



The Public Utilities Board
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December 27, 2013

Manitoba Hydro Law Department
 P.O. Box 815
 Winnipeg, MB R3C 2P4

Attention: Patti J. Ramage / Marla J. Boyd

Dear Ms. Ramage and Ms Boyd:

Re: Manitoba Hydro Correspondence of December 13, 2013

Please be advised that the Public Utilities Board (“PUB”) has approved the following budget increases for the Independent Expert Consultants (“IECs”) retained to prepare reports and provide evidence in the NFAT Review:

| Consultant | Approved Increase | Approved Contingency |
|-------------------------------|--------------------------|-----------------------------|
| TyPlan | \$7,500 | n/a |
| Power Engineers | \$18,000 | n/a |
| Potomac Economics | \$50,000 | \$10,000 |
| MNP LLP | \$30,000 | \$15,000 |
| La Capra Associates | \$125,000 | \$100,000 |
| Total Budget Increase: | \$230,500 | \$125,000 |

Please note that Morrison Park Advisors have also requested a budget increase; however, the requested amount has not crystallized at this time. Should the PUB approve a budget increase for Morrison Park Advisors, it will advise Manitoba Hydro forthwith.

The budget increases are primarily attributable the following:

- The need for increased travel time and a substantial presence of the IECs at Manitoba Hydro as a result of Manitoba Hydro’s request for, and the PUB’s implementation of, a process by which the IECs would obtain information through



informal meetings with Manitoba Hydro staff rather than formal written Information Requests;

- The uniqueness of the proprietary modelling software used by Manitoba Hydro and negotiations surrounding the analysis of new scenarios, which required a further IEC presence primarily by La Capra Associates;
- A better understanding of the IEC Scope of Work as a result of information received from Manitoba Hydro to date;
- Delays in the provision of alternative scenario analyses and answers to Information Requests by Manitoba Hydro, which have resulted in an increased workload on the IECs; and
- An unwillingness by the external commercial price forecasters relied on by Manitoba Hydro to make source data available, resulting in additional work for Potomac Economics.

The PUB will follow its existing protocol for the submission of invoices to Manitoba Hydro.

Yours truly,

"Original signed by"
Kurt Simonsen
Associate Secretary

cc : R.F. Peters, Board Counsel
Christian Monnin/Michael Weinstein, Independent Legal Counsel
Interveners of Records