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REFERENCE NO: 003991-0132

July 7, 2022

The Public Utilities Board of Manitoba
400-330 Portage Avenue
Winnipeg, Manitoba, R3C 0C4

Attention: Rachel McMillin

Dear Ms. McMillin

Re: Consumers Association of Canada (Manitoba) Inc. (CAC) – Comments on Need & Scope for Oral Hearing and Written Submissions - with respect to the Centra Gas Manitoba Inc. (Centra) Cost of Service Study Methodology Review (COSMR) Application

1.0 Introduction

In accordance with Manitoba Public Utilities Board (PUB) Order 36/22 and the revised timetable contained in your letter of June 3, 2022, the purpose of this letter is to provide CAC's comments on the need and scope for an oral hearing and written submissions with respect to the Centra COSMR proceeding.

CAC's comments can be summarized as follows:

- Issues that are candidates to be in scope for oral evidence in the COSMR proceeding are the allocation of downstream transmission & distribution plant, allocation of upstream capacity resources, direct allocation of high-pressure transmission plant, allocation of demand-side management costs and the near-term rate impact measure for the Special Contract and Power Station classes. All other issues can be appropriately handled through written submissions, after the closing of the oral hearing; and
- The oral hearing process should provide all parties the opportunity to make opening comments, provide direct evidence, undertake cross examination and make closing submissions on issues within the scope of the oral hearing, within a hearing schedule and timing specified by the PUB.

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2.0 CAC Comments on Scope & Issues for Oral Evidence

In order to provide the PUB with comments on the need and scope for an oral hearing related to the Centra COSMR proceeding, CAC reviewed the approach and findings contained in Order 98/19, the second procedural decision with respect to Centra's 2019/20 GRA proceeding. In Order 98/19, page 9, the PUB found that the issues it identified for oral evidence were based on the following criteria:

- The subject of material disagreement between parties;
- The application of the underlying facts are in dispute on the written record; and
- The understanding of all parties and the PUB would be enhanced by testing of the evidence.

CAC notes that the application of the above criteria to the in-scope issues list for the Centra COSMR proceeding contained in Order 36/22 (the PUB's second procedural Order), would indicate that the following issues are candidates to be in scope for oral evidence:

Issue #1 - Allocation of Transmission and Distribution Plant;
Issue #2 - Determination of Downstream Demand Allocation Factors;
Issue #3 - Direct Assignment of High-Pressure Transmission Plant to Customer Classes, including Postage Stamp Ratemaking;
Issue #5 - Allocation of Upstream Capacity Resources;
Issue #6 - Allocation of Demand-Side Management costs; and
Issue #10 - Near-term rate impact measure for the Special Contract Class and Power Station Class.

In CAC's view, based on a review of the record of the proceeding to date, these six issues are the subject of material disagreement between CAC and the other parties (Centra and other Intervenor), there are facts the application of which are in dispute and the understanding of all parties and the PUB could be enhanced by testing of these issues through direct evidence, cross examination and oral arguments.

CAC is also of the view that the remaining four in-scope issues from Order 36/22 (classification of distribution plant & associated studies, amendments to COSS for rate re-bundling, elimination of Co-op class and allocation of OM&A costs) could be adequately considered by the PUB based on the written record of the Centra COSMR, with written arguments.

3.0 CAC Comments on Hearing Process

CAC's comments with respect to the hearing process related to issues for oral evidence and written issues are as follows:

1. All parties to the proceeding should be given the opportunity to provide brief oral opening comments on all issues that the PUB determines to be within the scope of the oral evidence;
2. CAC is especially advocating for an oral hearing as:
 - a. CAC is in opposition to all other interested parties;
 - b. The SGS class is vulnerable to a substantial long term shift in cost allocation;
 - c. The subject matter is specialized and complex and the PUB will benefit from the witnesses *viva voce*.
3. In addition to cross examination, all parties should be given the opportunity to provide oral direct evidence on all issues within the scope of the oral evidence. Direct evidence is of significant value to understand each parties evidence and to focus subsequent cross examination;
4. All parties should be given the opportunity to provide oral closing submissions on all issues within the scope of the oral evidence. Issues with material disagreements and disputed facts are best handled through oral closing submissions, where the PUB has the ability to ask follow-up questions on the submissions;
5. The scheduling and length of the oral hearing can be managed by all parties providing time estimates to PUB staff/counsel and the PUB subsequently providing direction on the procedure to be followed;
6. The timing of filing of written closing submissions on all issues that are not identified for oral evidence should be after the closing of the oral hearing, to allow all parties sufficient time to focus on the issues identified for the oral hearing; and
7. For both oral closing submissions and written closing submissions, Centra should provide its submissions first, followed by Intervenor submissions and the Centra reply submissions limited to new or unanticipated issues raised by Intervenor submissions.

4.0 Timing

The PUB had asked that a place holder be put on a hearing time frame from August 10-24, 2022. Given pre-determined schedules of counsel and consultants, CAC would ask that if an oral hearing is to be held, it be scheduled for 4-5 days between August 15-24 (excluding August 22, 2022)

CAC thanks the PUB for the opportunity to provide its comments with respect to the need and scope of the oral hearing for the COSMR proceeding. If there are any questions with respect to these comments, please feel free to contact me.

Yours truly,

DD WEST LLP

Per:



Brian J. Meronek, Q.C.

BJM /yw

c.c. PUB Counsel & Approved Intervenors (email)