



“When You Talk - We Listen!”



MANITOBA PUBLIC UTILITIES BOARD

Re :

MANITOBA HYDRO

2019/20

ELECTRIC RATE APPLICATION

PRE-HEARING CONFERENCE

Before Board Panel:

Robert Gabor	- Board Chairperson
Marilyn Kapitany	- Board Vice Chair
Larry Ring	- Board Member
Shawn McCutcheon	- Board Member
Hugh Grant	- Board Member

HELD AT:

Public Utilities Board
400, 330 Portage Avenue

Winnipeg, Manitoba

December 19, 2018

Pages 1 to 108

1 APPEARANCES
2
3 Bob Peters) Board Counsel
4 Dayna Steinfeld)
5
6 Marla Boyd) Manitoba Hydro
7 Odette Fernandes)
8
9 Byron Williams) Consumer Coalition
10 Katrine Dilay)
11
12 Antoine Hacault) MIPUG
13
14 Jared Wheeler (watching brief)) MKO
15
16 Corey Shefman) Assembly of
17) Manitoba Chiefs
18
19
20
21
22
23
24
25

	TABLE OF CONTENTS	
		Page No.
1		
2		
3	List of Exhibits	4
4		
5	Opening Comments	5
6		
7	Presentation by Manitoba Hydro	20
8		
9	Discussion	31
10		
11	Closing Comments by Manitoba Hydro	105
12	Closing Comments by Assembly of Manitoba Chiefs	106
13	Closing Comments by MIPUG	106
14	Closing Comments by CAC	107
15		
16		
17		
18		
19		
20	Certificate of Transcript	108
21		
22		
23		
24		
25		

1	LIST OF EXHIBITS		
2	EXHIBIT NO.	DESCRIPTION	PAGE NO.
3	MH-A For		
4	Identification	Manitoba Hydro's presentation	29
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			

1 --- Upon commencing at 11:30 a.m.

2

3 THE CHAIRPERSON: Good morning,
4 everyone and welcome to the Public Utilities Board's
5 pre-hearing conference for Manitoba Hydro's 2019/2020
6 General Rate Application. My name is Robert Gabor,
7 I'm the Chair of the Public Utilities Board. With me
8 are Board members Marilyn Kapitany, Hugh Grant, Larry
9 Ring and Shawn McCutcheon. Brief bios of each are
10 available on the Board's web page.

11 Please note that Board member Sharon
12 McKay will not be available to sit on the hearing
13 panel in this General Rate Application due to work
14 commitments.

15 The Board is also assisted in this
16 hearing by secretary Darren Christle and judicial
17 hearing assistant Kristen Schubert. Bob Peters and
18 Dayna Steinfeld will act as Board counsel. As in
19 prior hearings, the Board is also assisted by
20 technical advisor -- advisors Cathcart Advisors, and
21 our new fashion advisor Ryall Engineering.

22 On behalf of the panel, I would like to
23 welcome Manitoba Hydro and the prospective Intervenors
24 at this time, and on behalf of all in attendance, the
25 Board would like to acknowledge that the Treaty 1

1 lands on which we now gather for this hearing and the
2 Treaty 2, 3, 4 and 5 lands included in Manitoba
3 Hydro's service territories are the traditional
4 territories of the Anishinaabe Cree, Oji-Cree, Dakota
5 and Dene peoples, as well as the homeland of the Metis
6 Nation.

7 This pre-hearing conference for
8 Manitoba Hydro's 2019/'20 fiscal year General Rate
9 Application is scheduled until 2:30 p.m. this
10 afternoon.

11 The Public Utility Board's mandate is
12 to set just and reasonable rates that are in the
13 public interest. The public interest has been defined
14 by the Manitoba Court of Appeal as balancing the
15 impacts of rate increases on consumers with the fiscal
16 health of the Utility. In order to set just and
17 reasonable rates that are in the public interest, the
18 Board will need to hear and consider all of the
19 evidence that is adduced on the record of this
20 proceeding, and hear submissions from Manitoba Hydro
21 and all approved Intervenors.

22 On November 12th, 2018, Manitoba Hydro
23 filed a letter to advise the Board of the Utility's
24 intentions with respect to the filing of a 2019/2020
25 General Rate Application.

1 By letter of November 21st, 2018 the
2 Board advised that it would be willing to consider a
3 one (1) year rate increase application based on
4 financial information for the 2018/'19 and 2019/'20
5 fiscal years, and without a long-term financial
6 forecast from Manitoba Hydro.

7 The Board also advised that the scope
8 of the issues in the review process could only be
9 determined following the filing.

10 On November 30th, 2018, Manitoba Hydro
11 filed its 2019/20 General Rate Application seeking a
12 rate increase of 3.5 percent for all customer classes
13 to be effective April 1, 2019.

14 On December 13th, 2018, pursuant to the
15 process established by the Board and correspondence of
16 September 18, 2018 and confirmed in the letter of
17 November 21st, 2018, the Board issued a declaration of
18 completion, declaring that the filing included all
19 routine standard and/or base information as determined
20 on a review conducted by Board staff and advisors.

21 Both Manitoba Hydro and approved
22 Intervenor are to assist this panel in understanding
23 the issues and options that relate to Manitoba Hydro's
24 request to increase consumer rates by 3.5 percent
25 effective April 1st, 2019.

1 That leads me to the purpose of this
2 pre-hearing conference, which are:

3 (a) To identify and approve appropriate
4 intervenors;

5 (b) To identify which issues are
6 included in the scope of this public hearing process;
7 and

8 (c) To finalize a timetable for the
9 orderly exchange of evidence in the conduct of the
10 public hearing.

11 At this time, the Board has received
12 written applications for Intervenor status from the
13 Consumers Coalition, which is a Coalition of the
14 Consumers Association of Canada, Manitoba and Winnipeg
15 Harvest; Manitoba Industrial Power Users group; and
16 the Assembly of Manitoba Chiefs. We understand as
17 well that we may have a watching brief on behalf of
18 MKO.

19 As a result of the recent public notice
20 published in provincial newspapers, the Board is aware
21 that there may be additional applications for
22 Intervenor status and will keep the parties advised.
23 While this pre-hearing conference needs to be
24 conducted in an orderly and efficient manner, please
25 remember that these proceedings are to be informal

1 even if the technology makes it appear otherwise.

2 The Board will hear from all proposed
3 Intervenor seeking to be involved in this hearing,
4 and we may have questions of you to help our
5 understanding of your request for Intervenor standing
6 and your position as to the scope of the hearing and
7 the process for the review of the rate application.

8 Before I call on Board counsel, the
9 panel has specific requests of the parties.

10 (a) The Board welcomes public
11 participation, and there are several ways for the
12 public to participate and to communicate with the
13 Board. At one (1) end of the spectrum, Intervenor
14 representing a number of ratepayers may be -- may be
15 approved and if so, are expected to actively
16 participate throughout the hearing process.

