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MANITOBA PUBLIC UTILITIES BOARD

Re: PRE-HEARING CONFERENCE IN  
RESPECT OF MANITOBA HYDRO'S  
2007/08 AND 2008/09  
GENERAL RATE APPLICATION

Before Board Panel:

- Graham Lane - Board Chairman
- Robert Mayer - Board Member
- Len Evans - Board Member

HELD AT:

Public Utilities Board  
400, 330 Portage Avenue  
Winnipeg, Manitoba  
October 15th, 2007  
Volume I  
Pages 1 to 53

APPEARANCES

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R.F. Peters )Board Counsel  
Patti Ramage )Manitoba Hydro  
Odette Fernandes )  
Myfanwy Bowman )CAC/MSOS  
Doug Buhr )City of Winnipeg  
William Gange )TREE/RCM  
Riley Rempel )  
Andrew McLaren )MIPUG  
Michael Anderson )MKO  
Alan Ciekiewicz )Private Citizen  
Mr. Dyck )Private Citizen

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1 --- Upon commencing at 10:39 a.m.

2

3 THE CHAIRPERSON: Good morning, ladies  
4 and gentlemen. Welcome to the pre-hearing conference in  
5 respect of Manitoba Hydro's 2007/'08 and 2008/'09 General  
6 Rate Applications.

7 In Order 20/07 dated February 28, 2007,  
8 this Board approved, on an interim basis, an average rate  
9 increase of 2.25 percent, effective March 1st, 2007.

10 In that Order, the Board also directed  
11 Manitoba Hydro to file its General Rate Application for  
12 the fiscal year 2007, and also for 2008/'09, by August  
13 the 1st, 2007.

14 Manitoba Hydro has made its preliminary  
15 General Rate Application filings seeking, among other  
16 matters, final approval of the current interim rates, as  
17 well as a further 2.9 percent increase effective April 1,  
18 2008 for all rate classes excepting area and roadway  
19 lighting, which is proposed to receive a 1 percent rate  
20 increase. This pre-hearing conference brings together  
21 interested parties for the Board to consider matters  
22 related to a public hearing process that was envisioned  
23 in Order 20/07.

24 My name is Graham Lane, and as Chairman of  
25 the Public Utilities Board, I am joined this morning by

1 the Board's Vice Chairman, Mr. Bob Mayer, and also by  
2 Board member Dr. Len Evans. Dr. Avery Kinew will join us  
3 for the Hearing itself.

4 I will now turn matters over to Board  
5 Counsel, Mr. Peters, to outline the procedures. Good  
6 morning, Mr. Peters.

7 MR. BOB PETERS: Yes. Thank you and good  
8 morning, Mr. Chairman, Mr. Vice Chairman, Board member  
9 Dr. Evans, ladies and gentlemen. For the record, my name  
10 is Bob Peters. I will act as Counsel to the Public  
11 Utilities Board on this application. The Board is also  
12 assisted in this matter by Larry Buhr of LAB Consulting  
13 and Roger Cathcart of Cathcart Advisors, Inc.

14 By way of background, Mr. Chairman and  
15 Board members, ladies and gentlemen, the last Manitoba  
16 Hydro General Rate Application was heard by way of a  
17 public hearing in the summer of 2004, following the end  
18 of the 2003/'04 drought. That Hearing resulted in a  
19 Board-directed rate increases.

20 First was a firm 5 percent increase across  
21 all rate classes, implemented August 1st, 2004. There  
22 were also two (2) conditional rate increases of 2.25  
23 percent, of which only one (1) was implemented, that in  
24 early 2005. And until Manitoba Hydro's application in  
25 January of '07 that resulted in Order 20 of '07 that the

1 Chairman spoke of, Manitoba Hydro did not pursue the  
2 second conditional rate increase, citing net -- record  
3 net income for '05/'06.

4 In terms of the application before the  
5 Board, the Utility is seeking eight (8) specific  
6 approvals. The first is approval of the current interim  
7 rates, which were approved in Orders 20/07 and 21/07.

8 The second matter is approval of new April  
9 1st, 2008 average rate increases of 2.9 percent for all  
10 customer classes, except the area and roadway lighting  
11 class, which is proposed to receive a 1 per cent rate  
12 increase.

13 The third request is an immediate interim  
14 extension of the surplus energy program, which is due to  
15 expire October 31, 2007. It appears Manitoba Hydro is  
16 seeking a one (1) year extension immediately, and then a  
17 further five (5) year extension through the hearing  
18 process that would go till 2013.

19 The fourth item is approval of the weekly  
20 surplus energy rates from July 2004, through and to, at  
21 least, July 25th, 2007 if not the end of the Hearing.

22 The fifth request is for approval of  
23 modifications to the Curtailable Rates Program, as well  
24 as the interim Curtailable Rates orders, since Order 28  
25 of '05.

1                   The sixth item of request is approval of  
2 changes to the limited use billing demand rate from Order  
3 27 of '05.

4                   The seventh item for which Manitoba Hydro  
5 is seeking approval is the approval by this Board of the  
6 four (4) interim rate orders that relate to electricity  
7 service in the diesel rate zone.

8                   And the final matter is approval of a new  
9 general service large rate for new or expanding loads.

10                   In terms of procedures, Mr. Chairman, at  
11 this pre-hearing conference, there are a few matters that  
12 need be addressed today. The Board will want to hear  
13 from parties that seek Intervenor status and will also  
14 want comments, if any, on the proposed draft schedule,  
15 prior to finalizing who will be granted Intervenor status  
16 and prior to finalizing the schedule for the orderly  
17 exchange of information leading up to a public hearing.

18                   Additionally, and as noted in the public  
19 notice that was published, the Board will also consider  
20 whether to extend the Surplus Energy Program on an  
21 interim basis, pending the Board's final decision on  
22 Manitoba Hydro's request to extend the Surplus Energy  
23 Program to March 31st, 2013.

24                   Mr. Chairman, to efficiently hear from all  
25 parties on the Surplus Energy Program and the request for

1 the extension for one (1) year, as well as -- as well as  
2 the request for intervener status and the proposed  
3 timetable that has been circulated, I suggest that the  
4 Board first call on counsel for Manitoba Hydro, and it'll  
5 be Ms. Ramage, I believe, and Ms. Fernandes.

6 I believe Ms. Ramage will provide her  
7 opening comments, which could include, and perhaps should  
8 include, the specifics of Manitoba Hydro's request for a  
9 further one (1) year interim approval of the surplus  
10 energy rate, together with any comments on that proposed  
11 schedule.

12 After hearing from Manitoba Hydro, the  
13 Board could canvas each of the interested parties,  
14 present today, to hear their request for Intervenor  
15 status, their comments on the proposed timetable, and  
16 also their comments and position on Manitoba Hydro's  
17 request for an -- for an immediate and interim extension  
18 of the Surplus Energy Rate Program.

19 And after hearing from all interested  
20 parties, the Board could then return to Ms. Ramage to  
21 hear whether Hydro has any concerns with respect to any  
22 of the requested interventions.

23 Mr. Chairman, I spoke of the draft  
24 timetable that has been circulated. The parties wish to  
25 thank the Board for their patience this morning as they



1 met to try to review it and deal with issues that have  
2 arisen in terms of the timeline.

3 For the sake of the record, I'd like to  
4 run through what the parties, I believe -- excuse me, my  
5 -- I haven't been at a hockey game yelling loud enough, I  
6 guess.

