

**Proposed Scope of Issues
Manitoba Hydro
2016 Cost of Service Review**

COS Principles

- 1.1 Is Cost causation the primary or sole consideration in COS?
- 1.2 Other rate making goals and their influence in the determination of COS methodology

Export Class

2. Use of an Export Class
3. Distinguishing between Dependable and Opportunity Sales (hybrids)
4. Assignment of Embedded Generation and Transmission Costs to Dependable Exports including:
 - Natural Gas Thermal
 - Coal Thermal
 - Trading Desk
 - Purchased Power
 - Wind Purchases
 - Water Rentals and Variable O&M
 - MISO Fees
 - Transmission Service Fees
5. Assignment of Variable Costs to Opportunity Sales
 - Trading Desk
 - Purchased Power
 - Water Rentals and Variable O&M
 - Transmission Service Fees
 - MISO Fees
6. Assignment of Other Charges to Exports
 - Affordable Energy Fund
 - Uniform Rates Adjustment
 - NEB
7. Export Revenue based on forecast vs. actual prices
8. Use of resources under median flows, instead of actual flows
9. Allocation of Net Export Revenue based on total allocated cost

Generation

10. Functionalization of Dorsey and Riel converter stations to Generation
11. Functionalization and allocation of Bipole III
12. Generation Classification/Allocation:
 - Weighted Energy allocator

- CRP reference discount
- Equivalent Peaker

Transmission

13. Use of 2CP Demand allocator based on 50 peak hours
14. Classification of U.S. Interconnections (including the MMTP/GNTL) costs as Energy
15. Direct assignment of radial costs to the GSL >100kV class

Demand Side Management

16. Assignment of DSM costs to participating domestic classes