17 At the other end of the public
18 participation spectrum, individuals or groups may have
19 written comments to be submitted to the Board on the
20 Board's website. Where consent has been provided, the
21 web -- the website comments will be filed as an
22 exhibit in the proceeding with the identifying
23 information for the individual or group who submitted
24 the comment.

25 Another method of communicating

1 comments to the Board would be by attending before the
2 Board to provide an oral presentation at a date and
3 time to be scheduled by the Board;

4 (b) All parties and their
5 representatives, and consultants should be aware that
6 the Board intends to live stream any oral public
7 hearing proceedings through a link accessible on the
8 Board's website;

9 (c) The process for Intervenor cost
10 applications and awards that will be followed by the
11 Board is set out in the Intervenor cost policy posted
12 on the Board's website for the 2019/'20 GRA. All
13 parties should review and be familiar with the
14 Intervenor cost policy as applications for costs
15 submitted that are incomplete or not in compliance
16 with the requirements prescribed in the Intervenor
17 cost policies -- policy will be returned to the
18 Intervenor;

19 (d) The Board appreciates the potential
20 Intervenors, which will be seeking cost awards have
21 not at this time provided detailed cost estimates as
22 the approval of Intervenor status and approval of the
23 issues for each Intervenor have not been given.

24 After the Board has issued its
25 procedural Order approving Intervenor status and

1 issues, approved Intervenor will be required to file
2 their detail cost estimates. The date for filing will
3 be discussed when we talk about the schedule at
4 today's pre-hearing conference;

5 (e) When it comes time to file detailed
6 cost estimates, approved Intervenor are to use the
7 fillable Excel spreadsheet available on the Board's
8 website. This information has previously been
9 circulated to past Intervenor. Cost estimates will
10 be reviewed by Board staff for completeness and
11 compliance with the Board's rules and the Intervenor
12 cost policy.

13 The filing of Intervenor cost estimates
14 does not guarantee or disqualify an Intervenor from
15 eligibility for a cost award. Any comments provided
16 by Board staff on Intervenor cost estimates are not
17 binding on the Intervenor or the Board. All cost --
18 cost awards, whether in advance of funds or a final
19 cost award are in the sole discretion of the Board and
20 all applications for cost awards will be considered by
21 the Board in accordance with the criteria set out in
22 Section 3.0 of the Intervenor cost policy;

23 (g) (sic) Should any approved
24 Intervenor seeking an award of costs determined that
25 there will be a material difference or deviation in

1 the amount of the Intervenor's costs application from
2 the cost estimate and/or scope of the Intervenor's
3 participation in the proceeding, the Intervenor is to
4 notify the Board forthwith. Unless there are
5 exceptional circumstances, Intervenor's will not be
6 approved for such cost increases without the required
7 prior written notification of the Board;

8 (h) Expert witnesses will no longer --
9 will no longer need to be qualified when introduced,
10 although it will be helpful for counsel to explain the
11 area of expertise for which the witnesses appearing.
12 Expert witnesses can still be cross-examined during
13 oral testimony as to their qualifications and
14 expertise. The Board will determine what weight, if
15 any, to attach to each expert's testimony.

16 (I) Likewise, members of the public who
17 appear before the Board as presenters will be afforded
18 the opportunity to testify as to the facts of their
19 specific circumstances and issues related to Manitoba
20 Hydro's GRA.

21 The Board will determine what weight,
22 if any, to attach to the presentations from members of
23 the public. Parties can expect more direction from
24 the Board on this topic in the near future and, as
25 always, your comments are welcome.

1 At this time I would like to turn the
2 microphone over to Board counsel to discuss the
3 procedure for today. Mr. Peters and Ms. Steinfeld...?

4 MS. DAYNA STEINFELD: Thank you and
5 good afternoon, Board Chair, Board Vice Chair
6 Kapitany, Board members Ring, McCutcheon and Dr.
7 Grant. And good morning to all counsel and ladies and
8 gentlemen present in the hearing room, as well as to
9 those members of the public who are viewing this pre-
10 hearing conference on the live stream I believe.

11 For the record, my name is Dayna
12 Steinfeld and together with my colleague Bob Peters,
13 we are legal counsel to the Public Utilities Board for
14 this 2019/20 Manitoba Hydro General Rate Application.

15 As the Chair mentioned, also assisting
16 the Board in this General Rate Application are Roger
17 Cathcart, the Board's accounting advisor from Cathcart
18 Advisors Inc. and Brady Ryall of Ryall Engineering
19 Limited, the Board's engineering advisor.

20 Mr. Chair and Board members, last week
21 Board counsel took the liberty of circulating a draft
22 outline of procedures for today's pre-hearing
23 conference and it is up on the screen in front of you
24 now. Based on feedback received, we have received the
25 outline of procedures and proposed -- we have revised

1 that outline of procedures and propose to follow it
2 today. Paper copies have been provided to those in
3 attendance and additional copies are also available on
4 the table beside the door.

5 As noted by the Chair, one (1) of the
6 purposes of this pre-hearing conference is to allow
7 interested parties to apply for Intervenor status. In
8 light of the nature and timing of Manitoba Hydro's
9 General Rate Application, all Intervenors who are
10 approved to participate in the prior Manitoba Hydro
11 General Rate Application have been notified of this
12 most recent filing by Manitoba Hydro, as well as
13 today's pre-hearing conference.

14 We can advise that three (3) written
15 applications have been filed with the Board seeking
16 Intervenor status. The Board will hear from the
17 Consumers Coalition, represented by Mr. Williams and
18 Ms. Dilay; the Manitoba Industrial Power Users Group,
19 represented by Mr. Hacault; and the Assembly of
20 Manitoba Chiefs represented by Mr. Luk and Mr.
21 Shefman. We will also hear today from Mr. Wheeler,
22 who is here on a watching brief from MKO.

23 The second purpose of the pre-hearing
24 conference, as noted by the Chair, is to identify
25 which issues are included in the scope of this public

1 hearing process. We can advise the Board that in an
2 effort to assist the parties in their preparation for
3 this pre-hearing conference, Board counsel circulated
4 a draft issues list and hearing scope neither of which
5 had yet been adjudicated by the Board.

6 We suggest that each of the Intervenor
7 applicants and Manitoba Hydro address the issues that
8 they seek to have included in the scope of this
9 hearing when called on today for their specific
10 submissions to the Board on this topic and as
11 scheduled in the order of proceedings for the
12 discussion on hearing scope.

13 Another matter for Intervenor
14 applicants and Manitoba Hydro to address when called
15 on later today is the third manner that the Chair
16 noted, and that is, to consider the timetable for the
17 orderly exchange of evidence and submissions. This
18 involves consideration of the process and timelines to
19 be filed by Intervenors and Manitoba Hydro, including
20 for any Information Requests, any expert evidence, any
21 cross-examinations, and ultimately submissions.