7 Mr. Chairman, in terms of the draft time  
8 table, the parties did meet and there are issues related  
9 to availability of certainly the parties, their  
10 witnesses, and timelines, and in an effort to seek a  
11 consensus, we have met this morning, and I would like to  
12 walk through what I'm going to put forward as the revised  
13 draft timeline. I will certainly type up a further copy  
14 for the Board's consideration after the pre-hearing  
15 conference.

16 But we start with the pre-hearing  
17 conference on October the 15th. The parties are then  
18 asking that the first round Information Requests be filed  
19 on November the 9th, and that Manitoba Hydro file  
20 responses to first round Information Requests by December  
21 the 5th.

22 The parties are aware, and the Board  
23 should be aware, that Manitoba Hydro will be filing its  
24 Integrated Financial Forecast - its most current one - in  
25 or on approximately November the 23rd; that financial

1 forecast contains some relevant information that the  
2 parties need to pose the Information Requests, and they  
3 will have an opportunity to ask those questions on the  
4 second round Information Requests, which will then be due  
5 on December the 14th, and not December 11th, as on the  
6 first draft.

7 In terms of filing responses to the second  
8 round Information Requests --

9 MR. ROBERT MAYER: December what --

10 MR. BOB PETERS: I'm sorry, Mr. Vice-  
11 chair. The -- Manitoba Hydro to be in receipt of second  
12 round Information Requests on December the 14th.

13 MR. ROBERT MAYER: I'm sorry. The one I  
14 got says December 19th.

15 MR. BOB PETERS: I believe that's my  
16 error. It would be December the 14th.

17 And Manitoba Hydro, in the next item,  
18 would propose to respond to those second round  
19 Information Requests by January the 19th. I'm sorry --  
20 January 18th.

21 It's telling when you can't read your own  
22 writing. I apologize.

23 The parties have then suggested that the  
24 parties would be in receipt of Intervenor evidence on  
25 February the 1st, and that questions would be asked of

1 Intervenor, and they would file their Information  
2 Requests on the Intervenor evidence on February the 8th.

3           The Intervenor would be answering those  
4 Information Requests on or before February 20th. And  
5 Manitoba Hydro would file rebuttal evidence on  
6 approximately February 27th.

7           The parties then propose, following the  
8 filing of rebuttal evidence, to allow the hearing --  
9 propose the hearing commence either on Monday, March the  
10 3rd, or Tuesday, March the 4th, at the pleasure of the  
11 Board.

12           And also at the pleasure of the Board, to  
13 determine the hearing schedule through the -- through the  
14 conclusion of the hearing as to the Board's availability,  
15 whether it be three (3) days a week or four (4) days a  
16 week; although there is certainly a willingness to -- to  
17 work towards a four (4) day week schedule if that is  
18 amenable to the Board.

19           We would ask those matters be considered  
20 by the Board at the earliest opportunity.

21           And, Mr. Chairman, if the process of  
22 starting with Manitoba Hydro in this pre-hearing  
23 conference, and hearing their comments, and then turning  
24 to the Intervenor is acceptable to the Board, I would  
25 suggest that after Manitoba Hydro speaks, that the

1 Consumer's Association of Canada, Manitoba, and the  
2 Manitoba Society of Seniors, who are represented here  
3 today by Ms. Bowman, would speak next.

4 The city of Winnipeg is represented today  
5 by Mr. Buhr.

6 The Manitoba Industrial Power Users Group  
7 is represented by Mr. Andrew McLaren. The Manitoba  
8 Keewatinook Ininew Okimowin, which I believe I have Mr.  
9 Anderson's permission to use the acronym MKO, is  
10 represented by him and he is present this morning.

11 And then Resource Conservation Manitoba  
12 and Time To Respect Earth's Ecosystems are represented by  
13 Mr. Gange and Mr. Rempel, and I believe Mr. Gange will  
14 speak to the matters this morning.

15 I'm also made aware this morning that an  
16 Intervenor request form has been filed by Mr. Ciekiewicz,  
17 and he will be available to speak to his Intervenor  
18 request form and answer any questions if there are any as  
19 well.

20 So, Mr. Chairman, that's been a little  
21 lengthy, but subject to any questions you have of me at  
22 this time, those conclude my opening comments. I thank  
23 you and suggest that you consult now with Ms. Ramage.

24

25

(BRIEF PAUSE)

1                   THE CHAIRPERSON:    Thank you, Mr. Peters.  
2   We'll now follow your suggested procedures and start with  
3   Manitoba Hydro's counsel, Ms. Ramage, for opening  
4   comments on behalf of the applicant.

5                   However, in addition to the matters raised  
6   by Mr. Peters, the Board would also like to understand  
7   the current status of the final execution of the proposed  
8   settlement agreement among Manitoba Hydro and MKO and  
9   Indian Northern Affairs, Canada, INAC.

10                  Manitoba Hydro indicates in its  
11   application that it will be seeking final approval of the  
12   four (4) Interim Orders that relate to the diesel zone as  
13   referenced in Appendix 10-6. Those Orders appear to  
14   include the current interim rates charged in the diesel  
15   zone, and those interim rates were premised on an  
16   agreement to resolve various outstanding issues.

17                  So we would like to hear from Manitoba  
18   Hydro and MKO on the current status of the final  
19   execution of the agreement. The timing of that final  
20   execution of the agreement will determine whether the  
21   Interim Diesel Zone Orders are up for review and  
22   finalization in these GRA proceedings.

23                  After hearing from Manitoba Hydro first, I  
24   will then call on the interested parties and hear them as  
25   to their requested interventions, the timetable, the

1 interim continuation of the Surplus Energy Program and,  
2 if applicable, the agreement that relates to the diesel  
3 zone issues.

4 And after hearing from all proposed  
5 intervenors, I will then call on Manitoba Hydro for any  
6 comments in respect of the requested interventions.

7 So with those comments, Ms. Ramage...?  
8

9 OPENING COMMENTS BY MANITOBA HYDRO:

10 MS. PATTI RAMAGE: Thank you and good  
11 morning, Chairman Lane. Good morning, Mr. Evans and Mr.  
12 Mayer. For the record, my name is Patti Ramage. I will  
13 be appearing on behalf of Manitoba Hydro throughout these  
14 proceedings.

15 To my left is Ms. Odette Fernandes, who  
16 will act as my co-counsel through these proceedings.  
17 Also here on behalf of Manitoba Hydro this morning is Mr.  
18 Robin Wiens, who is division manager of Rates and  
19 Regulatory Affairs, Mr. David Cormie who is division  
20 manager of Power Sales and Operations, and Mr. Chic  
21 Thomas who is the manager of Electric Rates and  
22 Regulatory.

23 Mr. Cormie, in particular, as well as Mr.  
24 Wiens and Mr. Thomas are with me today in part to deal  
25 with the SEP Program, in the event the Board has any

1 questions.

2                   As alluded to by Mr. Peters in Manitoba  
3 Hydro's letter of application of August 1st of this year,  
4 Manitoba Hydro requested interim approval to extend the  
5 SEP to October 31st of 2008. Pursuant to Board Order 173  
6 of '06, the SEP is currently set to expire in  
7 approximately sixteen (16) days on October 31st, of '07.

8                   If we look back to Board Order 90 of 2000,  
9 the Board established a requirement of twelve (12) months  
10 notice of any intention to terminate the SEP.

