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October 23, 2024

THE PUBLIC UTILITIES BOARD OF MANITOBA
400-330 Portage Avenue
Winnipeg, Manitoba
R3C 0C4

ATTENTION: Dr. D. Christle, Board Secretary and Executive Director

Dear Dr. Christle:

**RE: COMMENTS ON APPLICATIONS FOR INTERVENER STATUS FOR CENTRA'S FISCAL 2025
GENERAL RATE APPLICATION**

Centra Gas Manitoba Inc ("Centra") has reviewed the four applications for Intervener Status submitted to the Public Utilities Board of Manitoba ("PUB") with respect to Centra's Fiscal 2025 General Rate Application ("GRA" or "Application"). Centra is providing the following written comments for the benefit of the PUB panel and all interested parties in advance of the Pre-Hearing Conference scheduled to commence at 5:00 p.m. on October 24, 2024.

Manitoba Branch of the Consumers' Association of Canada ("CAC")

CAC has indicated that it may engage up to four technical advisors to support its proposed intervention, including a technical advisor on asset management issues. Centra notes that Manitoba Hydro's overall integrated asset management approach was extensively reviewed and tested by the PUB during Manitoba Hydro's 2023/24 & 2024/25 Electric General Rate Application.

In Order 101/23, after considering Manitoba Hydro's overall asset management strategy, the PUB issued the following directives in Order 101/23 with respect to the integrated asset management system:

Directive 29: "Manitoba Hydro is directed to file, with its next general rate application, an update on its progress towards maturing the utility's asset management approach. The update is to be prepared by AMCL or another external asset management consultant retained by Manitoba Hydro."

Available in accessible formats upon request

Directive 30: *“Manitoba Hydro is directed to file, together with its next general rate application, its updated Strategic Asset Management Plan and Asset Management Plan.”*¹

The information presented in Centra’s Application on asset management in Tab 7 remains largely unchanged from that which was provided in the Electric General Rate Application. Work on these asset management directives, to reflect Manitoba Hydro’s integrated asset management practices, is underway and ongoing. Responses to these directives will be filed as part of Manitoba Hydro next General Rate Application as required by the PUB once the work has been completed.

Centra submits that having an additional expert review of Centra’s asset management approach would be a duplication of efforts with the extensive review of Manitoba Hydro’s integrated asset management approach undertaken last year by the PUB at the Electric GRA, which included CAC as the lead intervener on the topic and would lead to essentially the same conclusions reached by the PUB as reflected in Directives 29 and 30 of Order 101/23. Any such expert review would be premature at this time while the asset management work is in progress and incomplete at this time and should wait for Manitoba Hydro’s next GRA. Accordingly, Centra objects to the potential retainer of an independent expert by CAC with respect to asset management progress and related issues.

CAC indicates it is also exploring the potential need to engage a gas transportation and supply expert. As noted in the publicly available information provided in Tab 9 of the Application, Centra’s gas supply portfolio has remained substantially the same since Centra’s 2019/20 GRA. As such, and given the PUB’s familiarity and anticipated information requests from PUB advisors with respect to these matters, Centra submits that the engagement of an expert consultant by CAC to review Centra’s long-standing gas transportation and supply matters is not necessary at this time.

Koch Fertilizer Canada ULC (“Koch”)

Centra has no objection to the PUB granting intervener status to Koch as applied to participate on issues determined to be specific to Koch.

In its Intervener Application, Koch states it does not intend to request an award of costs for its participation with respect to specific issues to Koch, presumably as they do not meet the PUB’s required criteria for an award of costs as set out in Rule 43 of *The PUB’s Rules of Practice and Procedure* (the “*PUB Rules*”), but then indicates that it will also be participating through IGU in

¹ PUB Order 101/23, page 228 of 249.

respect of issues common to IGU. It is not clear to Centra if Koch will seek costs independently of its own intervention for any participation with IGU in the proceeding. If that is the intention of Koch, and in any event, Centra opposes any award of costs to Koch (or to the legal counsel or consultants used by Koch directly or through its participation with IGU) as it is not eligible for a cost award on the same grounds as discussed below with respect to the provision of a cost award to IGU.

Industrial Gas Users (“IGU”)

IGU consists of four corporations – Koch, Gerdau Long Steel North America (“Gerdau”), Simplot Canada (“Simplot”) and Roquette Canada (“Roquette”). In addition to the retainer of the same legal counsel, some or all of these corporations intend to engage three expert consultants to support its proposed intervention.