22 Mr. Chair and Board members, before I
23 conclude our opening comments, and as noted by the
24 Chair, all parties should be aware that the Board is
25 using the new Intervenor cost policy with the related

1 forms and those are posted on the Board's website
2 under the tab for Manitoba Hydro's 2019/20 General
3 Rate Application. Thank you, Ms. Schubert.

4 Board staff and Board counsel remain
5 available to assist with any questions of
6 clarification related to the Intervenor cost policy,
7 the application form and the Intervenor costs template
8 to be used when applying for costs. Parties are aware
9 that only after the Board approves an Intervenor and
10 approves the issues for which Intervenor status is
11 granted that the Intervenor is then to submit a cost
12 estimate using the new forms, therefore, no cost
13 estimates were due for today.

14 In conclusion, Mr. Chair, we suggest
15 that the Board call on the parties in the order listed
16 in the outline of procedures to hear their brief
17 introductions, which will then be followed by Manitoba
18 Hydro's presentation and the presentation of the
19 Intervenor applications.

20 Please call on Board counsel throughout
21 this pre-hearing conference with any questions that
22 may arise. Thank you.

23 THE CHAIRPERSON: Thank you. We'll
24 proceed -- our list, quite frankly, is slightly
25 different -- no, it's the same list now, sorry.

1 Ms. Fernandes...?

2 MS. ODETTE FERNANDES: Yes, thank you.

3 Good morning Mr. Chairman, Vice Chair Kapitany and
4 Board members McCutcheon, Ring and Grant.

5 For the record, my name is Odette
6 Fernandes and I, along with Ms. Marla Boyd will be
7 representing Manitoba Hydro as legal counsel. Prior
8 to introducing the other individuals with me here
9 today, I did want to take the opportunity to thank
10 this Board for agreeing to review the application
11 currently before you.

12 Manitoba Hydro understands that this is
13 not a traditional filing, and that is why we sought
14 the concurrence of this Board prior to doing so. So
15 we truly do appreciate the consideration of this
16 Board.

17 I would also like to take one (1)
18 moment to thank Board counsel and Board advisors for
19 their assistance in continuing to move this process
20 forward in a timely fashion. We know it's a busy
21 season so we truly do appreciate everyone's efforts.

22 Seated to my right we have Ms. Liz
23 Carriere, who is the Director of Rates and Regulatory
24 Affairs, and we have behind us Ms. Shannon Gregorashki
25 who's the Regulatory Services Department Manager and

1 that will be your panel here today. Thank you.

2 THE CHAIRPERSON: Thank you. Dr.
3 Williams...?

4 DR. BYRON WILLIAMS: Good morning, Mr.
5 Chair and members of the panel. With my colleague Ms.
6 Katrine Dilay whose one (1) row behind me today, but
7 is clearly the operatin -- operating mind of this
8 collaboration. We're pleased to represent the
9 Consumers Coalition involving both Winnipeg Harvest
10 and the Consumers Association of Canada, the Manitoba
11 branch.

12 THE CHAIRPERSON: Thank you. M.
13 Hacault...?

14 MR. ANTOINE HACAULT: Bonjour, Mr.
15 Chair, members of the Board, Board counsel and
16 advisors, all counsel present, Manitoba Hydro
17 representatives and representatives of Intervenors.

18 For the record, my name is Antoine
19 Hacault. I am appearing this morning on behalf of
20 Manitoba Industrial Power Users Group, and with me
21 here today is Patrick Bowman of Intergroup.

22 THE CHAIRPERSON: Thank you.
23 Mr. Shefman...?

24 MR. COREY SHEFMAN: Bonjour. Thank
25 you for having us here today. My name is Corey

1 Shefman. I'm one (1) of the two (2) legal counsel for
2 the Assembly of Manitoba Chiefs. My colleague Mr. Luk
3 was not able to join us today. I also wanted to thank
4 you and acknowledge, Mr. Chair, for acknowledging the
5 treaty land that this hearing is taking place on and
6 that all of Manitoba Hydro's operations take place on.

7 THE CHAIRPERSON: Mr. Wheeler,
8 welcome.

9 MR. JARED WHEELER: Good morning, Mr.
10 Chair and Board members, Board counsel, Board
11 advisors, Manitoba Hydro representatives, and
12 Intervenors, as well as everybody listening online
13 this morning.

14 As you've been advised, my name is
15 Jared Wheeler. I'm from Jerch Law in Winnipeg here,
16 and also as you been advised, we are here this morning
17 on a watching brief on behalf of MKO. Our firm is in
18 the process of being retained currently.

19 I also would like to request a brief
20 extension of time for the filing of MKO's application
21 to intervene which we -- if approved, we would be
22 filing at a later time. I don't anticipate that being
23 a long request for an extension, perhaps ten (10) days
24 or so but -- although, of course, that would interact
25 with Christmas at that time. So -- but thank you for

1 having me here this morning.

2 THE CHAIRPERSON: Thank you. I just
3 advise, Mr. Wheeler, one (1) of the matters we'll be
4 dealing with after is to determine the deadline for
5 filing the applications for interventions so for new
6 Intervenor, so, you will be notified of that. Thank
7 you.

8 MR. JARED WHEELER: Thank you very
9 much.

10 THE CHAIRPERSON: Okay, if we could to
11 move towards the presentations. Ms. Fernandes...?

12

13 PRESENTATION BY MANITOBA HYDRO:

14 MS. ODETTE FERNANDES: Thank you, Mr.
15 Chairman. We do understand that we are here at this
16 pre-hearing conference to speak to process and not
17 give evidence. We've been asked to provide a brief
18 presentation so I will be turning the mic over to Ms.
19 Carriere who will highlight what is in our
20 application.

21 MS. LIZ CARRIERE: Good morning, Mr.
22 Chair, Board members, PUB counsel and advisors and
23 Intervenors. Bear with me with the technology because
24 my laptop has identified the clicker as a potential
25 threats so we'll see if this works. So here you go

1 and I think I need Ms. Schubert to bring it up on the
2 screen. And it doesn't seem to be working, Ms.
3 Schubert, so if you could advance to the next slide.
4 Thank you.

5 So I just wanted to take a brief moment
6 of your time this morning and thank you for having us
7 here this morning to walk you through some of the
8 considerations Manitoba Hydro made in -- in -- and our
9 path in getting to -- here this morning and filing our
10 application. I'll go briefly over the application and
11 what's in it and what the ov -- what's the overview,
12 as well as reasons for the proposed rate increase.
13 Next slide, please.

14 So as everyone's well aware, we
15 concluded on March 14th a fairly comprehensive and
16 extensive process, including 284 days, 35,000 pages
17 2100 IRs and a total of \$14 1/2 million in cost. So
18 this was a -- a key consideration in the next filing
19 decision.