11                   I can advise that Manitoba Hydro has not  
12 served any customers participating in this program with  
13 such notice, in part -- well, obviously because we -- we  
14 do intend to, at this time, continue the program, and we  
15 received the Board's assurance in Order 173 of '06, that  
16 the program would not be terminated prior to a review,  
17 which was expected to happen at the next General Rate  
18 Application.

19                   And here we are today. However, sixteen  
20 (16) days from now, the Board's current Order will  
21 expire, and -- and for that reason, Manitoba Hydro has  
22 asked that the SEP be extended to 2008.

23                   I -- I would add that in earlier  
24 correspondence exchanged with the Board, we -- we  
25 suggested that even beyond 2008, because of the one (1)

1 year's notice period, might be appropriate. However,  
2 given we are expecting an Order in or about April of this  
3 year, perhaps May, at least, if we could get us through  
4 that without having to come back to the Board for an  
5 extension, it would be helpful.

6           And it would give customers on that  
7 program the assurance. At least we can tell them today  
8 that -- that we've gotten approval for -- for a year and  
9 the Board has given us these assurances, that they  
10 wouldn't terminate while customers -- you know, without  
11 adequate notice.

12           And on that, I -- I don't know how the  
13 Board would like to proceed. If you'd like to address  
14 some questions to the panel right now with respect to  
15 SEP, or if I should move on to --

16           THE CHAIRPERSON: I think you can move  
17 on, and if the other parties here have any comments, they  
18 can make them when their turn comes.

19           MS. PATTI RAMAGE: Okay. Thank you. The  
20 second matter that the Board asked us, in your opening  
21 comments, Mr. Chairman, to address was the matter of the  
22 diesel interim rates.

23           As noted, we did have in our application  
24 our intention to obtain final approval of the diesel  
25 orders during the GRA, contingent on final execution of



1 the settlement agreement.

2 To date, the settlement agreement, I can  
3 advise, has not been executed. The parties met again  
4 this summer to -- in part to try to see if we could move  
5 things along, and to finalize any outstanding matters.

6 I'm -- I'm at a loss, in terms of  
7 providing the Board with a date, because Manitoba Hydro  
8 is looking for that same assurance, and -- and we've been  
9 asking the parties and have been told that it is moving  
10 along, however, it is outside our hands.

11 Mr. Anderson is a little closer to the  
12 issue on the INAC side and might be able to give the  
13 Board some hard information. I'm not sure. But I can  
14 only say we've re -- received assurances that it is  
15 moving along at a -- on the INAC end.

16 THE CHAIRPERSON: So you got no reason to  
17 believe that it's going to fall apart then?

18 MS. PATTI RAMAGE: No, I don't

19 MR. ROBERT MAYER: Ms. Ramage, are you in  
20 a position to tell us where the hold up is? I mean is it  
21 -- is it the Federal cabinet? Is it management? Is it  
22 government? Is it MKO? Or is it the one (1) or -- one  
23 (1) or more of the bands involved?

24 MS. PATTI RAMAGE: I can only say that  
25 Manitoba Hydro has signed off on the agreement, and that

1 it is in -- I will say Canada and MKO's hands in terms of  
2 moving it forward. I think MKO is -- has offered its  
3 assistance to Canada to try to move it through the  
4 process.

5 But there is -- is nothing in the body of  
6 the agreement itself that Manitoba Hydro has an issue  
7 with that would hold it up. But I can't identify where -  
8 - where the hold up would be.

9 THE CHAIRPERSON: Is the hold up  
10 affecting in any way the service to the communities?

11 MS. PATTI RAMAGE: Again, I think Mr.  
12 Anderson could better answer, but I don't believe so.

13 And I should also advise for the record,  
14 and I -- I believe the Board is aware of this -- that  
15 despite the hold up on execution of the agreement, the  
16 payments contained in the agreement have been made in  
17 accordance with the payment schedule.

18 THE CHAIRPERSON: Thank you, Ms. Ramage.

19 MR. ROBERT MAYER: So then the only major  
20 outstanding concern that the Board would have is the  
21 signing of the agreement that would -- because that  
22 agreement, if I recall correctly, provides for capital  
23 contributions by INAC as Manitoba Hydro improves or  
24 increases the service in those communities; that, I take  
25 it, is the outstanding issue.

1 MS. PATTI RAMAGE: I don't believe that's  
2 even an outstanding issue. It's just a question of  
3 getting the agreement signed.

4 THE CHAIRPERSON: Thank you, Ms. Ramage.  
5 Are you okay with the draft timetable that's now being  
6 distributed?

7 MS. PATTI RAMAGE: Yes, we are.

8 MR. ROBERT MAYER: You mentioned, Ms.  
9 Ramage, that you don't expect an Order till April or May.  
10 You recognized the Board's reluctance to give retroactive  
11 orders and it's my understanding that your request is for  
12 a rate increase that is to take effect April 1st.

13 Am I correct?

14 MS. PATTI RAMAGE: That's correct. I --  
15 I -- just looking at the schedule with a March 4th  
16 commencement date, I was under the impression or -- that  
17 if we did finish up near the mid-to-end of March, the  
18 Board's reasons, given their typically fairly lengthy --  
19 often we don't get our reasons in details till further on  
20 with a -- simple Order to -- on April 1st to get the  
21 rates in place. But the more detailed Order usually  
22 comes afterwards.

23 THE CHAIRPERSON: Thank you, Ms. Ramage.  
24 Okay, over to CAC/MSOS.

25 Ms. Bowman...?

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OPENING COMMENTS BY CAC/MSOS:

MS. MYFANWY BOWMAN: Good morning, Mr. Chair, members of the Board. I'm here on behalf of CAC/MSOS and potentially also on behalf of Winnipeg Harvest; we're in discussions with them as to whether they would like to participate as well. So we may be here representing three (3) clients but that's not definite at this time.

I've circulated a -- an Intervenor request form. I'm not sure if anyone's had an opportunity to have a look at it. It should be on your desks.

THE CHAIRPERSON: We have it here, but we haven't had an opportunity to review it very closely.

MS. MYFANWY BOWMAN: Neither have I, unfortunately. In any event, I -- I will walk you through it quickly, and certainly if there's questions, I'll -- I'll do my best to respond to them.

CAC/MSOS and potentially Harvest and the - - the name that we're proposing would be the Coalition, since that's otherwise a bit unwieldy.

The Coalition is proposing to test the reasonableness of the rate requirement -- pardon me, the rate requirement and the rate proposals and, in particular, to consider a number of specific issues,

1 including the risk management strategy, the Corporation's  
2 accounting policy with respect to capitalization and cost  
3 deferral, capital spending, OM&A spending, DSM, links  
4 between sustainable development and DSM. And we're  
5 particularly looking at filing some evidence on the issue  
6 of DSM programs for low-income and hard-to-reach  
7 customers, cost allocation, rate increases and the  
8 proposed rate design change.

9           So those are the issues that we're  
10 anticipating addressing. We'd anticipate to participate  
11 fully in the -- in the Hearing as is our usual practice.

12           At this time we are proposing three (3)  
13 experts, Mr. Bill Harper, whom of course is familiar to  
14 the Board, and he would be dealing with the -- the rate  
15 design of the revenue requirement issues. We're also  
16 proposing evidence from Dr. Roger Higgin and Philip  
17 Dunsky, and they would be examining the DSM issues and as  
18 I said, with a particular view to low-income and hard-to-  
19 reach customers.

