial arrangements, and operations, will expose Centra and its ratepayers to increased costs and irreparable harm by virtue of Centra being a captive shipper on the Canadian Mainline."

QUESTION:

- a) Please provide the percent of Centra's total annual gas supply that is sourced from the WCSB at NIT or Empress for each year of the 2008 to 2018 period. If not 100% please list other sources of gas supply and their percentage.
- b) Please provide a table that lists, for each year of the historical 10-year period, the annual volume of gas supply sourced using the Mainline FT, IT, STFT and Diversion service. If Centra refuses to provide this information due to confidentiality concerns, will Centra undertake to file the information with the MPUB on a confidential basis? If not, why not?
- c) Have the relative volumes listed in the response to b) changed over this time period? If yes, why?

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d) Please describe all the relevant factors that determine whether Centra uses FT, IT, STFT or Diversion service to source gas supply.

RATIONALE FOR QUESTION:

TransCanada believes that it may be of benefit to the MPUB to understand the extent of Centra's IT and STFT use on TransCanada's Mainline System

RESPONSE:

- a) Please see the attachment to this response, noting that the information provided pertains to the 2014/15 through 2018/19 Gas Years, the time period for which Centra is requesting approval of gas costs and forecasts in its 2019/20 General Rate Application.
- b), c) and d)

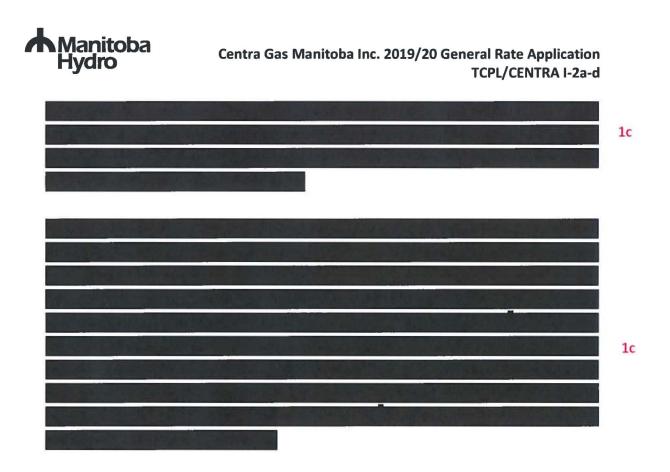
The chart below outlines the annual volume of supply sourced using Mainline FT for the 2014/15 through 2017/18 Gas Years,

Gas Year	Annual Volume (P	J)
2014/15		
2015/16		1d
2016/17		
2017/18		



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¹ The Mainline's Risk Alleviation Mechanism (RAM) provided credits to FT shippers for unutilized FT capacity, which could be credited to the cost of using IT. Centra used RAM credits and associated IT to execute capacity management transactions.

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	Gas Year				7	
	2014/15	2015/16	2016/17	2017/18	2018/19]
Western Canadian Gas						10
Supplemental Supply Direct to the Load						10
Storage Gas - Supplemental Supply						10
Supplemental Gas Delivered Service						10
Alternate Supply Service						10

Notes

2018/19 Gas Year represents actuals for November 2018 thru March 2019 and forecast for April 2019 to October 2019.

REFERENCE:

- 1) Centra 2019/20 GRA Evidence, Tab 11, page 3, Figure 11.1
- 2) Centra 2019/20 GRA Evidence, Tab 11, page 4, Figure 11.2
- 3) Centra 2019/20 GRA Evidence, Tab 11, page 4, lines 2-7

PREAMBLE TO IR (IF ANY):

In Reference 1 and 2, Centra lists the base rate impact of the application on both sales service and T-Service customers. In Reference 3, Centra states "The bill impact for T-Service customers reflects the changes proposed to delivery service only as these customers procure their own commodity and upstream storage and transportation contracts. The bill impact appears disproportionally large as there are no upstream storage and transportation costs and no Primary or Supplemental Gas costs to dilute the impact, as is the case with Sales Service customers."

