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January 22, 2016

Interveners of Record
Manitoba Hydro's 2014/15 & 2015/16 General Rate Application
(per attached list)

-and-

Ms. Odette Fernandes
Law Department
Manitoba Hydro
P.O. Box 815
Winnipeg, MB R3C 2P4

Re: **Process Matters – Manitoba Hydro's Cost of Service Study Methodology Review Application and Rate Related Matters**

BACKGROUND:

Manitoba Hydro filed its Cost of Service Study Methodology Review Application ("Application") with the Board on December 4, 2015. On December 8, 2015 the Board directed Manitoba Hydro to provide a copy of, or link to, its Application to past Approved Interveners of Record. A link to Manitoba Hydro's Application was provided to past Interveners of Record on December 9, 2015.

In the Board's December 8, 2015 correspondence to Manitoba Hydro and past Interveners, the Board directed Manitoba Hydro to also provide responses to the PUB Minimum Filing Requirements (MFRs) that had previously been requested by the Board. Also in that correspondence, the Board requested past Interveners to provide any additional MFRs that they considered germane to the Application.

In correspondence from the Consumers' Association of Canada (Manitoba) Inc. and Winnipeg Harvest (collectively referred to as the "Consumer Coalition") dated December 15, 2015 and in correspondence from the City of Winnipeg and also from Manitoba Industrial Power Users Group ("MIPUG"), both dated December 16, 2015, additional MFRs for Manitoba Hydro to respond to were proposed for Board consideration.

Manitoba Hydro's Responses to the previously asked Board's MFRs were posted to the Manitoba Hydro web site on approximately December 18, 2015.



Since then the Board has determined that in addition to Manitoba Hydro's Cost of Service Study Methodology Review, the Board will also be reviewing and considering the following Rate Related Matters:

- Manitoba Hydro's policies and plans on rate rebalancing that may arise from the outcome of the COSS review;
- Rate designs matters such as adjustments to the Basic Monthly Charge, energy charge and demand charges;
- Rate design considerations for such matters as Industrial Time of Use Rates and Residential Conservation Rates; and
- Manitoba Hydro's Terms and Conditions of Service including Service Extension Policies.

PROCESS MATTERS:

1. While Manitoba Hydro's Application was provided to past Approved Interveners of Record, any such past Approved Interveners seeking to intervene in this review of Manitoba Hydro's COSS Methodology Review and the Rate Related Matters as above listed, are required to file with the Board and Manitoba Hydro, before February 5, 2016 an Application for Intervener Status and Budget Request in accordance with the Board's Rules of Practice and Procedure as found on the Board's web site. <http://www.pub.gov.mb.ca/pandp.html>.
2. For purposes of this Cost of Service Study Methodology Review Application only, and not as a precedent or policy for future applications, the Board is prepared to determine awards of costs to approved Interveners without consideration of the sufficiency of financial resources of the prospective intervener. While the criterion in sub-section 43 (c) of the Board's Rules of Practice and Procedure have previously prevented Interveners, such as MIPUG, from qualifying for consideration of cost awards, this criterion will not be applied in the Board's deliberations of cost awards related to this Application.
3. To assist the Board in understanding the views and positions of Manitoba Hydro's General Service Small customers and General Service Medium customers in respect of this Application and Rate Related Matters, the Board has approved Hill Sokalski Walsh Olson LLP as legal counsel for those customer classes, which will be granted Intervener status.
4. To enable the Board and approved Interveners to understand Manitoba Hydro's view and plans related to the above listed Rate Related Matters, Manitoba Hydro is to file its evidence on these matters by February 5, 2016. Where Manitoba Hydro has responded to Information Requests on these Rate Related Matters during and since its 2010/11 and 2011/12 General Rate Application, those responses are to be refiled with Manitoba Hydro's evidence by February 5, 2016 with any revisions or updates noted in the response.
5. Attached to the Board's December 8, 2015, letter was a copy of the Board's August 22, 2014 letter to Manitoba Hydro with a list of MFRs. Included in the MFRs was a request for the filing of Intervener Evidence from the 2006 Cost of Service Study Review then

conducted by the Board. Should any Intervener seeking approval to intervene in this Application have filed 'Cost of Service Study Evidence' in the 2006/07 review hearing, a copy of such evidence, as well as any evidence filed on cost of service issues in subsequent proceedings, is to be filed with the Board by February 5, 2016.

