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March 16, 2016

Mary Neal
Senior Consultant
Daymark Energy Advisors
One Washington Mall, 9th floor
Boston, MA 02108
United States

Dear Ms. Neal:

**RE: MANITOBA HYDRO COST OF SERVICE STUDY METHODOLOGY REVIEW-
COST OF SERVICE MODEL**

By letter dated March 11, 2016, Manitoba Hydro provided additional data and an updated Cost of Service model with additional functionality in response to Daymark Energy Advisors' ("Daymark") request dated March 9, 2016.

In its letter, Manitoba Hydro indicated that it would provide specific cost data for Radial Taps and Transmission costs by line and substation (items 2c and 2d, respectively, of Daymark's March 9th letter) by the middle of this week.

Manitoba Hydro is providing the remaining above information, which can be found in Manitoba Hydro's File Transfer site under the folder named "Additional Data March 16 2016".

In the worksheets, Manitoba Hydro has provided investment, interest, depreciation and forecast operating costs specific to each Transmission line and substation. Some substations are multi-functional and additional data has been provided that identifies how each substation has been functionalized.

Manitoba Hydro does not maintain transmission line and substation costs at this level of detail in its COSS as capital costs are typically aggregated by function for COS purposes. It should be noted that Manitoba Hydro has built this data set for purposes of responding to this request and cautions that, because some simplifying assumptions were required in its preparation, the costs identified do not include all costs functionalized as Transmission.

Manitoba Hydro has now completed the data and modelling requests per Daymark's March 9th letter and views its obligations to have been satisfied. Should you have any questions with respect to the forgoing, please do not hesitate to contact the writer at 204-360-5243 or Kelly Derksen at 204-360-5248.

Yours truly,

Per:



GREG BARNLUND

Division Manager, Rates & Regulatory Affairs

cc : Kelly Derksen, Department Manager, Manitoba Hydro Cost of Service