20 On May 1st the PUB ordered -- issued
21 Order 59/'18, which included a number of directives
22 that were to be addressed in the next GRA. In
23 addition, Directive 9 ordered parties to participate
24 in a technical conference to rev -- to review minimum
25 retained earnings levels prior to the next GRA but

1 then was subsequently set aside this fall.

2 At the same time, Centra has made a
3 commitment to file and has filed effective November
4 30th a General Rate Application for gas operations.
5 So resourcing, again, was a consideration in filing an
6 electric rate application.

7 Prior to the start of the 2018/'19
8 fiscal year, we're moving into some of Manitoba
9 Hydro's internal considerations here. There was a
10 decision to shift the planning cycle by six (6) months
11 to align with the Crown Corporation's Accountability
12 Act requirements, which requires our Minister to
13 approve the annual business plan for the -- for the
14 fiscal year, as well as the budget for April 1 of each
15 year.

16 So what that effectively has done is
17 our planning cycle now commences in the fall and
18 culminates in the spring. Traditionally, our planning
19 cycle commenced in the spring and culminated in the
20 fall and was aligned with implementing April 1 rate
21 increases.

22 Manitoba Hydro at the last GRA in 2017
23 was in the process of preparing the 2018/'19 budget;
24 that budget received approval from Manitoba Hydro's
25 Electric Board. In the midst of that hearing or -- or

1 just at the end of that hearing in March 2018, but
2 prior to the Order being issued in -- for -- in May.
3 While the Manitoba Hydro Electric Board -- Board
4 approved the 2018/'19 budget, they elected to defer
5 approval of the long-term -- longer term forecast MH-
6 18 or IFF-18 as it's commonly referred to, pending
7 that PUB Order and a signal within that Order for
8 longer-term financial targets and pacing.

9 So before that could happen, that board
10 resigned and a new board was appointed in April and --
11 and June -- members of the board were appointed in
12 April and June of 2018.

13 So aligned with that new planning cycle
14 timeline, we are currently in the process of preparing
15 final 2019/'20 budget that will be submitted for
16 provincial approval, as well as a longer term forecast
17 to review with our new Chief Executive Officer and the
18 Manitoba Hydro Electric Board.

19 Based on direction out of the review of
20 the longer-term forecasts with the new CEO and the
21 Manitoba Hydro Electric Board, Manitoba Hydro plans to
22 file a full electric General Rate Application in late
23 2019.

24 Manitoba Hydro sought approval from the
25 Manitoba Hydro Electric Board in late October to

1 proceed with this electric rate application. And as
2 Mr. Chairman noted, we advised the PUB of that
3 decision to file an electric rate application on the
4 12th of November, which included a 3 1/2 percent
5 rating for -- one (1) year rate increase for the
6 2019/'20 fiscal year based on information available at
7 the time and -- and approved by the MATB for
8 ratesetting purposes for 2018/'19 and the 2019/'20
9 fiscal years.

10 In light of the considerations that
11 I've just highlighted, Manitoba Hydro proposes a
12 streamlined process, recognizing that a full
13 application will be filed later in 2019. And as Mr.
14 Chairman indicated on November 21st, the PUB
15 determined that it would consider a one (1) year rate
16 application and defer a number of issues to the next
17 GRA.

18 So just very briefly at a high level.
19 the content of the application, our application is
20 proposing a 3 1/2 percent rate increase to all
21 components of rates, including our monthly basic
22 charges and energy and demand charges on an across-
23 the-board basis for all customer classes with the
24 exception of the diesel general service. For diesel
25 general service customers, Manitoba Hydro's propos --

1 proposing to increase the grid portion of the rate by
2 the 3 1/2 percent, which is -- includes the basic
3 charge in the first 2,000 kilowatt hours per month of
4 consumption for nongovernment customers.

5 The non-grid portion will remain at the
6 current rate, and we will address at either a future
7 proceeding or at the next GRA the non-grid portion of
8 the diesel rates proposed 3 1/2 percent rate increase
9 effective April 1st is projected to generate
10 additional revenue of \$59 million and provide a modest
11 contribution to financial reserves or net income of
12 \$31 million in 2019/'20.

13 Without the 3 1/2 percent rate
14 increase, we are projecting a loss -- a net loss of 20
15 million -- \$28 million based on the same assumptions
16 that are underlying 20/29 (sic) test -- application in
17 the test year.

18 What has changed since 2017 GRA. We
19 have seen, I guess, first to start in the absence of
20 an -- an -- of an approved longer-term forecast, we
21 have -- and the PUB's note in Order 59/'18, that
22 Exhibit 93, a financial scenario that was filed in --
23 in the 2017 GRA, generally, reflected the decisions
24 that came out of 59/'18. So for the purposes of
25 comparisons we've used it in the application and --

1 and in this presentation this morning.

2 So what we have seen since the last G -
3 - the last GRA that has -- that concluded in February,
4 we seen a deterioration in financial results compared
5 to that Exhibit 93. We are seeing higher actual
6 interest rates compared to forecast, even though
7 forecast rates are trending at or around the same
8 level. We are seeing on an actual basis higher
9 interest rates than those forecast, and that's
10 primarily part of the deterioration we see in 2017/'18
11 and '18/'19.

12 In 2018/'19 we placed Bipole III in-
13 service a month early and though there is no
14 substantial change to the expected revenue requirement
15 coming out of that, we are still seeing around a \$300
16 million annual cost, which is -- came into -- affect
17 the bottom line or the net income of Manitoba Hydro a
18 month earlier than we had planned relative to when we
19 were in the last GRA.

20 Another contributing factor is -- many
21 of you are aware that -- of the extremely dry summer
22 that we've had, the lack of precipitation, the low
23 levels of Lake -- Lake Winnipeg. We are experiencing
24 low water flow levels over the summer and into
25 September, just prior to when we went to the Board for

1 approval to proceed with this application and that
2 also contributed to the decrease in -- in -- in
3 projected income -- or actual and projected income for
4 2017/'18 and '18/'19. All told, we've -- the
5 deterioration in financial results have resulted in
6 about \$200 million lower than what we projected back
7 in the 2017 GRA.

8 What hasn't changed since 2017 -- the
9 2017 GRA is while we have not prepared a longer-term
10 forecast -- or an update to Exhibit 93, Exhibit 93
11 projected 400 million in cumulative net losses once
12 Keeyask was in service over the six (6) year period
13 from 2022/'23 to 2027/'28, and that projection
14 included the 3.57 percent rate increases over the --
15 over the longer term.

16 The current fi -- unfavourable
17 financial results will exacerbate those losses and any
18 significant change in planning assumptions doesn't
19 have significant impact on the order of magnitude of
20 those losses.