QUESTION:

- a) Please provide a table showing the average landed cost of gas on a \$/GJ basis to Centra's Small General Class (SGS), Large General Class (LGS), High Volume Firm (HVF) and Mainline Sales Service customers for each of the last 10 years.
- b) Please revise the table from Request a) with transportation costs broken out separately from total landed cost.

RATIONALE FOR QUESTION:

TransCanada requests additional information to understand what factors have impacted Sales Service rates over time.

RESPONSE:

a) and b)

Please see the attachment to this response. The data includes:

- 1) Centra's average landed unit cost of the gas commodity itself:
 - including the Primary Gas costs of system-supplied Sales Service customers, plus Supplemental Gas costs for all Sales Service customers including Western Transportation Service ("WTS") customers; but
 - excluding the costs of both Alternate Supply Service provided to Interruptible customers and the Primary Gas costs associated with the Fixed Rate Primary Gas Service; and
- 2) Centra's average unit cost of upstream transportation and storage (i.e., net upstream transportation and storage costs including Capacity Management revenues, divided by total Sales Service volumes including WTS and Fixed Rate Primary Gas Service, but excluding Alternate Supply Service volumes).

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		1a, 1e	1d	1a, 1e	1a, 1e	1d	1a, 1e	1a, 1e
		Gas	Purchase	Gas Commodity Avg	Transportation &	Sales	Transport & Storage	Total Avg Unit
	Gas Year	Commodity Costs	Volume (GJ)	Unit Cost (\$/GJ)	Storage Costs	Volume (GJ)	Avg Unit Cost (\$/GJ)	Cost (\$/GJ)
1	2008/09							
2	2009/10							State of the second
3	2010/11							No. Part Mark
4	2011/12							A CARLES
5	2012/13							A SCHOOL IN
6	2013/14							
7	2014/15							2
8	2015/16							
9	2016/17							
10	2017/18	State of the second	States and the second	and the second second	March Charles			



REFERENCE:

Centra 2019/20 GRA Evidence, Tab 11, page 3 – Figure 11.1, page 4 – Figure 11.2, page 3 – Lines 7-9

PREAMBLE TO IR (IF ANY):

In Reference 1 Centra states the base rate impact of the application on sales service customers; SGS, LGS, HVF, and Mainline. The impact on IT rates is also provided. In Reference 2 Centra provides the base rate impact of the application on T-Service customers; HVF (T-Service) and Mainline (T-Service). Special Contract and Power Stations T-Service information has been redacted. In Reference 3 Centra states "The LGS customer class bill impact is primarily driven by an increase in their allocated portion of non-gas costs resulting from a forecasted increase in usage on the peak day."

QUESTION:

- a) Please provide the actual annual historical peak day volume billing determinants that underpin rates for the customer classes listed in Reference 1 and 2 for the 2014/15 to 2017/18 gas years and forecast levels for 2018/19.
- b) Has Centra provided negotiated services to any of the rate classes listed in Reference 1 or 2? If yes, please discuss which service attributes were negotiated including:
 - the rate charged to customers;
 - the contract term;
 - any other negotiated terms or conditions of service.
- c) Does Centra provide any non-standard services for any of the rate classes listed in Reference 1 or 2 based on a unique need? If so, please describe the characteristics of these non-standard service agreements.
- d) Does Centra offer any load attraction or load retention services for any of the rate classes listed in Reference 1 or 2? If so, please describe the characteristics of these load attraction service agreements.
- e) What is the contract term requirement from customers that receive service through a Centra system expansion?



RATIONALE FOR QUESTION:

TransCanada requests additional information to understand the proposed changes in rates.

RESPONSE:

- a) Please see the attachment to this response.
- b) c) and d)

Centra does not offer negotiated rates and services, nor does it offer load-attraction or load-retention rates and services.

e) Customers that receive service through a Centra system expansion and are required to pay a Contribution in Aid of Construction initially sign a five year contract with successive one year terms in accordance with Centra's Schedule of Sales and Transportation Services and Rates thereafter.



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