Centra has no objection to the four corporations being awarded intervener status and to Mr. Bowman acting as their independent expert with a particular focus on cost of service matters. However, Centra opposes the use of Mr. Dale Friesen and Mr. Chris Ferris from InterGroup Consultants as independent experts and IGU’s request for a cost award.

(a) InterGroup Consultants

Mr. Dale Friesen is the representative for IGU’s informal organization yet is also purported to be an independent expert for the proposed intervention of IGU. As the representative of IGU for this GRA, and for on-going utility matters outside of this Application, Mr. Friesen’s role more closely resembles that of an executive director or coordinator on behalf of the four corporations comprising IGU. Despite the lack of independence given his role, Mr. Friesen does not have specific expertise with respect to natural gas matters such to render an expert opinion for the purposes of this Application. As examples, Mr. Friesen has no experience on providing an expert review or opinion on cost of service or natural gas supply and transportation matters.

The PUB recently concurred with this position in Order 130/22 “that, while Mr. Friesen has ample experience on the matters for which MIPUG intends to retain him, his involvement as a representative of MIPUG means that he should not file independent expert evidence on the record of the proceeding.”²

Furthermore, the areas Mr. Friesen has been identified to provide independent expertise are

² PUB Order 130/22, page 19 & 20 of 27.

duplicative of the areas identified for Mr. Bowman (and the proposed CAC consultants Mr. Rainkie and Ms. Derksen), including strategy, operations, risk, cost allocations and general rate matters. Other matters identified to be of interest to Mr. Friesen, such as terms and conditions of service, are overly broad and general and except for proposed updated company labour rates for chargeable services, the Application does not propose any changes to Centra's Terms & Conditions of Service.

Given the above, Centra submits that Mr. Friesen should not be approved by the PUB as an independent expert consultant on behalf of IGU for this Application.

The PUB states in Order 130/22 "[a] consultant may assist a party in understanding and testing the evidence before the Board, drafting information requests, and preparing for a hearing".³ Centra does not object to the use of Mr. Friesen as a general consultant to assist Koch, Gerdau, Simplot and/or Roquette in understanding the Application or with preparing their individual or collective presentations with respect to the relief requested within the Application to the Board. However, and for the reasons provided below, should Koch, Gerdau, Simplot and/or Roquette, wish to utilize Mr. Friesen's consulting services for the purposes of this GRA, his consulting fees should be paid directly by Koch, Gerdau, Simplot and/or Roquette as they would be in the normal course outside of regulatory proceedings, and not directly reimbursed to Mr. Friesen by all other customers of Centra.

Koch, Gerdau, Simplot and/or Roquette also intend to engage Mr. Chris Ferris, also of Intergroup Consultants, to provide expert evidence in the areas of economic analysis, financial outlooks, forecasts, operating and maintenance expenditures and capital expenditures. In addition to lacking the necessary experience and expertise on these matters as they relate to utilities such as a natural gas local distribution company, Mr. Ferris' purported areas of expertise and proposed involvement in this Application appear to significantly overlap with the issues to be addressed by Mr. Darren Rainkie on behalf of CAC, in contravention of the *PUB Rules 27(5)* which states that interveners are to avoid duplication of evidence.

Additionally, given Centra's rate request in the Application is limited to a one-year period to effectively recover a portion of the losses from the 2023/24 fiscal year, Centra questions the necessity or relevance of having Mr. Ferris, or other consultants, provide expert evidence regarding economic analysis and future financial outlooks and forecasts in this proceeding.

³ PUB Order 130/22, page 19 of 27.

Given the above, Centra submits that Mr. Ferris should not be approved by the PUB as an independent expert consultant as proposed on behalf of Koch, Gerdau, Simplot and/or Roquette for this Application. Similar to Mr. Friesen, should Koch, Gerdau, Simplot and/or Roquette, wish to utilize Mr. Ferris' s consulting services for the purposes of this GRA, his consulting fees should be paid directly by Koch, Gerdau, Simplot and/or Roquette as they would be in the normal course outside of regulatory proceedings, and not reimbursed to Mr. Ferris by all other customers of Centra.