20           We're considering whether we will also  
21 need some accounting expertise, but haven't made that  
22 determination yet. So at this point, we're simply  
23 proposing the -- the three (3) experts.

24           We have some scheduling issues that are --  
25 are noted in box 11 of the -- of the form. I can

1 indicate that they've been addressed in terms of our  
2 discussions already, so the Board doesn't need to look at  
3 that any more closely at this point.

4                   In terms of the fees that are proposed on  
5 page -- page 4 of the form, provides a summary of the  
6 hours that are proposed for legal counsel and for the  
7 various experts.

8                   So legal -- legal counsel is proposing for  
9 preparation eighty (80) hours for appearance, eighty-four  
10 (84) hours, and for argument and reply, thirty-five (35)  
11 hours. The experts I referred to -- expert number 1  
12 would be Mr. Harper, expert number 2 would be Mr. -- it  
13 would be Dr. Higgin and expert number 3 would be Mr.  
14 Dunsky.

15                   I'm hoping that that is at least somewhat  
16 legible. Would the Board li -- like me to walk through  
17 that in detail?

18                   MR. ROBERT MAYER: No. You -- you do  
19 much better on the following pages where you actually  
20 have the budget for Dr. Higgin and we see the typed  
21 stuff.

22                   MS. MYFANWY BOWMAN: Very good. So the  
23 next page shows Mr. Williams' proposed hours and hourly  
24 rate. The following page shows Mr. Harper's proposed  
25 hours. I can indicate for the Board's information that

1 the estimate under review of IR responses, preparation of  
2 evidence and response to IRs -- the estimate of one  
3 hundred and twenty (120) hours is based on the assumption  
4 that he'll be dealing with two (2) issues, and that's  
5 both rate design and the revenue requirement.

6 If it turns out that he will only be  
7 addressing one of those issues, that would decrease that  
8 time somewhat but would also correspondingly increase  
9 some of the time that he would need to spend, in terms of  
10 assisting with preparation for cross-examination. So I'm  
11 told that the net savings would be in the area of around  
12 twenty (20) hours.

13 Are there questions about Mr. Harper's  
14 proposal?

15 THE CHAIRPERSON: That's fine for now.

16 MS. MYFANWY BOWMAN: The next page deals  
17 with Dr. Higgin, and his hours are significantly small.

18 MR. ROBERT MAYER: Just -- just back on  
19 that last one. You've got two (2) hourly estimates on  
20 your -- on Bill Harper's -- which one of them am I  
21 looking at?

22 MS. MYFANWY BOWMAN: I apol --

23 MR. ROBERT MAYER: one eighty-five (185)  
24 or one seventy-five (175)?

25 MS. MYFANWY BOWMAN: I apologize for

1 that. I believe that the rate that he has been granted  
2 in the past is one hundred and seventy-five (175). I  
3 believe that we'll be proposing that it would be time for  
4 an increase to one hundred and eighty-five (185). But we  
5 provided both calculations for the Board and the parties.

6 The next page deals with Dr. Higgin, and  
7 he'll be working, I believe, in collaboration with Mr.  
8 Dunsky, so Mr. Higgin's estimate's quite short. The  
9 following page -- actually the following three (3) pages,  
10 pardon me, is a letter from Mr. Dunsky's office, which  
11 sets out a -- a draft -- or pardon me, a proposed time  
12 allotment.

13 You'll note that he provides two (2)  
14 scenarios, one (1) smaller and one (1) larger. I'm given  
15 to understand that we won't be able to take a position on  
16 which one we'll be pursuing until we've at least reviewed  
17 the first round IRs.

18 So both are provided for your information.  
19 I think that that's it for the material that's been  
20 filed, and I can tell you that the -- the estimates have  
21 been prepared on the basis of a twelve (12) day hearing.  
22 Obviously if the hearing goes longer, that'll change the  
23 estimates.

24 I know that the number is a little bit  
25 higher than perhaps we've seen in the past. However, our



1 view is that the numbers are, in fact, comparable to the  
2 Cost of Service Hearing with the addition of one (1)  
3 extra piece of evidence. So it's our suggestion that  
4 those numbers are reasonable and that we've done our best  
5 to give you realistic estimates.

6 THE CHAIRPERSON: So you will give us any  
7 updates as they -- as they may arise. Do you have a  
8 position on the Surplus Energy Program?

9 MS. MYFANWY BOWMAN: I have no comments  
10 on that this morning, thank you. Subject to questions,  
11 however, those are my comments on the --

12 MR. ROBERT MAYER: Ms. Bowman, you  
13 mentioned twelve (12) days for hearings. I note the  
14 schedule that everybody appears to have agreed on calls  
15 for seven (7) days hearings. I'm getting the impression  
16 you have no belief, nor do I, that we're going to get  
17 through this in seven (7) days?

18 MS. MYFANWY BOWMAN: I don't think -- and  
19 I -- I hesitate to speak for the group, but I'm going --  
20 I don't think that people are thinking that it's going to  
21 be a seven (7) day hearing. I -- I think that we're  
22 expecting it'll take much of the month of March, but I'll  
23 defer to My Friends.

24 MR. BOB PETERS: Mr. Chairman, Mr. Vice  
25 Chair, that -- the draft timetable that was circulated,

1 and I apologize for not explaining this, the -- the far  
2 right-hand column indicates the number of days between --  
3 between the previous scheduled matters and that's where  
4 the number seven (7) jumped out at us.

5                   In terms of the Hearing, it will -- it  
6 will be one where we were hoping that, I think we talked  
7 briefly about being optimistic of ten (10) hearing days,  
8 and whether the Board wanted to schedule that over three  
9 (3) weeks or two (2) weeks or how -- how that would be  
10 accommodated. We'd be appreciative. That also will  
11 depend a little bit on the number of Intervenors who are  
12 filing evidence and...

13                   THE CHAIRPERSON: We thought for a minute  
14 you were thinking of a younger panel; sixteen (16) hour  
15 days or something.

16                   Thank you. Do you have -- does CAC/MSOS  
17 have any comments with respect to the diesel situation,  
18 that we've heard an update from Ms. Ramage?

19                   MS. MYFANWY BOWMAN: I'm sorry, I have no  
20 information about that.

21                   THE CHAIRPERSON: And as for the  
22 timetable, are you all right with it?

23                   MS. MYFANWY BOWMAN: Ah, yes. Yes.  
24 We've -- we've discussed it with the various other  
25 parties and our concerns have been taken into account in

1 the revisions.

2 THE CHAIRPERSON: Okay, thank you, Ms.  
3 Bowman.

4 Mr. Buhr, for the city of Winnipeg, do you  
5 have any opening comments?

6

7 OPENING COMMENTS BY CITY OF WINNIPEG:

8 MR. DOUG BUHR: Thank you, Mr. Chairman.

9 In terms of our Intervenor Request Form,  
10 as I noted in there, the City of Winnipeg is the largest  
11 customer in Winnipeg, in terms of area and roadway  
12 lighting; in practical terms, we're the only one.

13 We have a history, as this Board is well  
14 aware, of intervening in this area, and that is -- we are  
15 here once again to -- to deal with that area. We are not  
16 proposing to call evidence and we are not seeking costs.