21 So moving on to the reasons for the
22 rate increase, our -- Manitoba Hydro's net income has
23 been historically extremely variable. The key
24 drivers, such as water flow conditions, weather,
25 interest, interest rates and export prices are

1 unpredictable and beyond Manitoba Hydro's control.

2 The application highlights the
3 sensitivity of net income to these various conditions
4 and we can see that there can be significant
5 variation; 360 million from the lowest to the highest
6 potential outcome based on -- on projections. For
7 water flow, \$60 million for colder or warmer winter
8 weather. Interest rates 1 percent above or below can
9 have an impact on that one (1) year of \$30 million
10 higher or lower -- or \$30 million from the lowest to
11 the highest. And then export prices that are higher
12 than the current for -- higher or lower than the
13 current forecast can have an impact to that net income
14 of \$50 million.

15 As I mentioned before the -- without
16 the proposed 3 1/2 percent increase the likelihood of
17 financial loss is greater given the variability of
18 those factors. The potential annual variation in
19 financial results relative to Exhibit 93 underscores
20 the need for reasonable rate increase in advance of
21 the 20 -- 2019/'20 fiscal year.

22 The 3 1/2 percent generates a modest
23 level of net income under average water flow
24 conditions. So essentially, we are planning for --
25 for a positive level of net income rather than a loss

1 and assist in gradually building the revenue base and
2 reduces the risk of incurring a loss.

3 And finally, the 3 1/2 percent req --
4 requested rate increase is aligned with the PUB
5 approved rate increases since 2015, as well as those
6 assumed in Exhibit 93, and keeps Manitoba --
7 Manitoba's customer rates and estimated bill impacts
8 among the lowest of North America.

9 Thank you for your time.

10 MS. DAYNA STEINFELD: Mr. Chair, if
11 you don't mind, just before -- Ms. Fernandes, I would
12 suggest that this presentation be marked as a Manitoba
13 Hydro exhibit in the proceeding.

14 MS. ODETTE FERNANDES: Because this is
15 intended to not be an evidentiary process, I'm
16 wondering if we can mark it as an exhibit for
17 identification purposes?

18 MS. DAYNA STEINFELD: Subject to the
19 Board, I think that would be fine.

20 THE CHAIRPERSON: Yes, that's fine.

21

22 --- EXHIBIT MH-A FOR IDENTIFICATION: Manitoba
23 Hydro's presentation

24

25 THE CHAIRPERSON: I'm going to ask the

1 panel if they have any questions.

2

3 (BRIEF PAUSE)

4

5 THE CHAIRPERSON: I've got a question
6 for you. Ms. Carriere, page 5. It says that Manitoba
7 Hydro is currently in the process of preparing the
8 2019/'20 budget for provincial approval.

9 MS. LIZ CARRIERE: M-hm.

10 THE CHAIRPERSON: Does Manitoba Hydro
11 have its annual budget approved by the province?

12 MS. LIZ CARRIERE: Just in the last --
13 so this will be the second year when they made
14 revisions to the Crown Corporations Accountability Act
15 as part of that annual business plan the budget is
16 included in that and it does receive approval by -- by
17 the Minister.

18 THE CHAIRPERSON: To your knowledge
19 did it rece -- did it seek approval by the -- any
20 previous government prior to the change to the Act?

21 MS. LIZ CARRIERE: I believe last year
22 was the first time.

23 THE CHAIRPERSON: Right.

24 MS. LIZ CARRIERE: Yeah.

25 THE CHAIRPERSON: But last year and

1 this year are the only times --

2 MS. LIZ CARRIERE: To my knowledge,
3 no, I'm not aware of any previous government approval.

4

5 DISCUSSION

6 THE CHAIRPERSON: Okay, thank you.
7 We'll turn to -- Mr. Williams, is it you or Ms. Dilay?

8 Mr. Williams...?

9 DR. BYRON WILLIAMS: Yes and if I
10 could have Kristen pull up Board Order 80-17, page 11,
11 just for a second. Perhaps go down -- yes, go under
12 the ratesetting framework.

13

14 (BRIEF PAUSE)

15

16 DR. BYRON WILLIAMS: Mr. Chair and
17 members of the panel, this is some -- certainly
18 insightful language from this Board a couple -- I
19 guess in early 2017 or sometime in 2017 not early and
20 was talk about what a General Rate Application process
21 involves: The testing of Hydro's case through
22 evidentiary written Information Requests, a public
23 oral hearing involving direct evidence and cross-
24 examination, filing of expert evidence by approved
25 Intervenors, and the testimony and cross-examination

1 of experts in the oral hearing. A really substantive
2 robust process.

3 And one certainly -- as our client
4 seeks leave to intervene in this process, another
5 critical issue for them is what kind of process will
6 this be? And realizing that this is not an interim
7 rate application, realizing that this is a rate
8 application for \$59 million, a gift from captive
9 ratepayers that will keep on giving to Manitoba Hydro
10 for year after year after year, one (1) of the
11 fundamental questions from our clients' proc --
12 perspective is, notwithstanding all the other things
13 going on at Manitoba Hydro, how do we make this
14 ratesetting process meaningful for Manitoba consumers?
15 How do we ensure that we protect vulnerable
16 ratepayers; that the process is trans -- transparent,
17 and that it's rigorous?

18 And that certainly our client has
19 serious concerns with the streamlined process being
20 presented by Manitoba Hydro.

21 Going to Attachment A of our client,
22 the Consumer Coalition application to intervene and
23 just to the -- to the bottom of page 2, if you don't
24 mind, Kristen. And if you could show the top of page
25 3 as well.

1 I do want to talk -- just scroll down
2 just a bit more. I do want to talk just a little bit
3 about our clients. One (1) of them, Winnipeg Harvest,
4 which serves each month 64,000 vulnerable Manitobans.
5 And while the name is Winnipeg Harvest, through its
6 partnerships throughout Manitoba in over fifty (50)
7 Manitoba communities, Winnipeg Harvest has deep roots
8 throughout this province, and partners with nearly
9 four hundred (400) agencies, including in urban
10 centres, on First Nations and rural and northern
11 communities.

12 And turning to page 5 of our
13 intervention just in terms of the Consumers
14 Association, it's well-known to this Board, but I do
15 want to flag that one (1) of the key elements for the
16 Consumers Association -- if you can go back up one (1)
17 paragraph, that's fine there, Kristen -- is engagement
18 with consumers through focus groups, through's
19 dialogue with key community stakeholders and other
20 organizations in the community.

21 And I do want to highlight that that
22 has always informed the positions that our clients
23 take. It's -- ultimately their positions are
24 developed by their boards and by their senior
25 management. But there are heavily informed from the

1 voices of consumers responding to questions that our
2 clients put to -- through to them through both
3 engagement, as well as a stakeholder advisory
4 committees.