(b) IGU Costs

In its Intervener Application, IGU states it intends to request an award of costs for its participation. IGU remains to be an unincorporated informal association, consisting of at least four multi-national corporations (Koch, Gerdau, Simplot and Roquette) that are large industrial natural gas users in Manitoba and other jurisdictions. Centra opposes an award of costs to Koch, Gerdau, Simplot and/or Roquette, individually, or collectively as referred to as IGU as they do not meet the specific eligibility criteria listed in Rule 43 of the *PUB Rules*, which have been in force since March 14, 2007 [*emphasis added*]:

**PART IV
AWARDING OF COSTS**

Criteria

43. In any proceeding the Board may award costs to be paid to any Intervener who has:

a) made a significant contribution that is relevant to the proceeding and contributed to a better understanding, by all parties, of the issues before the Board;

b) participated in the hearing in a responsible manner and cooperated with other Interveners who have common objectives in the outcome of the proceedings in order to avoid a duplication of intervention;

*c) **insufficient financial resources** to present the case adequately without an award of costs;
and*

*d) a substantial interest in the outcome of the proceeding and represents the interests of a **substantial number of the ratepayers.***

No supporting information or evidence has been provided to demonstrate that IGU, namely Koch, Gerdau, Simplot and Roquette, have insufficient financial resources to present their case adequately without an award of costs as required by Rule 43 c). Centra submits that, all four multi-national corporations, both individually and collectively, have sufficient financial resources to more than adequately cover the cost of their intervention on issues of particular interest to them

as contained in the Application without a cost award.

Centra further submits that there is no distinction, or difference, between the sufficiency of financial resources of Koch, which does not seek an award of costs for its separate intervention, and Gerdau, Simplot and Roquette. Centra is also concerned about duplicative billing as legal counsel and consultants are undertaking similar work for Koch as an individual entity, and Koch as a participant with Gerdau, Simplot and Roquette.

Furthermore, Centra similarly submits that no supporting information or evidence has been provided to demonstrate how Koch, Gerdau, Simplot and Roquette, through their informal association referred to as IGU, represents the interests of a substantial number of rate payers (beyond four) as stipulated by Rule 43 d). The mere fact that all of Koch, Gerdau, Simplot and Roquette are large industrial gas users in Manitoba does not in any way support that they, together with their legal counsel and consultants, represent the interests of the numerous other large industrial gas users in Manitoba.

In support of an award of costs, and despite the long-standing existence of PUB Rule 43 with respect to the eligibility criteria for receiving a cost award in a proceeding, IGU cites section 3.1 of the PUB's Intervener Cost Policy effective September 28, 2018, for the legal basis for an award of costs for this Application.

While it appears that the intent of section 3.1 of the Intervener Cost Policy is similar to PUB Rule 43, it is inconsistent with PUB Rule 43 c) as it does not require interveners to demonstrate insufficient financial resources to be eligible for a cost award for a proceeding.

The Intervener Cost Policy states in the "Purpose of the Intervener Costs Practice Policy" that "This Policy applies to the proceeding for the review and hearing of all General Rate Applications, including in the event of any inconsistency with the Board's Rules of Practice and Procedure".

Centra respectfully submits that a regulatory or administrative tribunal can not circumvent its own Rules by simply publishing or issuing a policy – and contrary to what is provided in the PUB's Intervener Cost Policy, that in the event of an inconsistency or conflict between a PUB Policy, the PUB Rules and *The Public Utilities Board Act*, that *The Public Utilities Board Act*, the Rules and the Policy prevail in that order in the event of a conflict or inconsistency.

In these circumstances, Centra respectfully submits that, despite being relied upon in awarding

costs to IGU in the last Centra GRA proceeding, the Intervener Cost Policy can not serve to replace or vitiate Rule 43 of the PUB Rules, as relied upon by IGU in its Intervener Application.

As explained in Tab 2 and 3 of its Application, Centra's natural gas gross margins have remained flat since 2019 and it has experienced significant deterioration in its financial position. If an increase is not approved in 2024/25, Centra's retained earnings are projected to be negative by March 31, 2025.⁴

Centra reiterates the comments of the PUB in Order 180/19 where it stated "[t]he Board is concerned about the high costs of these proceedings and takes the cost award process and payment to Interveners seriously, as it is ultimately a cost passed on to ratepayers."⁵

For all of the above noted reasons, Centra respectfully submits that Koch, Gerdau, Simplot and Roquette, either as individual corporations, or collectively as referred to as IGU, have not met their onus in demonstrating that they meet all of the criteria set forth in Rule 43 of the PUB Rules such to be eligible for a cost award from the PUB for this proceeding. In the alternative, Centra submits that they also fail to meet the criteria listed in section 3.1 of the PUB's Intervener Costs Policy.

