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September 21, 2017

Morrison Park Advisors
c/o Pelino Colaiacovo
First Canadian Place, 100 King Street West
Suite 2540, P.O. Box 360
Toronto, ON
M5X 1E1

Dear Mr. Colaiacovo:

Re: Manitoba Hydro – 2017/18 and 2018/19 General Rate Application

The Consumers Coalition (Winnipeg Harvest and the Manitoba Branch of the Consumers' Association of Canada) and the Manitoba Industrial Power Users Group (MIPUG) propose to jointly retain Morrison Park Advisors to prepare expert evidence with respect to the Manitoba Hydro 2017/18 and 2018/19 General Rate Application (GRA).

We propose that the costs associated with retaining Morrison Park Advisors be split in half between the Consumers Coalition and MIPUG.

Background

In May 2017, Manitoba Hydro applied to the Public Utilities Board for approval for its 2017/18 and 2018/19 GRA. Our clients, the Consumers Coalition, applied for intervener status on June 5, 2017. MIPUG also applied for intervener status on June 5, 2017.

On June 30, 2017, the Consumers Coalition and MIPUG were granted intervener status. The hearing into Manitoba Hydro's GRA will begin in December 2017.

Terms of Retainer

I am writing on behalf of our clients, the Consumers Coalition, and MIPUG to retain your services to assist our clients with their participation in the Public Utilities Board review of the Application on issues related to financial targets/ capital structure, debt and debt management, and risk and uncertainty analysis.

Your duties will include:

- Reviewing the application, evidence and historical information;
- Modelling, on a very limited basis, the potential impact on Manitoba Hydro of further unplanned capital expenditures, and compare the same to other possible risks;

- Researching and benchmarking of alternatives;
- Researching and comparing the debt management strategies of comparable utilities, particularly with respect to the issue of shorter term maturity;
- Modelling; on a very limited basis, the varying impacts on customer rates over time of different financial targets, strategies, debt management plans and risks, including the use of different rate implementation strategies (i.e., higher earlier, steady increases use of “emergency” increases, etc.) and considering the impact of these various scenarios on access to capital and the Province of Manitoba;
- Preparing first and second rounds of Information Requests;
- Reviewing Information Request responses;
- Preparing a report to the Public Utilities Board;
- Responding to Information Requests, if necessary; and
- Preparing for and appearing before the Public Utilities Board, if necessary.

Duty to the Public Utilities Board

It is your duty to provide evidence that:

- is fair, objective and non-partisan;
- is related only to matters that are within your area of expertise; and
- to provide such additional assistance as the Public Utilities Board may reasonably require to determine an issue.

Your duty in providing assistance and giving evidence is to help the Public Utilities Board. This duty overrides any obligation to the Consumers Coalition. By signing this letter of retainer, you confirm that you will comply with this duty.

Financial Terms

[Financial terms have been omitted as they are not relevant to the question as posed or to the determination of a just and reasonable rates]

Reporting and Hours Incurred

We request that you provide us with updates of time spent until the end of the hearing. For the purpose of this proceeding we will require a detailed bill of costs itemizing the date you worked on a particular task, the number of hours or percentage of time spent on that task and a brief description of each task. In the event that you expect there to be a material increase in your actual bill of costs, I would ask that you contact me at your earliest possible convenience to discuss this matter and to receive my approval for any material increase.

Conclusion

If you find the terms of this retainer acceptable, I would ask that you sign and return to my attention one copy of this letter. Please keep another copy for your own records.

Thank you for your consideration of this request. If you have any questions, please feel welcome to telephone me at (204) 985-8533.

Yours truly,

[Signature in original]

BYRON WILLIAMS
DIRECTOR

BW/km

cc. *The Consumers Coalition (Manitoba Branch of the Consumers' Association Canada and
Winnipeg Harvest)
Manitoba Industrial Power Users Group*

I accept the terms of this retainer this day of , 2017.

[Signature and date in original]

Pelino Colaiacovo