6. The Board has determined that Manitoba Hydro is to respond, by February 5, 2016, to the Minimum Filing Requirements requested by the Consumer Coalition in its letter of December 15, 2016.
7. The Board has determined that Manitoba Hydro is to respond, by February 5, 2016, to the Minimum Filing Requirements requested by MIPUG in its letter of December 16, 2016.
8. With respect to the City of Winnipeg's MFR seeking a working electronic model from Manitoba Hydro, the Board directs Manitoba Hydro to work cooperatively with approved Interveners and their consultants to make available a rudimentary working model that does not disclose Manitoba Hydro's proprietary information.
9. Manitoba Hydro is to file any documentation provided at the 2014 stakeholder consultation sessions with respect to Cost of Service, including but not limited to presentations and Manitoba Hydro's Analysis of Issues/Alternatives document.
10. By February 10, 2015, and to assist the Board in its considerations of the scope of this Hearing process, the Board expects prospective Interveners to provide a detailed written submission that answers at least the following questions:
 - (a) How has your client engaged its stakeholders in support of your client's intervention application?
 - (b) How, and on what topics, has your client collaborated with other prospective interveners?
 - (c) What is your client's initial position with respect to Manitoba Hydro's Cost of Service Study Methodology?
 - (d) What is your client's initial position with respect to the Rate Related Matters as listed above?
 - (e) On a preliminary basis, what aspects of Manitoba Hydro's PCOSS 14 (Amended) does your client agree with and why?
 - (f) On a preliminary basis, what aspects of Manitoba Hydro's PCOSS 14 (Amended) does your client disagree with and why?
 - (g) On what specific issues is expert evidence being planned and why?
 - (h) How many rounds of Information Requests of Manitoba Hydro are requested in light of the MFR Responses?
 - (i) The Board intends to conduct the oral evidentiary portion of this hearing in using a concurrent evidence process, possibly facilitated by a neutral facilitator. How does your client suggest such concurrent evidence be heard?

11. A non evidentiary Pre Hearing Conference will be held in the Board's Hearing Room on Friday, February 12, 2016 commencing at 9:00 AM.

Manitoba Hydro, its legal counsel and/or its technical expert is invited to make a 20 minute oral presentation (with or without PowerPoint slides) highlighting the key aspects of its Application and responses to the above Rate Related Matters.

At the Pre-Hearing Conference, Interveners or their representatives will be expected to speak to their applications for Intervener status and their written submissions as to the issues set out in paragraph 10 above.

The Board will accommodate a 20 minute oral presentation (with or without PowerPoint slides) by each prospective Intervener, its legal counsel and/or its technical expert, to gain a better understanding of that prospective Intervener's issues.

Following all of the Presentations, should Manitoba Hydro's or any prospective Intervener's representative, including technical expert, want to ask scoping questions of any other party's representative (including technical experts), the Board will permit such questioning, but only if it assists the Board in considering the scope of this Hearing. Should any party require conference call or video connection capabilities, they are to advise the Board by February 5, 2016.

12. At the Pre-Hearing Conference, the Board further expects Manitoba Hydro to advise as to the date when it anticipates Interveners to receive access to the electronic model as described in paragraph 8 above, and when Manitoba Hydro is planning to host an informational/training session with Interveners as to how to use the model.

Should you have further questions with respect to the Procedures, please contact Board Counsel.

Yours truly,

"Original Signed By:"

Kurt Simonsen
Associate Secretary

KS/dv

- cc. Brent Czarnecki, Manitoba Hydro
Greg Barnlund, Manitoba Hydro
Shannon Gregorashuk, Manitoba Hydro
Bob Peters, Board Counsel
Sven Hombach, Board Counsel