

April 15, 2024

VIA EMAIL

Approved Interveners
(per attached list)

-and-

Brent Czarnecki
Manitoba Hydro
360 Portage Ave.
Winnipeg, MB R3C 0G8

Re: Deadlines for Final Submissions on Manitoba Hydro's Application to Review & Vary Order 101/23

This letter is further to the Public Utilities Board's ("Board") letter of March 22, 2024 regarding Manitoba Hydro's application to review and vary Order 101/23 with respect to depreciation matters.

Procedural Submissions Received

In response to the March 22 letter, the Board received written procedural submissions from the following parties to the 2023/24 & 2024/25 General Rate Application:

- Assembly of Manitoba Chiefs
- Consumers Coalition
- Manitoba Industrial Power Users Group
- Manitoba Keewatinowi Okimakanak

The Board also received a reply submission from Manitoba Hydro on April 8, 2024.

All of the interveners except the Consumers Coalition indicated that no evidence would be required and that the Board should decide Manitoba Hydro's application based on written submissions from the parties. The Consumers Coalition made the following procedural submissions:

- Manitoba Hydro's application was filed outside the 30-day timeline established by Rule 36(3) of the Board's *Rules of Practice and Procedure* and fails to provide adequate information to support an extension.

- The application provides insufficient information as to how it meets the threshold test for the Board to consider an application to review and vary an order as set out in Rule 36(5). The Coalition accordingly recommends that the matter not be reviewed.
- If the Board decides to review Order 101/23, the Board should permit one limited round of information requests, followed by written submissions by the parties. Oral evidence or intervener evidence is not necessary.
- The timeline requested by Manitoba Hydro could be extended because the depreciation issue would qualify as an “Adjusting Event” under International Accounting Standard 10.

In its reply submission, Manitoba Hydro submits that the utility engaged with the PUB in an open and transparent manner regarding the depreciation directive in Order 101/23 and that the utility’s determination on componentization required detailed analysis. The utility accordingly asks the Board to exercise its discretion to hear the application. Manitoba Hydro also reiterates that the analysis was completed after Order 101/23 was issued and that there is an inherent conflict in clauses 19(g) and (h) that must be resolved to avoid having to maintain two sets of accounting records in perpetuity. Manitoba Hydro confirms that it is not seeking approval for the componentization changes in this application to review and vary Order 101/23, and that the anticipated \$35 million annual impact is an estimate. The utility further indicates that it is not seeking a rate increase as a result of its application. Overall, the utility concurs with the recommendation of several interveners to have the Board determine the application based on written final submissions.

Process for Reviewing the Application

The Board intends to dispose of Manitoba Hydro’s application in a pragmatic manner that will allow the issue of componentization to be deferred to — and fully canvassed at — the next general rate application, if this can be accomplished without a rate impact for the 2023/24 and 2024/25 test years for which the Board has already approved rates. As such, the Board has decided not to permit information requests at this time and to invite the parties to make written submissions on the following narrow issues only:

- Do you agree that under either of Manitoba Hydro’s proposed approaches, there is no impact on 2023/24 and 2024/25 rates that have already been fixed by the Board?
- If not, please explain your rationale and your recommendation on how the Board should resolve the rate impact (including denying Manitoba Hydro’s application, if applicable).

Deadlines for these submissions are as follows:

Wednesday, April 17, 2024 — Deadline for Intervener Submissions

Friday, April 19, 2024 — Deadline for MH Reply Submissions

Sincerely,



Rachel McMillin, BSc., MPA
Associate Secretary

RM/ks

cc: Tanis Brako, Shannon Gregorashuk & Ashley Jansen, Manitoba Hydro
Bob Peters & Sven Hombach, Board Counsel