17 In terms of the other items that the Board  
18 raised, we have the revised timetable -- revised draft  
19 timetable is acceptable to us. We have no position on  
20 either the Surplus Energy Program, or the diesel  
21 situation.

22 And those are my comments. Thank you, Mr.  
23 Chairman.

24 THE CHAIRPERSON: Thank you, Mr. Buhr.  
25 Has the City been in consultation with Manitoba Hydro

1 since the Cost of Service Hearing?

2 MR. DOUG BUHR: Yes, we have, Mr.  
3 Chairman. We've had one (1) meeting that I -- I think  
4 was productive, and I anticipate that we will have some  
5 more.

6 It's been difficult in terms of arranging  
7 times to get together from both Manitoba Hydro staff and  
8 City of Winnipeg staff time, but I anticipate that --  
9 that those discussions will continue.

10 THE CHAIRPERSON: Very good. Thank you,  
11 sir. Okay, we'll move on now to MIPUG.

12 Mr. McLaren, I don't think we've had the  
13 pleasure of your appearing before us before, so welcome.

14 MR. ANDREW MCLAREN: Good morning, Mr.  
15 Chairman, members of the Board. I did actually appear in  
16 the cost of service study hearing with Mr. Bowman.

17 THE CHAIRPERSON: Memory -- the -- some  
18 of the cells have just started up again.

19

20 OPENING COMMENTS BY MIPUG:

21 MR. ANDREW MCLAREN: Ms. McCaffrey is  
22 unable to attend today, but we anticipate she will be  
23 appearing on behalf of MIPUG throughout the proceeding.

24 MIPUG is seeking Intervenor status. We  
25 circulated last week, I believe, our Intervenor Request

1 Form. We intend to provide participation through all  
2 phases of the hearing, including the preparation of  
3 evidence, but we will not be seeking costs.

4 With respect to the Surplus Energy  
5 extension, MIPUG supports Manitoba Hydro's request for a  
6 one (1) year extension, and we take no position with  
7 respect to the diesel matters.

8 THE CHAIRPERSON: Thank you, Mr. McLaren.  
9 Okay. Mr. Anderson, MKO, if you wouldn't  
10 mind. You've sort of heard the pitter-patter that we go  
11 through here.

12

13 OPENING COMMENTS BY MKO:

14 MR. MICHAEL ANDERSON: Good morning, Mr.  
15 Chair, Mr. Vice Chair, Mr. Evans, Mr. Peters, Ms. Ramage,  
16 and everyone here this morning. Thank you very much.

17 It's a pleasure to be before the Board  
18 again and, Mr. Peters, your pronunciation is improving.

19 For the record, my name is Michael  
20 Anderson. I am the research director of the Manitoba  
21 Keewatinook Ininew Okimowin Natural Resources  
22 Secretariate, and yes, I confirm that for the purpose of  
23 evidence, we would be noted as "MKO"; and also for any  
24 transcript references.

25 We have also circulated a request for

1 Intervenor status, and one (1) of the things I'd like to  
2 point out in terms of our interest, of course, is that  
3 MKO represents the thirty (30) northernmost First Nations  
4 in Manitoba, and fifty-six thousand (56,000) treaty First  
5 Nations citizens.

6                   Of interest is that MKO First Nations are  
7 both general service and residential customers of  
8 Manitoba Hydro. The First Nations, while not ordinarily  
9 being residential customers, do pay from time to time the  
10 residential service bills of persons on Social Assistance  
11 that may be in the community.

12                   Also, the range of accounts held by First  
13 Nations can be considerable, from the size of a shopping  
14 mall, such as the Otineka Mall in the Opaskwayak Cree  
15 Nation, to a small band office, which is literally a  
16 portable trailer. So in that range, there is a great  
17 deal of interest in customers.

18                   In terms of MKO's interest in the  
19 application as well, it's -- it's my understanding that  
20 MKO is the only potential Intervenor, and certainly  
21 hopefully an Intervenor granted status in this  
22 proceeding, that represents both general service and  
23 residential customers from a customer point of view.

24                   We intend to participate fully in the  
25 proceeding, as we do, to appear throughout the prot --

1 Hearing, to participate in the production of evidence, to  
2 pres -- participate in the testing of the evidence, and  
3 certainly to review all the matters filed by Manitoba  
4 Hydro, and to present a final argument.

5 I can concur in the schedule that's been  
6 presented, it's just a brief matter, and that I'm pleased  
7 that it was developed this morning in a collaborative  
8 manner between all parties. And in respect of the  
9 evidence that we needed to con -- communicate with our  
10 potential experts in respect to that schedule, so I'm  
11 grateful that that's been resolved, and hopefully ordered  
12 by the Board -- and endorsed by the Board today.

13 Specifically we wish to examine and test  
14 the matters driving the financial forecast reflected in  
15 the revenue requirement, and we're pleased that we've  
16 made an accommodation to insure that the revised IFF is  
17 filed prior to the second round of Information Requests.

18 It always is exciting when we begin the  
19 proceedings on day 1 with a new IFF. So I'm pleased that  
20 we'll have an opportunity to make sure that we can ask  
21 questions in respect of it, and recognizing there may be  
22 revisions in due course during the proceeding.

23 But I appreciate that the effort was made  
24 to ensure we could do this. We also intend to examine  
25 and test the proposed rate design and suggest options as

1 appropriate, and as we often have.

2                   We would determine the impact on MKO First  
3 Nation customer use and bills arising from the proposed  
4 rates. While strictly speaking, the ability to pay of  
5 customers is not a matter that the Board generally  
6 undertakes as part of its consideration of the -- of  
7 whether a rate is just and reasonable, it is of great  
8 importance to MKO and MKO customers.

9                   We also are keenly interested in Manitoba  
10 Hydro's Comprehensive Integrated Energy -- excuse me, I  
11 guess I haven't been going to the same hockey games that  
12 Mr. Peters has been missing -- the Integrated Energy  
13 Services approach to its customers, who are citizens of  
14 the MKO First Nations, including demand side management,  
15 supply options and multi-fuel options; particularly  
16 again, for remote customers.

17                   Even those that may be grid connected  
18 still have multi-fuel sources, particularly wood in many  
19 of our First Nations, primarily for cost, and the -- the  
20 integration between these multiple energy sources, and  
21 Manitoba Hydro's thinking, planning, service programs,  
22 communications with customers, are of great interest to  
23 us.

24                   MKO also wishes to address and bring to  
25 bear the special interests of the MKO First Nations in



1 respect to the provision of an adequate and affordable  
2 supply of energy by Manitoba Hydro; and in respect of the  
3 relationship between Manitoba Hydro and its customers who  
4 are citizens of the MKO First Nations.

5           Many times we've raised during the  
6 proceedings, and certainly we've commented further in  
7 final argument, that MKO First Nations, in particular,  
8 have a very intimate relationship with Manitoba Hydro as  
9 a corporation; particularly those communities resident on  
10 the developed waterway of Manitoba Hydro; those in the  
11 Saskatchewan river basin, the Nelson River abutment, and  
12 Churchill River diversion area. And so there's a direct  
13 association and interest between the citizens of those  
14 First Nations and the provision of electrical service.

15           And in the cost of service proceeding, for  
16 example, we raised an interest in the mitigation cost  
17 being charged to those residents, and there was a request  
18 by the Board for Manitoba Hydro to further review that  
19 matter, for which MKO is grateful.

