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August 5, 2016

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

Dear Mr. Christie:

**Re: Cost of Service Proceeding – Commentary on Proposed
Witness Qualifications**

Thank you for the opportunity to provide comments on the proposed qualifications of the witnesses who will be testifying in the Cost of Service Proceeding. Set out as Attachment A to this letter is our client's understanding of the claimed expertise of each witness.

As the PUB will note, a number of experts have circumscribed their expertise to the areas necessarily relevant for the purposes of their testimony such as cost of service methodology and principles of rate design.

Others have presented relatively broad claims of expertise including areas that are not essential underpinnings of their ability to present their evidence.

For example, while some insight into system planning may be important in understanding cost of service methodologies for Manitoba Hydro, expertise in system planning is not a core requisite for the cost of service evidence provided in this proceeding. While a claimed expertise in DSM evaluation may be quite interesting, it is not necessarily relevant or central to the evidence presented by any witness in this proceeding. Knowing what the RIM or Societal Benefit test represents is likely quite useful to Cost of Service methodology evidence. However, a demonstrated expertise in DSM evaluation is hardly a central underpinning of the Cost of Service evidence of any witness in this proceeding.

To similar effect, it is not immediately clear that a purported expertise in risk analysis is necessarily relevant for the purposes of any of the evidence provided in this proceeding. Moreover, broad claims such as expertise in risk analysis are unduly broad and vague. Does this suggest an applied econometric expertise in stochastic risk analysis, an applied micro-economic expertise in risk analysis or some other qualification?

From the Coalition's perspective, there is a risk that the Board's deliberations in terms of the weight to be given to a particular witness will be sidetracked by irrelevant or overly broad claims of expertise that are not necessarily relevant to the core function of any witnesses' evidence.

The Coalition accepts that each of the witnesses identified in Attachment A has the requisite expertise in areas such as cost of service methodology and/or rate design.

The Coalition reserves the right to challenge the relative independence of each witness and the appropriate weight to be given their evidence given (among other factors) the quality of their evidence, consistency with good practice, the witnesses' relative expertise and the degree to which the evidence is or is not consistent with evidence given by that witness in other proceedings.

The Coalition takes no position on the other areas of claimed expertise by the witnesses. It urges caution in recognizing alleged areas of expertise which are not necessarily relevant to the core underpinnings of any witnesses' evidence. It also recommends caution in recognizing overly broad or vague characterizations of expertise.

In summary, the Coalition:

1. is prepared to accept the qualifications of the experts for the purposes necessarily relevant for their evidence such as Cost of Service methodology and rate design
2. take no position on their alleged expertise in other areas presented and reserve the right to challenge their alleged expertise in other proceedings as well as their independence and the appropriate weight to be given to their evidence in this hearing
3. recommends that caution be exercised in accepting credentials that are not directly relevant to the underpinning evidence or which are overly broad.

Thank you for your consideration of these comments.

Yours truly,



BYRON WILLIAMS
DIRECTOR

BW/jw

cc: Consumers' Association of Canada (Manitoba) Inc.
Winnipeg Harvest
Board Counsel
Interested Parties