Environmental Defence and the Manitoba Eco-Network

The Environmental Defence and the Manitoba Eco-Network have applied for joint intervener status and seek to address issues related to capital expenditures, funding of new customer connections and capacity expansions, depreciation rates, and risks, all in light of the energy transition. While the issues raised by this group are important, for the reasons outlined below, Centra submits that it would be premature for the PUB to explore these matters at this time and would more appropriately be explored as part of future regulatory processes.

The Manitoba Government released the Manitoba Affordable Energy Plan on September 20, 2024. Manitoba Hydro, together and with the collaboration of many other entities as directed in the Plan, will be evaluating and addressing the energy transition and its effects, including the interrelated impacts on both natural gas and electricity rates.

Consistent with the guiding principles of the Affordable Energy Plan, Centra and Manitoba Hydro are considering the financial and regulatory integration of Centra with Manitoba Hydro into one

4 Application Tab 3, page 7 of 24.

5 PUB Order 180/19, page 6 of 9.

financial entity to enable more informed management of the energy transition and related changes to electricity and natural gas usage and, ultimately, the ability to consider rate smoothing for both segments and better manage impacts to customer affordability.

Development of the second iteration of Manitoba Hydro's Integrated Resource Plan ("IRP") will examine and further detail the Corporation's overall approach to the energy transition. This information has not been developed or prepared for inclusion in this one-year GRA for Centra. As such, it would be premature to evaluate these aspects at this time. This work would be more appropriately addressed with collaborative efforts outside of a PUB hearing process and/or in a future regulatory process, where a more comprehensive understanding and analysis can be conducted to provide information on the issues this intervener is seeking to address.

The intervener has proposed retaining Wesley Stephens to prepare a sensitivity analysis on the movement of gas volumes and customer numbers through the energy transition, contingent on the PUB's decision regarding the appropriate scope of this proceeding. However, in addition to the scoping issue raised above, no information has been provided regarding Wesley Stephens' expertise and professional experience.

Access to Centra's Confidential Information

Centra has worked with prospective interveners related to access to Centra's confidential information based on the PUB's rulings in Centra's 2019/20 GRA. To date, non-disclosure agreements have been fully executed between Centra and certain representatives for IGU, namely Mr. Antoine Hacault, Ms. Melissa Beaumont, and Mr. Patrick Bowman, and Personnel Risk Assessments (PRAs) have been completed for each representative. Access has now been provided to Centra's confidential information for these individuals in accordance with the PUB's direction in Order 77/19.

IGU has also requested access to Centra's confidential information for Mr. Friesen. Centra has declined to provide such access to Mr. Friesen as he is not an independent expert due to his role as a consultant and advocate for IGU members. Centra reminds the PUB of its longstanding commercial concern that the customers represented by Mr. Friesen as a representative and consultant for the individual members of IGU are Transportation Service (T-Service) or Western Transportation Service (WTS) customers, who procure their own gas supplies or contract with a natural gas marketer to do so on their behalf. The customers represented by IGU are inherently commercially motivated to maximize profit for their respective shareholders and are adverse in interest to Centra and Sales Service natural gas customers in Manitoba. These customers are

commercial counterparties to Centra, engaging directly or indirectly (with a marketer) in the same natural gas supply and transportation markets as Centra. This includes transacting with Centra for the supply of natural gas and capacity management arrangements.

IGU has also requested access to Centra's confidential information for Mr. Ferris, which Centra has declined to provide. In addition to the concerns identified above with the lack of Mr. Ferris' expertise and the same commercial concerns noted above for Mr. Friesen, based on the issues identified in IGU's intervener application to be canvassed by Mr. Ferris, including economic analysis, long-term forecasts and outlooks, O&A and capital expenditures, Centra does not believe that access to confidential information (which is largely related to gas costs and volume forecast information) is required if he is to participate in this proceeding.

To date, non-disclosure agreements have been fully executed between Centra and representatives for CAC, namely Mr. Rainkie and Ms. Derksen. A solicitor's undertaking of confidentiality has been executed by legal counsel, Mr. Brian Meronek.

