

March 29, 2016

Ms. Odette Fernandes
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and

Intervener Applicants

Re: Cost of Service Study – Intervener Cost of Service Model Runs

The Public Utilities Board is issuing this letter to clarify the status of the Manitoba Hydro COSS Model for the COSS Review that is in progress.

On March 11th Manitoba Hydro provided supplemental information and a COSS Model with requested improvements to the Interveners' Consultants involved in this COSS Review. This letter addresses a process by which Daymark, the Board's Advisor for this COSS Review, will review all Intervener Consultant modeling with the Manitoba Hydro COSS Model, to assure that no inadvertent changes were made to the model.

Additionally, planned enhancements that Daymark is making to the Manitoba Hydro COSS Model are also described below. These enhancements will be made available to all Intervener Consultants.

Model Enhancements

Daymark is in the process of making some enhancements to the Cost of Service Model provided by Manitoba Hydro on March 11. The enhancements can be summarized as follows:

- Creation of a summary table of all class allocators, showing percentages of costs to each class;
- Inclusion of more dynamic lookup and "sumif" functions to make the allocation and functionalization easier to change;
- Direct incorporation of the other information, in spreadsheet form, provided by Manitoba Hydro in the past two weeks, to the extent practical;
- Separation of certain inputs into their own cells in the spreadsheet to make them more visible and easier to change;
- Ability to change internal cost allocators using dropdown menus and lookup tables;
- Addition of a "scenario builder" page that allows a user to define a scenario of model inputs in one column of values that flows through the rest of the model, along with the ability to select one of these scenarios with a dropdown menu;
- Enhanced output visuals.

Daymark is working to provide this enhanced model as soon as possible. The model is expected to be completed by April 8. Daymark will provide the model to Manitoba Hydro for its review after it is completed. Manitoba Hydro will review the model and discuss any concerns with Daymark. After any concerns are addressed, Manitoba Hydro will make the model available to Interveners' Consultants through its FTP website. Daymark is thereafter, available to Interveners' Consultants to answer questions about the model enhancements and the available functionality.

Interveners are encouraged to use this forthcoming version of the model for its analyses that are included in Intervener evidence, but may also use the currently-available version.

Interveners' Consultants Use of the Model

The Board reminds Parties, as indicated in Order 26/16:

“...a final version of the model will be made available to all Interveners on the express understanding that:

- (a) The use of the model is to be limited to this Cost of Service Study Methodology Review; and*
- (b) The model must not be disseminated to parties or individuals other than the people [i.e. Intervener Consultants] working on this Cost of Service Study Methodology Review;*

Model Evidence

Also as indicated in Order 26/16:

Interveners will be permitted to submit their own scenario runs into evidence but are directed to:

- (a) Share these scenario runs with Manitoba Hydro as early as possible and work cooperatively with Manitoba Hydro to resolve any technical disputes regarding the changes made to the model to prepare such scenario runs;*
- (b) Submit their scenario runs to Daymark for review and comment prior to filing them on the record; and*
- (c) As part of their evidentiary filing, identify any changes that have been made in the model, either by way of an appendix to their evidentiary brief or by way of a separate filing.*

Based on the foregoing, and before any Intervener model runs are submitted into evidence, electronic versions of the model must be submitted to Daymark and Manitoba Hydro along with documentation of the changes to the model. The documentation must be complete enough such that another person may use it to replicate the model run. Daymark strongly encourages Interveners' Consultants to make these model runs available as soon as they are completed and not wait until the week the Intervener evidence is due to be filed.

Daymark will review each model and discuss any concerns with the runs with the Interveners' Consultants and/or Manitoba Hydro. After any concerns are addressed, the runs will be made available to all Parties in electronic format through either the Manitoba Hydro FTP website or Dropbox.

Interveners may then decide which approved model runs to submit as evidence.

Should any party have questions as to the procedure to be followed with respect to the model and the resulting model runs, please immediately contact Daymark. The Board is available to address any concerns that can be resolved as between the Parties.

Yours truly,

“Original Signed By”

Kurt Simonsen
Associate Secretary

KS/df

c.c. Greg Barnlund, Manitoba Hydro
Shannon Gregorashuk, Manitoba Hydro
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