5 Under reasons for our clients'
6 intervention in this proceeding, our clients want to
7 highlight four (4). One is that these are rate
8 increases in the range of certainly well above
9 inflation, punitive to many consumers in Manitoba,
10 those struggling to make fixed income budgets work,
11 those just juggling in lower wage paying jobs and
12 certainly so from our clients' perspective, there's a
13 big hit for Manitoba ratepayers.

14 And they also see these processes as
15 critical to giving incentive to Manitoba Hydro to do
16 its job better, to manage better, to get that business
17 operations capital budget under control.

18 Our clients are also intervening in
19 this process because they want to support a
20 transparent evidence-based process that is rigorous
21 and again, it goes back to our clients' concerns that
22 this Board not be a mere rubberstamp and it certainly
23 has never been in the past, merely passing through
24 Hydro's estimates or costs and, ultimately, Mr. Chair
25 and members of the panel, as to go down to the bottom

1 of this page and the top of the next page, our client
2 has significant concerns with the -- the Manitoba
3 Hydro filing, the interim budget as it's described
4 which our client would suggest based upon their
5 preliminary review of the evidence is based upon
6 outdated planning assumptions, forecasts of various
7 vin -- vintages and lacking detailed operation,
8 maintenance and administration budget.

9 So certainly, from our clients'
10 perspective, the rigour that they would expect in an
11 application seeking \$59 million in annual payments
12 from consumers is -- is not there, and that is one (1)
13 of the incentives for our client to appear.

14 In terms of going to page 7, and
15 towards the -- the middle and bottom of that page,
16 what expertise does our clients -- do they bring to
17 the table? There are, again, three (3) or four (4)
18 elements that our clients wish to highlight; one (1)
19 is through that direct engagement with consumers,
20 listening to Manitoba's consumers directly in terms of
21 the impacts upon them. One (1) is a really
22 outstanding team of experts and one this Board is well
23 familiar with from working with the Consumers, which
24 is -- who is Mr. William Harper, who has worked not
25 just in many Manitoba hearings, but across Canada,

1 Ontario, Québec, as well as British Columbia.

2 And two (2) new additions to the team
3 this year are individuals who are also well-known to
4 this Board. They often appeared on the other side of
5 the table, Mr. Darren Rainkie, who was a former Chief
6 Financial Officer for Manitoba Hydro, served as con --
7 Controller as well, as well as Ms. Kelly Derksen, who
8 is well-known for her expertise in regulatory issues
9 including issues related to cost of service and
10 regulatory ratesetting.

11 And our clients are very pleased to
12 have them join our -- the team and certainly fulfil
13 their role as independent experts, providing their own
14 opinion not the opinion of our clients.

15 And finally, our client believes that
16 it brings expertise based upon its experience in
17 ratesetting practices, both in Manitoba, as well as --
18 as nationally and --- and a general expertise in terms
19 of rate setting.

20 Page 11, if we could. In terms of the
21 key issues -- and go down to those five (5) bullets,
22 if you don't mind, Kristen. This Board's ratesetting
23 criteria flowing from Order 5/'12 is well-known and
24 certainly our client will focus to a significant
25 degree on whether these forecasts of Manitoba Hydro

1 are reasonably reliable; that will include examination
2 of the load forecasts, the water conditions or
3 hydrology expectations, the export revenue forecasts,
4 the interest rate forecasts and costs and another
5 important detail is whether it is reasonable to expect
6 that -- the expenditures that Manitoba Hydro has built
7 into its budget for business operating capital and for
8 energy efficiency for DSM is -- will actually be spent
9 because certainly from our clients' perspective,
10 historical experience suggests budgets that are in the
11 budget in the rates but not necessarily spent.

12 In terms of ensuring that actual costs
13 and projected costs incurred are necessary and
14 reasonable, obviously, Hydro's rejection of the
15 Board's advice in terms of business operating capital
16 will be important to our clients to better understand
17 that, but as well, the much vaunted VDP, the voluntary
18 departure program, our clients are -- are struggling
19 to find evidence of how that is showing up in the
20 bottom line for ratepayers and are wondering whether
21 those savings are real or whether they have been
22 dissipated and, obviously, is a concern for our
23 clients.

24 Ultimately, focusing on the third
25 bullet, it will be the judgment call of the Board, but

1 certainly our clients want to participate and seek to
2 participate in terms of assessing the Corporation's
3 reasonable revenue needs in the context of its overall
4 general health and we're well aware of its major
5 building program, but the question is: What steps is
6 the Corporation doing to enhance its health? What
7 evidence has it shown that it is prioritizing its
8 capital expenditures in the way that this Board
9 directed from -- at the last hearing or recommended?

10 Turning to page 18 of the Application
11 and our client certainly hopes to participate in all
12 aspects of the hearing. They note, at least their
13 understanding of Hydro's vision of this hearing is
14 that -- it would be extraordinarily streamlined with
15 only the Public Utilities Board empowered to ask
16 Information Requests and with no oral hearing.

17 Certainly from our clients' perspective
18 and maybe we have misunderstood Hydro, but from our
19 clients' perspective that is inconsistent with this
20 Board's intent in 80/'17, it is inc -- inconsistent
21 with the magnitude of the ask. And it's inconsistent
22 with the credibility problems with this rather ad hoc
23 assembly of evidence for this hearing.

24 If Kristen could pull up -- and I'm not
25 -- I'm not sure if you have a copy of it or not, our

1 client did circulate this morning a draft schedule for
2 the hearing process. And, Mr. Chair, and Kristen, I'd
3 like to kind of go to the bullets underneath the
4 schedule before I get to the schedule, if I could.

5 Our -- our clients certainly were aware
6 of the commitment as we understood it from the Public
7 Utilities Board to have a -- a rate in place for the
8 first quarter of Hydro's next fiscal year. So our
9 client is assuming there is a rate increase. Our
10 client has worked towards a June 1st implementation
11 date.

12 Our client endorses and supports the --
13 the language of the PUB in terms of Order 80-17 about
14 what a robust hearing should look like. We do
15 recognize, to a certain degree, this is an
16 extraordinary year. We're trying to get -- and our
17 clients are part of this -- to get Centra Gas back on
18 track. We are trying to regularize Hydro rate
19 hearings.

20 Certainly, from our clients'
21 perspective, the -- while in this schedule, they're
22 proposing a more truncated oral hearing in recognition
23 of these facts, they would like to get back to what --
24 what the Board described in Order 80/'17 as -- as a
25 more regular process going forward.

1 If we could just move to the schedule,
2 Kristen, if you would. And this has really been
3 developed by our clients without consultation with
4 others, but we thought it would be useful for at least
5 discussion purposes. Ms. Steinfeld and her team have
6 beat us to the punch in terms of the IRs already been
7 filed. The pre-hearing conference is obviously for
8 the 19th.