On October 18, 2024 Centra sent correspondence to Mr. Meronek explaining the purpose and process of a Personnel Risk Assessment ("PRA") and reiterated that Centra requires PRAs to be completed before electronic access to its confidential information is provided. To date, Centra has not received a response or PRAs from representatives of CAC and as such, has not yet provided access to its confidential information to Mr. Rainkie, Ms. Derksen or Mr. Meronek.

Centra's Cost of Service Model

In Order 6/24, the PUB notified parties that it had retained Elenchus Research Associates Inc. as an independent expert consultant to review Centra's cost of service model for compliance with Order 109/22. The PUB also directed Centra to make an Excel version of its cost of service model available to interveners at the GRA who are entitled to receive Centra's confidential information.

Centra is willing to provide access to its electronic cost of service model to parties/individuals permitted access to confidential information, as required in Order 6/24, but requests the PUB to consider the following comments when issuing directions on the cost of service model in its procedural order:

- Centra's cost of service model contains information related to customer counts, volumes, peak demands and natural gas costs, which have routinely been accepted to be Centra's confidential information.

- For the current GRA, Centra has employed an updated version of its cost of service model. The new model is being licensed from Atrium Economics, Centra's consultant for the 2021 Cost of Service Methodology Review, and the model was prepared to reflect the methodology approved by the PUB in Order 109/22. This updated model is the intellectual property of Atrium and is therefore proprietary.
- This updated model was shared with Elenchus for the purpose of its independent review of the implementation of the methodology changes from Order 109/22. Elenchus' report is currently scheduled to be filed on October 31, 2024 for review by all parties.
- Centra intends on sharing the model with interveners, of particular use with intervener consultants who are cost of service experts, who have executed a Non-Disclosure Agreement with Centra and completed PRAs via a secured SharePoint site.
- All formulas are read-only but are visible in the model, and costs can be tracked from the inputs page through the functionalization, classification and allocation stages through to the unit cost calculation. Since the model is proprietary, it cannot be downloaded, and while data inputs can be changed to see how costs flow, the changes cannot be saved.
- As in past proceedings, should an intervener request to put a relevant scenario on the record, Centra can provide the scenario in response to an Information Request.
- Since Elenchus has been retained to review the model to confirm that approved methodology changes have been implemented, Centra submits that interveners (and their consultants) should not attempt to replicate the work of Elenchus by using the model to audit compliance with Order 109/22, to avoid duplication, cost and promote efficiency.

Conclusion

In closing, Centra notes that in addition to the two independent expert consultants retained by the PUB for this GRA, together with their legal counsel, prospective interveners have identified the use of at least eight potential consultants to support their proposed interventions for Centra's one-year GRA. Centra is concerned about the potential duplication of effort by all parties and the related costs of the proposed interventions and the proceeding overall. These concerns are particularly heightened given Centra's current financial position and that the Application is for one fiscal year, and the impact on the length of the GRA review and hearing process that will be necessary to review and respond to any intervener expert evidence by all parties.

In the PUB's letter of October 9, 2024, the PUB invited Centra to make a short non-evidentiary oral presentation highlighting the key aspects of the GRA at the Prehearing Conference. A copy of the presentation is attached to this letter.

Centra appreciates the opportunity to provide comments on the intervener applications and other matters. Should you have any questions with respect to this submission, please contact the writer at 204-360-3257 or Ashley Jansen at (204) 360-5247.

Yours truly,

MANITOBA HYDRO LEGAL SERVICES DIVISION

Per:

A handwritten signature in blue ink, appearing to read "Brent A. Czarnecki". The signature is stylized with a large initial "B" and a long horizontal stroke.

BRENT A. CZARNECKI

Associate General Counsel and Assistant Corporate Secretary

Centra Gas Manitoba Inc. Fiscal 2025 General Rate Application

Alastair Fogg
Vice President & Chief
Financial Officer



To request accessible formats visit
hydro.mb.ca/accessibility.

Pour demander des documents en format accessible veuillez
consulter hydro.mb.ca/fr/accessibility

Land acknowledgment

Manitoba Hydro has a presence right across Manitoba – on Treaty 1, Treaty 2, Treaty 3, Treaty 4 and Treaty 5 lands – the original territories of the Anishinaabe, Cree, Anishinew, Dakota, and Dene peoples and the homeland of the Red River Métis.

