



The Public Utilities Board  
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February 18, 2016

Ms. Patricia J. Ramage  
Law Department  
Manitoba Hydro  
22<sup>nd</sup> Floor – 360 Portage Avenue  
Winnipeg, MB R3C 0G8

Dear Ms. Ramage:

**Re: Manitoba Hydro's Cost of Service Study Methodology Review – Access to Electronic Model**

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By letter dated January 22, 2016, the Public Utilities Board (“Board”) directed Manitoba Hydro to:

...work cooperatively with approved Interveners and their consultants to make available a rudimentary working [cost of service] model that does not disclose Manitoba Hydro's proprietary information.

...

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 ... and when Manitoba Hydro is planning to host an information/training session with Interveners as to how to use the model.

At the February 12, 2016 Pre-Hearing Conference, Manitoba Hydro advised the Board that it would prefer to conduct any Cost of Service model runs itself and provide the outputs to Interveners. Proposed Interveners submitted that they required their own access to an electronic model to assess various cost of service study methodologies and to efficiently consider different scenarios.

The Board is not prepared to vary its January 22, 2016 direction to Manitoba Hydro to develop a working model available to Interveners and the Board's own technical advisors. This model should be unprotected with all formulas intact and visible, so that parties involved in the hearing can change assumptions as required. Manitoba Hydro



should meet with Interveners and their consultants as necessary to explain the use of the model and to ensure that disputes surrounding the use of the model will be limited to the parties' assumptions and not alleged misunderstandings as to how the model operates. Additionally, a protocol on explaining what changes were made to the model inputs should be developed among the parties to assist all parties in understanding how any output was derived.

Please confirm by Monday, February 22, 2016, that Manitoba Hydro is prepared to make a model available to Interveners and the Board, and advise when Manitoba Hydro will be in a position to provide the working model to parties. If Manitoba Hydro requires the assistance of the consultants of the Board or Interveners to finalize the model, please advise accordingly.

Should Manitoba Hydro be unwilling or unable to provide a working model (ideally one that is spreadsheet-based), it is the Board's intention to retain Daymark Energy Advisors ("Daymark") to construct a model that will be made available to all parties, the cost of which would form a regulatory cost charged back to the Utility. In such a case, it would be the Board's expectation that Manitoba Hydro staff be available to Daymark and fully cooperate to provide input, test and answer any relevant questions in order to ensure that the completed model is accurate and acceptable to Manitoba Hydro.

Yours truly,

*"Original Signed By:"*

Kurt Simonsen  
Associate Secretary

KS/dv

cc. Interveners Applicants  
Greg Barnlund, Manitoba Hydro  
Shannon Gregorashuk, Manitoba Hydro  
Bob Peters, Board Counsel  
John Athas, Daymark Energy Advisors  
Mary Neal, Daymark Energy Advisors