20           Having made those comments on our Inter --  
21 request for Intervenor status, I could comment that in  
22 respect of costs, we have checked an 'X' at Item 10, in  
23 respect of application for costs.

24           As the Board is aware, the rules of  
25 practice and procedure do not permit MKO to cost recover

1 its own time in our participation during the proceedings;  
2 for example, the time that I would spend -- disbursements  
3 and other costs.

4                   However, we do and have submitted claims  
5 for costs which have been approved for reimbursement by  
6 the Board for expert witnesses, which we intend to do.  
7 The scope of those costs, to my recollection, have not  
8 exceeded twenty thousand dollars (\$20,000) and -- nor do  
9 we expect that to be the case in this proceeding, at this  
10 time.

11                   In respect of the other matters, Mr.  
12 Chair, I believe I've commented already on schedule.  
13 We're pleased with the schedule and the collaborative  
14 approach in which it was developed.

15                   In respect to the Interim Surplus Energy  
16 Program, we would like to ensure that Manitoba Hydro is  
17 able to earn revenues from sales under that program. And  
18 so absent having not had a full discussion about it in  
19 the course of the proceeding, we would like to ensure  
20 that the Board take whatever steps are necessary to  
21 ensure those sales can continue, however, subject to any  
22 matters that may arise during the course of the  
23 proceeding that require further comments from MKO.

24                   In respect to the status of the diesel  
25 agreement, which was the fourth item that you had

1 requested comments on, and Ms. Ramage had suggested if  
2 not deferred to -- certain of those responses to myself,  
3 which I'm pleased to respond to now.

4           The parties to the diesel agreement have  
5 at all times undertaken to act in good faith to implement  
6 the provisions of the Interim Settlement Agreement. Even  
7 though it has been a tentative settlement agreement in  
8 technical terms that we've proceeded with, you'll recall  
9 that the original interim Order in December of 2004 was  
10 predated by a payment to resolve the unpaid -- the  
11 payment of the unpaid surcharge billings amount. And  
12 that -- in the course of events, the schedule for the  
13 payment of the capital amounts has also been met in  
14 accord with the tentative settlement.

15           So we're proceeding to ensure that those  
16 payments that the Board were -- is particularly  
17 interested in, that would reduce Manitoba Hydro's cost  
18 and certainly the cost of service by reducing the -- the  
19 capital component of the rates is -- is proceeding in --  
20 in accord with the schedule.

21           In respect of the agreement itself, I  
22 concur with Ms. Ramage that the parties have resolved all  
23 of the matters in respect of the text of the agreement,  
24 and what we're doing now is putting the paperwork  
25 together. There are some 'Is' to dot and 'Ts' to cross,



1 the provisions of the tentative settlement agreement as  
2 if it were entered into. That has been our undertaking,  
3 and we have met that undertaking since the beginning of  
4 this process, Mr. Chair.

5 I'm just looking to see if there are other  
6 matters that you had requested our comments on. And  
7 subsequent to any questions that you may have of any  
8 matter that I've raised with you, those are my opening  
9 comments for MKO. Thank you.

10 THE CHAIRPERSON: When you're able to,  
11 you could file the budget, when your plans get a little  
12 bit more finalized.

13 MR. MICHAEL ANDERSON: As soon as we have  
14 a budget that we can file, we will do so. I had just  
15 wanted to give the global scope of my expectation. Thank  
16 you, Mr. Chair.

17 THE CHAIRPERSON: Thank you, Mr.  
18 Anderson.

19 So RCM/TREE, Mr. Gange...?  
20

21 OPENING COMMENTS BY RCM/TREE:

22 MR. WILLIAM GANGE: Thank you very much,  
23 Mr. Chair. As you are aware, sir, Resource Conservation  
24 Manitoba and Time to Respect Earth's Ecosystem have  
25 appeared before this Board with respect to previous

1 hearings, as well as hearings with respect to the Centre  
2 of Gas. This is an application by RCM and TREE for  
3 Intervenor status.

4 A couple of things on the Intervenor  
5 Request Form -- I apologize that this came in so late --  
6 unfortunately, we were not able to firm up an expert  
7 until this weekend, because of some problems that  
8 developed with respect to the draft timetable.

9 I would say that with respect to the  
10 Intervenor Request Form, although I have Mr. -- or Dr.  
11 Miller as his business number of XXX-XXXX, Dr. Miller  
12 advises me that the University Of Winnipeg is looking to  
13 take his retired office and put it into other use, so I -  
14 - I would ask that that number be deleted, and that Dr.  
15 Miller's home phone number of, as listed on the  
16 Intervenor Request Form, be included.

17 The purpose of -- of the --

18 MR. ROBERT MAYER: How about the fax  
19 number? Is that --

20 MR. WILLIAM GANGE: The fax number would  
21 still -- would still be appropriate. The -- the purpose  
22 of the intervention by RCM/TREE is set forth in paragraph  
23 8 of the Intervenor Request Form, that as in previous  
24 hearings, RCM/TREE wishes to examine issues associated  
25 with implementation of the ne -- of the new COSS

1 applications of marginal costing, including market and  
2 environment values; the determination of rate structures;  
3 the allocation of export earnings; DSM programming and  
4 funding, including low -- special low income programs;  
5 and other issues related to the application of principles  
6 of sustainability and justice, and economic optimization  
7 to the proceeding.

8 I have included in our request a -- a  
9 budget that is set out.

10 The -- the expert that -- that Dr. Miller  
11 has lined up for this Hearing is an individual whose name  
12 is Paul Chernick. Mr. Chernick has testified at over two  
13 hundred and twenty-five (225) hearings or Court  
14 applications throughout the course of his almost thirty  
15 (30) years of experience, providing expert testimony to -  
16 - to groups before hearings such as this. We're actually  
17 quite excited to have Mr. Chernick onboard with us, and  
18 we expect that his input will be invaluable to the Board.

19 I have set out a -- a budget which is a  
20 global budget. I haven't attempted to break that down  
21 between our legal services and the expert testimony, but  
22 it's set out at -- at the budget page.

23 We take no position with respect to the --  
24 the other matters, the MKO matter, and -- and the -- the  
25 export energy. And -- and with respect to the draft

1 timetable, I, like Mr. Anderson, commend Mr. Peters and  
2 Ms. Ramage for the assistance that they've provided and -  
3 - and the collaborative method in which that was  
4 developed.

5 MR. ROBERT MAYER: I have just one (1)  
6 question.

7 MR. WILLIAM GANGE: Yes, sir?

8 MR. ROBERT MAYER: I thought Arling -- I  
9 though Arlington was in Virginia?

10 MR. WILLIAM GANGE: There is one in  
11 Virginia, but -- but this one is in -- in Massachusetts,  
12 and we would expect that Mr. Chernick would be flying out  
13 of Boston, but -- so there's -- there's more than one  
14 (1).

15 THE CHAIRPERSON: If you don't mind,  
16 what's Mr. Chernick's discipline?

17 MR. WILLIAM GANGE: Yes. It would -- we  
18 can -- we can provide to you his curriculum vitae. It's  
19 on -- it's on his webpage. It's -- it's -- well, quite  
20 stellar, actually.