We acknowledge these lands and pay our respects to the ancestors of these territories. The legacy of the past remains a strong influence on Manitoba Hydro's relationships with Indigenous communities today, and we remain committed to establishing and maintaining strong, mutually beneficial relationships with Indigenous communities.



Proposed Interim Rate Approvals- November 1, 2024

Interim rate relief will enable Centra to generate additional revenue during the upcoming winter heating season and help protect against the complete erosion of Centra's retained earnings by March 31, 2025.

Centra is seeking other approvals as detailed in Tab 1 of the Application.

General revenue increase of 4.5%, sufficient to generate additional revenue of \$11 million in 2024/25 and final approval of any interim increase approved at the conclusion of the GRA;

Approval of adjustments to rates to reflect changes in forecast non-commodity related gas costs; and,

Rate riders to dispose of the balances in the Prior Period Gas Cost Deferrals Account and the Purchased Gas Variance Accounts from Nov. 1/19 to Oct. 31/23 over 12-months.

Proposed Increase Considers Balance



Metrics previously considered by PUB in setting natural gas rates, \$3 million target net income and free-standing debt-to-equity target of 70:30, would require rate increases that were deemed inappropriate due to impact on affordability.



The erosion of Centra's retained earnings indicates that Centra is not recovering its costs and is a signal of financial weakness for a standalone entity.

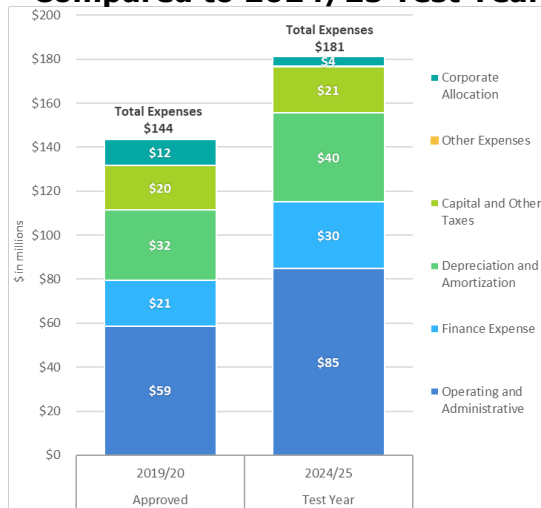


Application considers a multi-year approach to returning to improved financial position, that balances impact to customers and financial health of Centra. The requested general revenue increase in 2024/25 is the start of that multi-year effort.

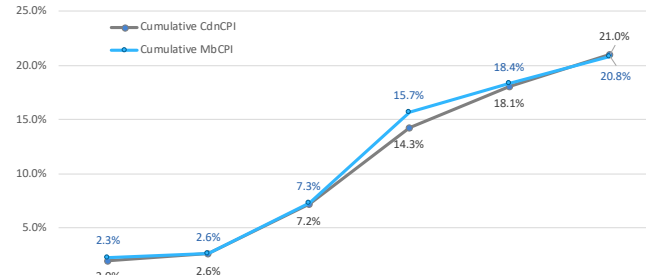
Reasons for Proposed Rate Increase

Centra's expenses have increased 26% since 2019/20. High inflation has significantly impacted Centra's expenses with cumulative inflation of 21% from 2019/20 to 2024/25.

Total Expenses – 2019/20 Approved Compared to 2024/25 Test Year



Note: Annual additions to and amortization of regulatory deferral accounts contained in Net Movement in the Regulatory Balances have been reclassified to the applicable expense line items



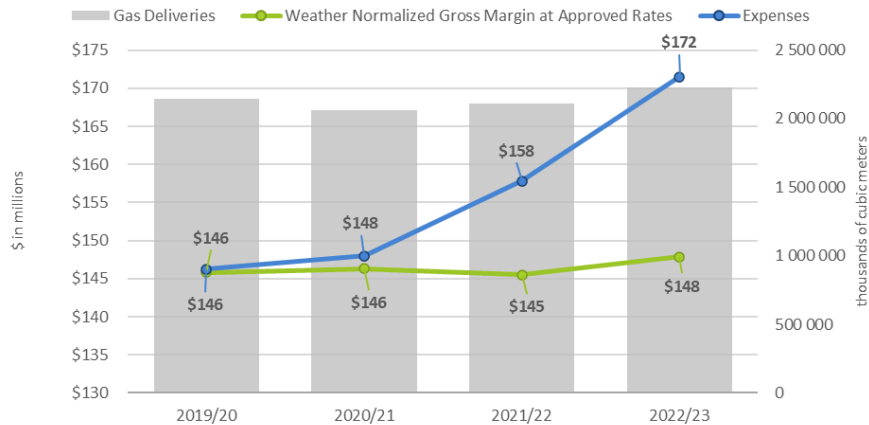
	Actuals 2019/20	Actuals 2020/21	Actuals 2021/22	Actuals 2022/23	Actuals 2023/24	Forecast 2024/25	Average
MbCPI	2.3%	0.3%	4.6%	7.8%	2.3%	2.1%	3.2%
Cumulative MbCPI	2.3%	2.6%	7.3%	15.7%	18.4%	20.8%	
CdnCPI	2.0%	0.6%	4.5%	6.6%	3.3%	2.5%	3.3%
Cumulative CdnCPI	2.0%	2.6%	7.2%	14.3%	18.1%	21.0%	

