

Writer: Christian Monnin  
Phone: 204.954.0758  
Email: cmonnin@hillco.mb.ca

Assistant: Jennifer McIvor  
Phone: 204.943.6740 x234  
Email: jmcivor@hillco.mb.ca

September 2, 2016

VIA EMAIL

Dave Hill  
Bob Sokalski  
Sherri Walsh  
Derek M. Olson  
Christian Monnin  
Kevin D. Toyne  
Michael J. Weinstein  
Rohith Mascarenhas  
Jennifer L. Gaba  
Brett A. Steidl  
Amy J. MacAngus  
(Articling Student)

Counsel:

Hon. Peter S.  
Morse, Q.C. (Retired)

Hon. Richard J.  
Scott, O.C. O.M. Q.C.

Public Utilities Board of Manitoba  
400 – 330 Portage Avenue  
Winnipeg, MB R3C 0C4

**Attention: Darren Christle / Kurt Simonsen**

Dear Sirs:

**Re: Budget Variance Request  
General Service Small and General Service Medium  
Our File: 16028**

Pursuant to Board Order No. 84/16 it was directed that any Intervenor who expected to exceed their budget should provide a written explanation regarding their anticipated exceedance and seek permission from the Board as to any budget variance.

In accordance with that directive, we are writing on behalf of the GSS/GSM customer class seeking a budget variance.

#### *Original Budget*

The original budget provided to the GSS/GSM customer class was \$230,000.00 CAD. This amount was to be applied globally to legal fees, experts/consultants fees and it would also be inclusive of disbursements.

#### *Initial Concerns and Procedural History*

As stated in our correspondence dated March 7, 2016, it was noted that, in a general manner, the Intervenor budgets were based on the assumption that the interactive (i.e. workshop) process would add to the costs rather than promote efficiency in the proceeding. At that time, our comment was that although the interactive process would appear to shorten the number of hearing days for the expert evidence, it would not necessarily shorten the preparation time that would be involved.

In addition, in that same correspondence we noted the fact that the tentative schedule had been revised, adding days to the hearing and that this would likely have in impact on all budgets. This addition of days was done post approval of original budgets.

As well, following the workshop hearings, Manitoba Hydro submitted to the Board that it should be allowed to provide oral evidence at the public hearing scheduled for September 2016. That request has added days to the hearing. On the whole, based on the procedural history and the directions set out in Board Order No. 84/16 the following are of note:

- Post original budget approval, there has been an expansion of workshop hearing days;
- Post original budget approval, there has been an expansion of additional tasks, such as rebuttal evidence; and,
- Post original budget approval, there has been an expansion of anticipated concurrent evidence days.

Taken as a whole, the above noted has had an upward impact on GSS/GSM's anticipated budget for this hearing.

*Budget Usage to Date*

At present, the following amount has been invoiced on behalf of GSS/GSM: \$162,538.45 CAD.

Further, although not invoiced yet, the following amount is to be invoiced by GSS/GSM for work ending August 31, 2016:

\$26,762.35 CAD - London Economics International  
\$9,000.00 CAD - Hill Sokalski (approximate amount - inclusive of disbursements and exclusive of taxes).

Combined with what has already been invoiced, this amounts to approximately \$198,300.80 CAD for work ending August 31, 2016, leaving an approximate balance of \$31,699.20 CAD on the original budget.

*Anticipated Budget to Complete the Hearing*

The following amounts are anticipated to be required by GSS/GSM in order to complete the hearing:

*Hill Sokalski*

\$11,400.00 CAD	Concurrent evidence September 7, 8 and 9 - based on 20 hours per day for preparation and participation (not including possible overflow day on the 10 <sup>th</sup> .)
\$3,800.00 CAD	Written submissions – if prepared – based on 20 hours.
\$1,520.00 CAD	Oral submissions – if requested – based on 8 hours preparation and participation.

**\$16,720.00 CAD**

*London Economics International*

\$39,256.00 USD	Concurrent evidence September 7, 8 and 9 - based on 14 person days (including possible overflow day on the 10 <sup>th</sup> .)
\$8,412.00 USD	Follow up – estimated at 3 person days
\$8,412.00 USD	Contingency – estimated at 3 person days – if needed
\$56,080.00 USD	

**\$72,831.17 CAD - at today's exchange rate (CAD\$1 = USD\$0.77)**

With the above noted in mind, GSS/GSM is requesting a budget review whereby an additional amount of \$ **57,852.07 CAD**<sup>1</sup> will be approved in order to complete this hearing process.

*General Comments*

In addition to the above, please find enclosed a detailed budget review prepared by London Economics which sets out the difference between the original proposed budget and the revised budget, of note are the following points to be considered:

1. The original budget allocated 6 person days with respect to the workshops; however, given the expanded time assigned to the workshops an additional 11 person days are required to perform his work (6 days of workshops x 2 people, and 2 days of prep and piece, 1 day for Mr. Golding). This time includes time spent in preparing responses to undertakings.

---

<sup>1</sup> \$162,538.45 + \$26,762.35 + \$9,000.00 = \$198,300.90 – \$230,000.00 (original budget) = \$198,300.90 = \$31,699.10 - \$16,720.00 (anticipate budget for Hill Sokalski to complete hearing = \$14,979.10 (balance remaining from original budget) - \$72,831.17 (anticipated budget for London Economics to complete hearing) = **\$57,852.07 (budget review amount).**

2. With respect to the rebuttal evidence contained in Board Order No. 84/16, this is a new task which was introduced requiring 5 person days to prepare.
3. With regards to the concurrent evidence, the original budget allocated 3 person days; however, given the expanded schedule required and the time required for preparation, LEI has now had to allocate an additional 11 person days for this task (4 days x 1 person, 2 days for Mr. Golding and 2 days prep for hearing day).
4. With regards to travel and expenses, the additional workshop and hearing days require additional accommodation costs.
5. LEI and Hill Sokalski have been making an effort to discount invoices and billings to remain within budget. Further, Hill Sokalski has attempted as much as possible to have only one counsel act on this matter.

I trust that the above is satisfactory. I expect that there will be questions and I look forward to answering them.

Yours truly,

**HILL SOKALSKI WALSH OLSON LLP**

Per:



Christian Monnin\*

CM/km

*\* services provided by Christian Monnin Law Corporation*