21 THE CHAIRPERSON: Very good. Thank you  
22 so much.

23 MR. WILLIAM GANGE: Thank you.

24 THE CHAIRPERSON: Okay. Mr.  
25 Ciekiewicz...? I hope I pronounced it fairly close.



1                   If you wouldn't mind, sir, just going  
2 through -- providing opening remarks. Give us an  
3 indication of your Intervenor status, and if you have any  
4 comments on the issues that have been raised today about  
5 the Surplus Energy Program, or the diesel community  
6 matters?

7

8                   OPENING COMMENTS BY ALAN CIEKIEWICZ:

9                   MR. ALAN CIEKIEWICZ: Okay. Thank you,  
10 Mr. Chairman.

11                   My name is Alan Ciekiewicz. Before I get  
12 into the -- the request form, the reason why I want to  
13 get Intervenor status is because at the last GRA, I sort  
14 of got in a little at the end and I probably missed some  
15 things that I could have taken part in, so this year I'd  
16 like to be able to get in at the beginning.

17                   On the first page of the Intervene --  
18 Intervenor Request Form, it asks for specific reasons,  
19 and I -- I included a page 2 -- and by the way, I'm just  
20 representing myself. I'm not representing a group.

21                   So these interests that I have in this are  
22 things like attaining the seventy-five (75) to twenty-  
23 five (25) debt-to-equity ratio by 2017.

24                   The Wuskwatim Power Limited power --  
25 Partnership and the responsibility of the Nisichawayasihk

1 Cree Nation Cree Nation during drought conditions after  
2 the project is completed.

3 Water flow rates and the prediction of  
4 droughts; drought conditions and the target date of the  
5 debt-to-equity ratio of seventy-five (75) to twenty-five  
6 (25).

7 Firm export revenues versus unfirm export  
8 revenues.

9 The risk of firm export revenues versus  
10 unfirm -- unfirm export revenues.

11 The thermal generating stations, gas fired  
12 and coal fired.

13 The retained earnings, and its reasons for  
14 existing; the amount of -- gas and hydrant information on  
15 applications for electric rate increase.

16 The amount of gas required and used for  
17 the gas fuel thermal generating stations during the  
18 2003/'04 drought that was responsible for the last few  
19 rate increases, beginning in August of 2004.

20 The conditional rate increase of 2007.

21 The contributing factors that increased  
22 retained earnings the quickest, assuming medium or better  
23 water flows.

24 Residents whose residence is all electric  
25 services.

1                   And the last note I have there is I  
2     obtained a copy of the application during the first week  
3     of October, but I have not had the opportunity to review  
4     the total document. Therefore, the list I just read off  
5     may involve more items, or it may be reduced after I  
6     finish reviewing the application.

7                   On the -- state the nature of the pro --  
8     proposed Intervention. Do you intend to appear? I have  
9     a note; "see page 4." I intend to appear throughout the  
10    hearing, except I -- I don't know what my schedule is  
11    right -- right now, so I could be in Toronto, I could be  
12    in Montreal, but whenever I'm in -- in Manitoba, I will  
13    be attending the Hearing to participate in the production  
14    of evidence.

15                  To be honest, I'm not sure if evidence  
16    means here -- includes the -- the requested -- the  
17    Information Requests, plus other material, but I have a  
18    note on that on page 4 al -- also, which states that if I  
19    was to present evidence that I may, much of the material  
20    that I would present would be determined by Manitoba  
21    Hydro's responses to my Information Requests. Therefore  
22    at this time, I cannot make a response to 9(a), Part 2.

23                  "Do you intend to call witnesses?

24                  No.

25                  Will you apply for costs?

1 No."

2 And basically that's it. Referring to the  
3 SEP in diesel agreement, I have no comment on that. The  
4 draft time table was fine with me.

5 THE CHAIRPERSON: Okay. Thank you, sir.

6 Do we have contact information on you?

7 How to get a hold of you? I see we've got your phone  
8 number there. Okay. And address. Okay.

9 MR. ALAN CIEKIEWICZ: Yeah.

10 THE CHAIRPERSON: Okay. We also have a  
11 Mr. Dyck who's with us today. And Mr. Dyck, you haven't  
12 applied to be an Intervenor, but you've indicated that  
13 you'll want the opportunity to make a presentation.

14 Now you understand that presentations,  
15 you're not sworn in for that, and it's not evidence per  
16 se, so it's just an opportunity to express yourself  
17 basically before the Hearing.

18 Do you have any comments you want to make  
19 at this time that would delineate the areas of interest  
20 that you may have?

21

22 OPENING COMMENTS BY MR. DYCK:

23 MR. DYCK: Primarily residential rate  
24 increases, and the transfers to -- to the Provincial  
25 Government, and the -- Hydro's previously stated

1 complaint of that, stating they require a certain amount  
2 of revenue on hand for equipment upgrades, and that I  
3 feel that a residential rate increase is not warranted.

4 THE CHAIRPERSON: Okay, sir. I'm sure we  
5 can find time for you to make a presentation. It's  
6 helpful to the Board when you're making the presentation  
7 if you could also not only an oral, if you could provide  
8 it in written form too.

9 MR. DYCK: Will do.

10 THE CHAIRPERSON: And if you wouldn't  
11 mind letting Board staff know so that we have your  
12 contact information so we're able to let you know,  
13 because the hearing schedule gets a little fluid at  
14 times, depending on how quick we're going. We have to  
15 arrange a time that's convenient for both you and the  
16 Board. Thank you, sir.

17 Are there any other interested parties  
18 here today to seek Intervenor status for Manitoba Hydro's  
19 General Rate Application?

20 MR. MICHAEL ANDERSON: Mr. Chair, I had  
21 one (1) other comment I'd like to make, if possible. As  
22 I -- I think I often do, I have a -- an afterthought.

23 Well, one thing I had wanted to commend  
24 and thank Manitoba Hydro and the Board for was for the  
25 electronic filing. You'll recall in earlier proceedings

1 that MKO had specifically recommended that future  
2 proceedings be carried out in the form of an electronic  
3 filing, and Manitoba Hydro has maintained all of the  
4 documents for this proceeding on its website, and for  
5 that, I thank them, because I can bring the entire  
6 filing, of course, with me in my laptop, and as well as  
7 whatever written material I require.

8 But I just wanted to also compliment both  
9 the Board and Manitoba Hydro for making that possible.  
10 It also allows us, for example, to circulate more readily  
11 copies of the application by CD to interested parties;  
12 for example, our economic development corporations and  
13 others, so that when we work with them in the production  
14 of evidence the development of Interrogatories and the  
15 cross-examination of witnesses, it makes it much simpler  
16 for all parties and less costly to share the application  
17 more widely. And for that I thank you.

18 THE CHAIRPERSON: Thank you, sir. It is  
19 always helpful to get some feedback on those matters.

20 So it is back to you, Ms. Ramage, if you  
21 have any comments at this time with respect to the  
22 requested interventions.

23

24 REPLY BY MS. PATTI RAMAGE:

25 MS. PATTI RAMAGE: Yes, Mr. Chair, I

1 will, perhaps if I can just go through my notes so I will  
2 comment as -- in the same order that the various parties  
3 presented their materials.

4                   If I could just make the global comment at  
5 the beginning that it's very difficult to comment on  
6 budgets and everything else when we're presented with  
7 them this morning, so these are going to be fairly high-  
8 level comments --

9                   THE CHAIRPERSON: I am sure we would be  
10 happy to hear from your comments when you have a chance  
11 to peruse them more carefully.

