



THOMPSON DOREMAN SWEATMAN LLP

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DELIVERED BY COURIER & BY E-MAIL

Mr. D. Christle
Secretary and Executive Director
Public Utilities Board
400 - 330 Portage Avenue
Winnipeg, MB R3C 0C4

Dear Mr. Christle:

Re: Manitoba Hydro's 2015/16 & 2016/17
General Rate Application - Revised Coalition Budget
Our Matter No. 0124393 AFH

We acknowledge receipt of Manitoba Hydro's May 6, 2015 letter to the PUB. Manitoba asks that the PUB strike out the depreciation evidence of Mrs. Patricia Lee (p. 8).

Compliance with Board Order 18/15

At the February 5, 2015 pre-hearing conference, the writer advised that the depreciation expert evidence would likely take up 1/4 day, (p. 73, line 20), of the budgetary constraints of MIPUG (p. 81, line 18), of the challenges caused by Manitoba Hydro's late filing of depreciation evidence (pp. 83 & 84).

At page 9 of Board Order 18/15, the PUB noted MIPUG's advice that it may retain an expert witness and asked that MIPUG advise the PUB accordingly. MIPUG did so by having us communicate with PUB counsel.

By e-mail dated April 20, 2015, from PUB counsel sent to the writer, counsel for CAC and counsel for Manitoba Hydro, a draft Agreed Statement of Facts on depreciation issues was distributed. MIPUG and CAC were identified "as the most active interveners on depreciation matters".

One of the purposes of attempting such an endeavor was "that expert witnesses will not be called to discuss the technical matters that can be agreed amongst the Parties" (emphasis added).



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We have provided our preliminary comments on the draft Agreed Statement of Facts. We have not received any comments from Manitoba Hydro as to whether it believes that such a document would be useful in dealing with the evidence of the depreciation experts, Ms Lee and Mr. Kennedy.

The thrust of Ms Lee's evidence is to deal with "policy matters" which was the desired focus identified in the April 20, 2015 e-mail from PUB counsel.

Expertise in Depreciation Matters

MIPUG believes that the presence of Ms Lee, who was one of the editors of the Leading Text - Public Utility Depreciation Practices (1996) NARUC, would be informative and useful to the PUB. She possesses the designation of Certified Depreciation Professional from the Society of Depreciation Professionals and is a member of that Society. Amongst other things, she has also taught Depreciation Training courses at the NARUC Annual Regulatory Studies Program and at the Society of Depreciation Professionals Annual Training. She has over 30 years of experience with the Depreciation and Capital Recovery issues. MIPUG hopes that the PUB will look favourably at CAC's request for funding a portion of the cost for Ms Lee.

Ms Lee's retainer specifically requires her to provide opinion evidence that is fair, objective and non-partisan and to provide such additional assistance as the PUB may reasonably require to determine an issue.

As a review of her pre-filed evidence discloses, it is not specific to MIPUG's issues or concerns.

If the PUB will be treating the Manitoba Hydro's May 6, 2015 letter as a Motion to Strike, we request the opportunity to fully respond with supporting evidence, briefs and law.

Yours truly,

THOMPSON DORFMAN SWEATMAN LLP

Per:

Antoine F. Hacault*

AFH/ab

cc: Odette Fernandes
Bob Peters
Intervenors of Record

*Services provided through Antoine F. Hacault Law Corporation