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**NEEDS FOR AND ALTERNATIVES TO (NFAT)****Manitoba Hydro Undertaking #15**

Manitoba Hydro to confirm the information on page 94 of the PUB Book of Documents.

**Response:**

Manitoba Hydro generally agrees with the calculations presented on Page 94 of the Board Counsel's Book of Documents (Volume II) regarding the forecasted fuel costs for electric and natural gas space and water heating based upon the noted assumptions.

However, in regards to the forecasted "Total Cost", the values appear to be inconsistent in the treatment of the heating equipment costs. Please note:

- The combined capital cost for electric heating equipment is \$3,500 based upon the information noted in the chart (\$2,500 furnace + \$1,000 water heater). As such the revised Total Cost for Forecast Electric should be  $\$52,397 + \$3,500 = \$55,897$  to reflect the forecast electricity fuel costs plus the noted equipment costs for an electric furnace and electric water heater.
- The capital cost for the natural gas furnace is noted to be \$5,500 in the chart which is at the higher end of the \$3,500 to \$5,500 range listed on Manitoba Hydro's Heating Fuel Choice Brochure contained at page 91 of the Board Counsel's Book of Documents. To be consistent with the cost treatment for the other heating equipment presented in the chart, a furnace cost of \$4,500 could be used to calculate Total Cost for the Forecasted Gas, resulting in a revised Total Cost of \$25,891.