

August 12, 2022

VIA EMAIL

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And Intervener Applicants [CAC, IGU, Koch]

**Re: Centra Gas Manitoba Inc. (“Centra”) Cost of Service Study Methodology Review (“COSSMR”) – Oral Submissions on August 17, 2022**

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On August 17, 2022, The Public Utilities Board (“Board”) is scheduled to hear oral submissions in Centra Gas Manitoba Inc.’s (“Centra”) Cost of Service Methodology Review. The purpose of this letter is to provide the parties to the hearing with directions with respect to those submissions.

**Background**

In Order 36/22, the Board approved the following ten issues as being in scope for this proceeding:

1. Allocation of Transmission and Distribution Plant;
2. Determination of Downstream Demand Allocation Factors;
3. Direct Assignment of High-Pressure Transmission Plant to Customers Classes including Postage Stamp Ratemaking;
4. Classification and Allocation of Distribution Plant including the indexing of the service line study to current costs;
5. Allocation of Upstream Capacity Resources;
6. Allocation of demand-side management costs;
7. Amendments to the COSS methodology for Rate Re-bundling impacts;
8. Elimination of the Co-op class;
9. Allocation of operation & maintenance, customer service, and administrative expenses; and

10. Near-term rate impact measure for the Special Contract Class and Power Station Class.

The Board also specifically ruled the following three topics as being not in scope:

- Minimum margin guarantee for the Power Stations class;
- Matters of Rate Design & introduction of a Zone of Reasonableness; and
- Customer Class Rate Impacts.

When it established a hearing process in Order 78/22, the Board indicated that:

*After the filing of written submissions, all parties are invited to provide time-limited oral submissions to the Board on August 17, 2022. Following the Board's review of the written submissions, the Board may restrict the issues on which it requires oral submissions and will notify all parties prior to August 17, 2022.*

### **Directions to the Parties**

In accordance with Order 78/22, the Board directs each party to limit its oral submissions to 90 minutes, including any questions that may arise from the Panel. For this purpose, the Board considers the Industrial Gas Users and Koch Fertilizer to be a single party. Centra's reply, if any, should be limited to 15 minutes.

Having had the benefit of the parties' written submissions, the Board has decided not to restrict the issues on which the parties may make oral submissions as long as the issues are in scope. However, by way of guidance to the parties, the Board is primarily interested in receiving oral submissions on issues 1, 2, 3, 5, 6 and 10. In addition, the Panel would appreciate Centra's counsel advising the Panel, as part of their oral submissions, of the following:

Issue 4: Centra's expected timing for updating its diameter-length study, in particular whether this will be completed before the next General Rate Application.

Issue 9: Centra's expected timing for updating its unaccounted-for gas (UFG) study, in particular whether this will be completed before the next General Rate Application.

Regards,



Rachel McMillin  
Associate Secretary

RM/ks

cc: Shannon Gregorashuk / Darryl Martin, Manitoba Hydro  
Bob Peters/ Sven Hombach, Board Counsel  
Brady Ryall / David Bonin, Board Advisor