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September 9, 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 COST OF SERVICE STUDY METHODOLOGY REVIEW- GAC REVISED BUDGET

On July 12, 2016, the Public Utilities Board (“PUB”) issued Procedural Order 84/16 establishing a revised timetable for the Cost of Service (“COS”) Review process. In its Order, the PUB directed that if any intervener expected to exceed their budget, they should provide a written explanation regarding the anticipated exceedance and seek permission from the PUB as to any budget variance. On September 8, 2016, the Green Action Centre (“GAC”) sought approval for additional funding for their participation for the remaining COS Review process.

The PUB approved a budget of \$231,850 for GAC’s participation in this review process. GAC is requesting additional funding of \$35,000, or 15% over the budget amounts approved by the PUB, for a total budget of \$266,850.

In its application for a revised budget, GAC indicates that the reasons for its requested budget increase are in line with those set out in the revised budget requests of the Manitoba Industrial Power Users Group (“MIPUG”) and Counsel for the General Service Small and General Service Medium representative (“GSS/GSM”) filed on September 2, 2016. Contrary to these interveners who provided detailed information in support of the additional funding, GAC has not provided a detailed breakdown of the activities where the additional funds will be required. GAC indicates that it expects its Legal Counsel costs to be under budget by approximately \$20,000 at the end of the process. However, based on billed amounts to date for Legal Counsel costs, and GAC’s estimate of the costs to be incurred to the end of August as set out in its September 8th letter, it would appear that there is over \$48,000 left in GAC’s approved budget for Legal costs and therefore, there may be sufficient funds to offset most of the increases in expert consultant costs. In absence of a detailed breakdown of Legal Counsel’s and Expert Consultant’s hours and costs required for the various activities, it is not possible for Manitoba Hydro to comment on the reasonableness of the additional \$35,000 of funding being requested. Manitoba Hydro, therefore, urges the PUB to require GAC to provide a detailed breakdown prior to considering approval of this request.

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Should you have any questions with respect to the forgoing, please do not hesitate to contact the writer at 204-360-3633 or Greg Barnlund at 204-360-5243.

Yours truly,

MANITOBA HYDRO LAW DIVISION

Per:



ODETTE FERNANDES

Barrister & Solicitor