9 We propose no Intervenor IRs until the
10 responses to the PUB IRs have been received. That
11 will assist Intervenors in really narrowing their
12 information requests to -- to those that are not
13 canvassed by the PUB originally or -- or are more
14 narrowly focused. Our clients do expect to have some
15 IRs that are distinct from what the PUB has asked
16 based upon their review of the PUB questions.

17 Our clients look to Hydro responses, to
18 the Intervenor IRs in February, February the 8th, and
19 seek the right to file evidence on or about March 1st.
20 And I'll indicate that the Consumers' Coalition has
21 met with the Manitoba Industrial Power Users Group in
22 terms of potential objectives for evidence and -- but
23 it's a bit early from -- from both our -- from our --
24 certainly our clients' perspective to decide who --
25 who would propose to do what. But I -- I would also

1 suggest that these two (2) organizations have
2 collaborated closely in the past to minimize
3 duplication, and we would expect we can do so in this
4 hearing as well.

5 Our clients are seeking a shortened
6 oral hearing in early April, and really, we're
7 proposing that rather than go through direct
8 examination, that we focus on -- on cross-examination
9 in the context of that oral hearing, and then have
10 written submissions leading theoretically, if a rate
11 increase is required, to a rate increase on June 1st.

12 From our clients' perspective, Mr.
13 Chair and members of the panel, this is this the -- a
14 schedule that acknowledges the seriousness of an
15 application for a final rate increase, the challenges
16 in the Hydro application, and the need to test such an
17 application with rigour. And it also seeks to
18 reconcile with the extraordinary circumstances Hydro
19 is suggesting it is in in this year as well.

20 Subject to questions from the panel,
21 those are our clients' submissions.

22 THE CHAIRPERSON: Thank you, and I'll
23 ask if the panel has any questions.

24 None? Thank you, Mr. Williams -- Mr.--

25 MR. DARREN CHRISTLE: Point -- point

1 of order, Mr. Chair. It's the secretary.

2 THE CHAIRPERSON: Sorry. Yes.

3 MR. DARREN CHRISTLE: For the purposes
4 of the record, the Manitoba Hydro deck has been
5 assigned Exhibit Number MH-A, as in 'alpha'. Thank
6 you.

7 THE CHAIRPERSON: Okay. Mr.
8 Hacault...?

9 MR. ANTOINE HACAULT: Yes. Good
10 morning, or maybe afternoon, now, members of the
11 panel. I'll start with the -- the what you have in
12 front of your screen.

13 In a general way, we support this
14 suggested review process. The only two (2) comments
15 that I make is perhaps the Board will want to schedule
16 a second pre-hearing conference. Why? It may wish to
17 have some process to decide what portions of the
18 hearing can doubt -- be dealt with by written
19 submission and what narrower issues are focused
20 issues, could be dealt with in that particular week of
21 April 1. That doesn't need to be a second pre-
22 hearing, but it may want to have some date on which it
23 makes that determination with the input of parties.

24 The second thing is that, consistent
25 with the previous General Rate Application, this draft

1 does not identify when Hydro would first file its
2 submission to which Intervenors would respond and then
3 Hydro would file if it has any rebuttal submissions.
4 But -- so I'm not too sure how we want to address that
5 in here to make it consistent with the previous
6 process.

7 I won't go through a lot of the
8 materials in our Intervenor application. It's on the
9 record, it's filed, and it -- it speaks for itself. I
10 do confirm that we did meet with Mr. Williams. We
11 always try to be proactive in each rate hearing to --
12 to see how we can collaborate, how we can avoid
13 duplication.

14 We're not yet at the point of being
15 able to advise the Board either where we would
16 propose, as Manitoba Industrial Power Users Group, to
17 take the more lead role on particular issues, and
18 where the Consumers' Association would take a more
19 lead role, but we always do that as the mat -- matter
20 progresses.

21 We can also advise that I had contacted
22 M. Monnin to see whether he intended to appear on
23 behalf of the general service small and medium. It's
24 our understanding that he doesn't have instructions.
25 We'll -- we'll be doing that. The reason I raise that

1 is we do have some of our members, though, that fall
2 into those other groups, so not only the larger
3 industrial power users at the -- the higher classes.
4 So we believe that we have a cross-section which would
5 allow us to do a proper presentation of evidence and
6 submissions. The group that we do represent account
7 for approximately 18 percent of domestic sales, and
8 the larger group, the three (3) GSL classes, make up
9 about 35 percent of the domestic sales.

10 With respect to the final rates and
11 process, apart from what's been proposed in the
12 schedule by Dr. Williams, I just note at page 5 of the
13 presentation of Manitoba Hydro, I understood that the
14 planning was going to be completed by the spring of
15 2019, and I'm not too sure why Hydro is proposing a
16 filing late in 2019 for the next GRA.

17 We express concern that let's not be
18 too late, because if we're going to have a proper
19 process, we'd like it to be sooner rather than later,
20 especially if their planning is going to be completed
21 in the spring of 2019. That's just a general comment.

22 We do take note of the decision not to
23 file interim rates application. That's a positive
24 sign. We share of the comments of the Consumers
25 Coalition that we would like a thorough process to be

1 followed, given it is a final rate application, and we
2 note that even in the interim rates, there were more
3 than just submissions. There was a process for
4 intervenors to file evidence. Hydro hasn't proposed
5 that, but we think that's very important.

6 We do note that even in the interim
7 rate applications, we had integrated financial
8 forecasts, and apparently we're not going to get those
9 in this rate application, which, based on previous
10 hearings, is a challenge, because we always look at
11 what the actuals are in the two (2) test years, but
12 also take into consideration, whether it's positive or
13 negative, what's going to happen in the upcoming
14 years. And we won't have that information, it
15 appears, in this proceeding, so that's going to make
16 it challenging.

17 With respect to the IRs, there hadn't
18 been any IRs proposed by Manitoba Hydro. We thank the
19 Board for having done comprehensive IRs. And probably
20 we'd be in the range of a dozen IRs from the
21 Industrial Users Group, depending on the responses and
22 where we're going. So we don't foresee a lot of IRs
23 needing to be posed by and on behalf of the Group.

24 We note also that Manitoba Hydro does
25 not propose an oral portion of the hearing. We

1 believe that it can be focussed, and I relate back to
2 a decision of this Board to decide perhaps what can be
3 dealt with by written submissions and what we believe
4 might be appropriately dealt with at a cross-
5 examination oral hearing, without direct. To make it
6 shorter, we have always expressed concerns about the
7 cost of the hearings as industrial users. So we're
8 generally supportive of some kind of a shorter
9 hearing, but nonetheless, it being robust.

10 With respect to the record, we
11 acknowledge that we have just completed a GRA, which
12 is about a year old, and there is limited request
13 approvals focussed on a single year, but we do note
14 that there appears to be pretty significant gaps in
15 this update. We have shared concerns of the
16 Consumers' Group. This is a \$59 million increase
17 that's being sought on an annual basis that's going to
18 continue forever, and that hits our consumer base
19 also.