Manitoba & Canadian CPI



Reasons for Proposed Rate Increase

Weather Normalized Gross Margin Compared to Expenses



- Since 2019/20 revenues have not increased through rates or customer usage to offset cost increases that have been experienced, excluding cost of gas sold and federal carbon charge.
- The lack of material growth in Centra's revenues together with increasing expenses has resulted in Centra experiencing financial losses in the last several fiscal years.

Reasons for Proposed Rate Increase Cont.

- **Operating & Administrative expenses is largest area of increase**, due to the following:
 - Employee related costs increasing due to more hours worked on gas programs and wage increases.
 - Shift to cloud-based services, which must now be classified as operating expenses.
 - Increase in costs for qualified vendors to perform inspections on the natural gas system.
 - Higher meter reading costs and general liability insurance premiums.
 - Ongoing environmental investigations at the Sutherland Ave. site
 - Higher integrated costs (Finance, Human Resources, Executives) and departmental support costs for areas that work on the gas line of business
- **Finance expense is increasing** due to annual cash deficits and higher interest rate environment.
- **Depreciation expense increasing** due to continued investments in natural gas system to maintain safe and reliable service and increasing Demand Side Management program costs through Efficiency Manitoba.

Proposed Increase Helps Address Centra's Financial Health

- Interim rate relief will enable Centra to generate additional revenue during the upcoming winter heating season and help protect against the complete erosion of Centra's retained earnings by March 31, 2025.
- Even with the proposed interim 4.5% general revenue increase, Centra projects losses of \$20 million in 2024/25.
- A delay in implementation of the proposed interim increase to Dec. 1/24, is projected to result in a reduction in revenues of \$2 million.
- If an increase were not approved in 2024/25, Centra's retained earnings are projected to be negative by March 31, 2025.

\$ in millions		2024/25
With 4.5% Interim Nov. 1/24	Net Income/(Loss)	(\$20)
	Retained Earnings	\$8
Without 4.5% Interim Nov. 1/24	Net Income/(Loss)	(\$30)
	Retained Earnings	(\$3)

Customer Class Differentiated Rate Increases



Centra has implemented the Cost of Service methodology changes approved in Order 109/22.



The proposed bill impacts are a result of cost changes, changes in volumes, load factor and peak day requirements for each class, as well as impacts from the cost allocation methodology changes approved in Order 109/22.



The bill impacts for the typical residential customer associated with proposed rates is approximately \$24 per year or \$2 per month.

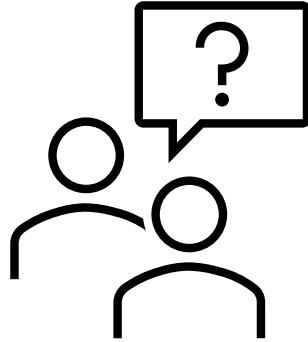


The bill impacts for larger volume customers vary by class and level of consumption.

Proposed Customer Bill Impacts

Customer Class	Annualized Billed Rate Change Increase (Decrease)
Small General Service	3.5% - 4.2%
Large General Service	0.2% - 3.3%
High Volume Firm (Sales Service)	0.5% - 17.4%
High Volume Firm (Transportation Service)	22.5% - 26.1%
Mainline (Sales Service)	23.7% - 25.1%
Mainline (Transportation)	(9.0%) - (5.2%)
Interruptible	15.0% - 27.9%

Questions?



APPENDIX

Events Since Last Gas GRA

