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August 25, 2016

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

Dear Mr. Christle:

**RE: MANITOBA HYDRO'S 2015 COST OF SERVICE METHODOLOGY REVIEW –
CLARIFICATION OF SCOPE OF ORAL HEARING ISSUES**

On July 12, 2016, the Public Utilities Board (“PUB”) issued Order 84/16 whereby the PUB divided issues into two categories, namely “key issues” and “other issues”. Pursuant to Order 84/16, the PUB ordered that all parties’ submissions on issues not subject to the oral hearing were to be addressed in writing and filed with the PUB on August 12, 2016, with Written Reply Submissions to be filed on August 19, 2016. It appears that there is some confusion regarding which issues were to be addressed in writing versus those which would be dealt with at the oral hearing. Manitoba Hydro took the view that major issues as outlined by the PUB which had the greatest impact on the Cost of Service Study (“COSS”) would be dealt with in the oral hearing. Other issues which did not have a significant impact, such as the Uniform Rates Adjustment (“URA”), the Affordable Energy Fund (“AEF”) and the Curtailable Rates Program (“CRP”) application of credit were assumed to be dealt with in the Written Submissions.

In terms of parties addressing these issues, it is noted that both Manitoba Hydro and MIPUG dealt with the issue of the CRP credit application¹. Although MIPUG initially indicated in their Written Submission that they were not addressing topics such as the URA and the AEF²,

¹ Manitoba Hydro Written Submission dated August 12, 2016, pgs. 17-18; MIPUG Written Submission dated August 12, 2016, pgs. 3-1 to 3-7

² MIPUG Written Submission dated August 12, 2016, pg. i

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MIPUG addressed these issues in their Written Reply Submission³. Mr. Christian Monnin also addressed the AEF and URA issues on behalf of the GSS/GSM customer classes in his submission of August 12, 2016.

Manitoba Hydro's interpretation of Order 84/16 is that the issues, such as outlined by the PUB in pages 14-15, with the greatest impact on the COSS and that were addressed by the majority of Intervenors in evidence and during the workshops, would be examined during the oral hearing. The issues of the treatment of URA and AEF, and CRP credit allocation were not specifically identified by the PUB in its Order as key issues for consideration at the oral hearing, and have a minor impact in the COSS. As such, Manitoba Hydro is requesting confirmation from the PUB that it is bringing closure to these issues which have already been addressed in the Written Submissions.

Upon review of the schedule, Manitoba Hydro requests the Board's consideration of commencing the hearing on September 7, 2016 at 9:30 am.

Should you have any questions with respect to the enclosed, please contact the writer at 204-360-3633 or Janelle Hammond at 204-360-4161.

Yours truly,

MANITOBA HYDRO LAW DIVISION

Per:



ODETTE FERNANDES

Legal Counsel

³ MIPUG Written Reply Submission dated August 19, 2016, pgs. 7-8