12                   MS. PATTI RAMAGE: Thank you. With  
13 respect to CAC/MSOS, Manitoba Hydro fully expected them  
14 to participate in this Hearing, and has no objections in  
15 that regard. We do note, with respect to costs, Mr.  
16 Williams' legal-fee costs are -- I -- I have in front of  
17 me the budget from the 2004 Hearing, and he's within  
18 dollars, essentially, of -- of where he was.

19                   However, we are looking at a significant  
20 difference for expert witnesses, not only with respect to  
21 the number of expert witnesses, but with respect to the  
22 cost. Mr. Harper, I believe in 2004, had a budget of  
23 forty-two thousand (42,000) versus the budget we're  
24 seeing today, at sixty thousand (60,000), give or take a  
25 couple of thousand, which is a fairly significant

1 difference, particularly given CAC is also proposing to  
2 bring two (2) other witnesses along.

3           So by way of comment, again, it's very  
4 difficult because we -- we're not -- we don't fully  
5 understand the -- the issues that these parties are going  
6 to deal with, however, that is a significant increase in  
7 expert witnesses.

8           And as I go through the other Intervenors,  
9 we'll see that I'm -- I'm hearing a number are -- are  
10 planning on bringing witnesses with them, and there is a  
11 concern that we're going to be overlap -- there's going  
12 to be overlap and that -- that we may be hearing the same  
13 pers -- or not getting a new perspective in witnesses,  
14 and our view, where parties can combine, they should be  
15 in their interventions. And so if we have a DSM witness  
16 from RCM/TREE, a DSM witness from CAC, a DSM witness from  
17 MKO, that -- that would be a concern of Manitoba Hydro's.

18           And we're hoping that the Board will  
19 certainly encourage parties to combine. And -- and  
20 again, the concern about the increase of costs, I haven't  
21 had the opportunity to look at where that comes from but  
22 Mr. Harper alone, in -- in essentially the same length of  
23 hearing, has increased the magnitude by close to 50  
24 percent.

25           MR. ROBERT MAYER:    Ms. Ramage --



1 MS. PATTI RAMAGE: Yeah.

2 MR. ROBERT MAYER: -- on the -- on that  
3 issue, those of us who had the opportunity to be involved  
4 in the Wuskwatim Clean Environment Commission Hearings,  
5 did in fact hear from Dr. Higgin and the interesting --  
6 the interesting thing, just because we have two (2) DSM  
7 witnesses doesn't necessarily mean we're getting the same  
8 evidence because, in fact, Dr. Higgin's comments with  
9 respect to wind generation as opposed to those expressed  
10 by, I think, Mr. Tory (phonetic), were not quite  
11 diametrically opposed, but led to significantly different  
12 results.

13 MS. PATTI RAMAGE: No, I -- I recognize  
14 that, Mr. Mayer. It was -- my comments were more  
15 directed at insuring that we're not calling the same --  
16 or witnesses who take the same perspective.

17 THE CHAIRPERSON: Yes, the Board is  
18 interested in avoiding duplication and enhancing  
19 cooperation wherever possible, so I'm sure the staff and  
20 counsel will have conversations as well.

21 MS. PATTI RAMAGE: With respect to the  
22 City of Winnipeg, Manitoba Hydro has no objections.

23 MKO, the next party on the timetable -  
24 Manitoba Hydro certainly encourages MKO and we -- we hope  
25 -- we have the sincerest hope that the prime reason

1 they're here is to get that diesel matter dealt with. So  
2 we not only accept them, we encourage them to be here.

3                   With the same caveats, we've seen a  
4 request for a witness, we would ask that perhaps Mr.  
5 Anderson, when -- when retaining that witness, perhaps  
6 talk to CAC. MKO has partnered with CAC numerous times  
7 over the years and if we can avoid having a second  
8 witness called, I -- typically the MKO community have  
9 very similar interests to CAC's and Manitoba Hydro, by  
10 silence, doesn't -- doesn't want to suggest that it  
11 endorses the -- the calling of additional witnesses by  
12 MKO, but we can't comment at this point. So we'd just  
13 like to put that caveat.

14

(BRIEF PAUSE)

15

16  
17                   MS. PATTI RAMAGE: My notes on RCM/TREE,  
18 Mr. Gange has assisted me in deleting some of them  
19 because at first I was -- was planning on commenting that  
20 TREE's legal expenses at eighty-four thousand (84,000)  
21 were significantly higher than CAC's at thirty-five  
22 thousand (35,000). However, Mr. Gange, you clarified  
23 that that includes your expert witness.

24

25                   So again, difficult to comment on, but  
certainly Manitoba Hydro has welcomed RCM/TREE's

1 perspective in the past and -- and expect them to fully  
2 participate in this Hearing.

3                   And lastly is Mr. Ciekiewicz's Intervenor  
4 application. This one is a little more problematic from  
5 Manitoba Hydro's perspective. Traditionally the Board  
6 has expected that Intervenor have represented a stan --  
7 a substantial number of ratepayers. That's -- it hasn't  
8 been my experience that an individual has been awarded  
9 Intervenor status to represent their own interest.

10                   These proceedings are, as we're all aware,  
11 costly and there's a concern about duplication and Mr.  
12 Ciekiewicz is in fact -- he is a resi -- residential  
13 customer and I would suggest CAC should be able to  
14 represent Mr. Ciekiewicz.

15                   Having said that, I understand Mr.  
16 Ciekiewicz has a -- an interest in these proceedings.  
17 He's keenly interested in Manitoba Hydro's operations and  
18 affairs and he certainly is welcome to attend the  
19 proceedings. But I -- I believe in terms of, for  
20 example, the description of evidence is really one (1)  
21 individual's opinion and that it would be better  
22 classified as a presenter to present those opinions, as  
23 opposed to providing evidence.

24                   So, on that front, Manitoba Hydro suggests  
25 Mr. Ciekiewicz be designated as a presenter who will be

1 attending the Hearing as he is available to do so and  
2 will be supplied materials upon request, as all parties  
3 are.

4 THE CHAIRPERSON: Do you have any comment  
5 with respect to MIPUG?

6 MS. PATTI RAMAGE: I'm sorry, I missed  
7 MIPUG. MIPUG doesn't cost anything and they are always  
8 here and we expect them to continue to be here.

9 THE CHAIRPERSON: Thank you, Ms. Ramage.  
10 Mr. Ciekiewisz, do you have any response  
11 to Ms. Ramage's comments?

12 MR. ALAN CIEKIEWISZ: In the rules of  
13 practices and procedures of Section 27 says:

14 "Wherein notice of public hearing has  
15 been published, any interested person  
16 per organization may request to  
17 intervene".

18 I'm an interested person.

19 THE CHAIRPERSON: Okay, thank you, Mr.  
20 Ciekiewisz, we will take that into account. And I am  
21 sure you are aware of our normal process of seeking the  
22 various Intervenor parties to cooperate with each other  
23 to try and avoid regulatory costs. Very good, we'll  
24 consider that.

25 The Board would like to thank all those

1 parties for their attendance today. The Board will  
2 provide its procedural order shortly. And in addition to  
3 the Intervenor request and the timetables, we will also  
4 address Manitoba Hydro's request for an immediate interim  
5 order extending the Surplus Energy Rate Program.

6 Thank you and we stand adjourned.

7

8 --- Upon adjourning at 11:45 a.m.

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13 Certified Correct,

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Rolanda Lokey, Ms.

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