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December 24, 2013

Manitoba Hydro Law Department
P.O. Box 815
Winnipeg, MB R3C 2P4

Attention: Patti J. Ramage / Marla J. Boyd

Dear Ms. Ramage and Ms. Boyd:

Re: Manitoba Hydro Correspondence of December 13, 2013

The Public Utilities Board (“Board”) is in receipt of Manitoba Hydro’s correspondence of December 13, 2013 with respect to the status of Manitoba Hydro’s analysis of alternative cases and responses to outstanding Information Requests.

To date, the Board has extensively accommodated Manitoba Hydro in order to reduce its regulatory burden throughout the NFAT Review. In particular, the following accommodations have been made:

1. At Manitoba Hydro’s request, the Board in Order 119/13 allowed and encouraged the Independent Expert Consultants (“IECs”) retained for purposes of the NFAT to meet informally with Manitoba Hydro and obtain answers to Information Requests through discussions with Manitoba Hydro staff, with a view to withdrawing any IEC Information Requests to which the answer could be obtained through those meetings. All IECs withdrew a significant number of Information Requests, with some IECs withdrawing 100% of the Information Requests they had issued. This process effectively outsourced some of the regulatory burden from Manitoba Hydro to the IECs.
2. Board advisors re-categorized a number of their own Information Requests to either:
 - (a) Require Manitoba Hydro to file existing information only without providing requested updates; or
 - (b) Withdraw Information Requests entirely if answers could be obtained through informal meetings with Manitoba Hydro staff.

3. In Order 119/13, Manitoba Hydro was further excused from providing a number of alternative case analyses requested by Board advisors and Interveners. Instead, the Board entrusted two of the IECs, La Capra Associates and Morrison Park Advisors, to select specific alternative case analyses to be analyzed by Manitoba Hydro. Through subsequent discussions between Board advisors and the IECs, the total number of alternative case scenarios was reduced by approximately 80%.
4. Manitoba Hydro was provided with an extension to answer Round 1 Information Requests. The original deadline to file responses was October 21, 2013. That deadline was subsequently extended to November 8, 2013.
5. To provide Manitoba Hydro with further time to complete its alternative case analyses, the Board extended the deadline for IECs to file their reports from December 10, 2013 to January 13, 2014. In light of the fact that by mid-December 2013, Manitoba Hydro had still only provided a single alternative case analysis (a CCCT all-gas scenario), the deadline for La Capra Associates and Morrison Park Advisors to file their reports was further extended to January 24, 2014.
6. To account for the fact that Manitoba Hydro will continue to provide information in early 2014, several of the IECs will have to file supplementary reports following the initial IEC report deadline.

All of these accommodations have resulted in the tail-end of the pre-hearing schedule being compressed, placing additional strain on IECs, Interveners, and the Board. This modified process has also resulted in increased costs incurred by the Independent Expert Consultants to complete their work.

In light of the extensive accommodations provided to Manitoba Hydro to date, it is unacceptable to the Board that the utility expects to stop answering any Information Requests or work on its alternative case analyses as of mid-January 2014. The Board expects all outstanding Information Requests, including those of the Board, to be answered by the start of the oral phase of the hearing on March 3, 2014. A failure or inability by Manitoba Hydro to complete the outstanding answers by that point severely jeopardizes the Board's ability to make an informed recommendation as to the needs for and alternatives to Manitoba Hydro's Preferred Development Plan in its report to the Province of Manitoba and would ultimately undermine the usefulness of the NFAT Review process.

In consideration of the tight timelines resulting from the accommodations granted to Manitoba Hydro to date, and to account for the sequence in which parties will be filing or adducing evidence, the Board further directs Manitoba Hydro to prioritize the outstanding information as follows to the extent possible:

1. Analysis of alternative cases
2. IEC Round 1 Information Requests
3. IEC Round 2 Information Requests
4. Intervener Round 2 Information Requests

5. PUB Information Requests.

In an effort to manage information flow, Manitoba Hydro should continue to provide case analyses and answers to outstanding Information Requests as they are prepared rather than collating the responses and filing them as a single batch upon completion.

Yours truly,

“Original signed by”

Kurt Simonsen
Associate Secretary

KS/bb

cc: Bob Peters/Sven Hombach – Board Counsel
Christian Monnin/Michael Weinstein – Independent Legal Counsel
Intervenors of Record