20 Now about the deficiencies, we've
21 identified some of them in our application, but I'm
22 going to repeat some of those. For example, this
23 morning we heard that there were water flow
24 information up to the end of September. When we look
25 at the charts, following September water flows are

1 favourable compared to where they were sitting in
2 September. Why don't we have that updated
3 information?

4 What about interest rate forecasts?
5 They appear to be based on forecasts that were in the
6 winter of 2017. We have been following them in a very
7 general way, espec -- especially the long-term ones
8 are generally quite favourable compared to what we
9 were looking at before, and we don't have that
10 information for us in the application.

11 Similar, we feel that there's stale
12 dated forecast information with respect to export
13 price forecasts. We see that DSM forecasts are still
14 based on programs designed around state -- stale dated
15 marginal costs, and we see that lower Bipole III costs
16 have not been accounted for. They're saying there's
17 an early in-service date. They will -- that -- they
18 view that as a deterioration. But the lower costs are
19 not factored. If the framework is meant to focus on
20 an update, we believe that that update should be more
21 rigorous and more current.

22 Separately, in the long term forecasts,
23 again, referring to the Bipole III illustration, we
24 understand there's about a \$300 million reduction in
25 the cost of Bipole; that's what's booked already, and

1 there may be more, but even though there's plans to
2 borrow less as a result of that, it's not reflected.
3 Also perhaps Hydro reduced its quantities of five (5)
4 year debt. They had that kind of plan in Manitoba
5 Hydro in '93. But they've done more long-term thirty
6 (30) or twenty (20) year debt, because we understand
7 the WATM is around twenty (20) years more than
8 anticipated. So this, we would expect, would have
9 significant benefits in year 6 and following, because
10 rather than being refinanced at the higher projected
11 rates, they're locked in now, and we don't have
12 information on that.

13 One (1) thing that's positive is
14 Keeyask capital costs continue to be locked in and
15 apparently on track. That's reducing the risk.
16 Although the precise numbers are not learn -- known
17 for long-term projections, we're also anticipating an
18 earlier in-service date, which will mean quicker
19 revenue being generated from that facility.

20 With respect to the scopes, I have a
21 couple comments now. Generally, we would participate
22 in most of the items that are listed in the draft
23 scope items that were provided. There's a couple of
24 them where we don't think that we would need to, or
25 somebody else would probably take a lead role, and we

1 can provide that to the Board in -- in writing, if
2 that's more convenient on the chart that was provided.

3 I'll just note very quickly under OM&A,
4 which is number 7 in this chart, there was a
5 procurement strategy. I don't think we'll be doing
6 anything on that. The regulatory deferral accounts,
7 there's a subsection to Bipole III, contributions and
8 drawdowns. I don't think we're going to be doing
9 anything on that.

10 Looking at number 12, there's Order
11 59/'18, recommendations to Manitoba Hydro as an item -
12 - item. Probably, our Group wouldn't be doing
13 anything on that. It may be done by others. And with
14 respect to items 16 and 17 on that list, again, we
15 don't see Manitoba Industrial Power Users Group
16 participating in any meaningful way on those two (2)
17 particular issues.

18 We note that in the preliminary issues
19 list, the first item that was indicated to be deferred
20 to the future applications was Manitoba Hydro's long-
21 term financial forecast and financial plan. To the
22 extent I've already indicated that there are key
23 forecast items that I've identified, we would take the
24 view that it can't entirely be excluded to the extent
25 that we can get information, that Hydro has the

1 information. On the forecast items that I've ident --
2 identified, export interest rates, key items that move
3 the needle on rate applications, we would encourage
4 that those items not be deferred.

5 With respect to the -- the items 4 and
6 10 on this list, being -- I've got a different list.
7 The page before, please, Ms. Schubert. So interest
8 rate forecast, I've already indicated that that's a --
9 a critical -- not only current but going forward, so
10 to the extent that that would've been excluded by what
11 I've identified as a deferred list, we would encourage
12 clarification on that.

13 Item 10 also, which is export revenue
14 forecast. Again -- and the hydrology, number 11, to
15 the extent that those items are specific items, we
16 would encourage clarification so those things aren't
17 excluded under number 1, which was Manitoba Hydro's
18 long-term financial forecast and plan.

19 For number 15, on -- the items included
20 differentiated rates, and Order 59/'18, Directive 5,
21 we would seek some clarification from this Board
22 because repeated in the deferred list, under item 8,
23 there's items that talk about the cost of survey -- of
24 service study and compliance with, and it talks about
25 the same Order 59/'18. We suggest perhaps a

1 clarification. If cost of service is pretty
2 important, we have one (1) that has been filed, and
3 that, until it gets changed, should be used as the
4 basis for the allocation of costs, in our respectful
5 submission. And compliance with those Orders, in our
6 view, shouldn't be deferred.

7 Perhaps we would suggest rewording
8 number 8 on the deferred lists to just start where it
9 says Manitoba Hydro's study of service drop allocator
10 and common costs, that that specific item be deferred,
11 but that the first part be redrafted to take out that
12 first line that starts with cost of service study and
13 compliance with Orders 164/'16 and 59/'18.

14 With respect to item number 9 on the
15 deferred list, again, perhaps there might be some
16 clarification. The impact on customers, such as our
17 clients, is key, and it's part of the balancing
18 between -- as defined by the Chair at the beginning of
19 this hearing. Perhaps it's -- was meant to be meant
20 as bill affordability process, or some other specific
21 item, and if that new bill affordability mechanism is
22 out of scope, we can perhaps clarify that item on that
23 point.

24 I think, members of the panel, subject
25 to your questions, I've covered the items which you've

1 asked me to cover, the process, our Intervenor
2 representation, and the issues on which we've intended
3 to participate, and how we intend to collaborate and
4 avoid duplication.

5 THE CHAIRPERSON: Thank you, sir. Any
6 questions from the panel? Mr. Williams, Mr. Hacault,
7 on behalf of MIPUG, estimated about a dozen IRs.

8 Are you in a position, based on the IRs
9 filed by the PUB, to give us a number or a range of
10 IRs you think would be filed by the -- the Coalition?
11 I know it may be a -- a slightly unfair question, but
12 I guess, if Mr. Hacault can proffer a -- a proposal, I
13 -- I want to see if you could, as well.

14 DR. BYRON WILLIAMS: Thematically, we
15 -- what we -- we do have a little list of what
16 thematically we would like to do, and I could send
17 that by -- by email, or -- like, in terms of a number,
18 again, maybe I'm -- I'm dancing a little bit here,
19 sir. But when Mr. -- M. Hacault says, Twelve (12),
20 I'm not sure if it's twelve (12) 'A', 'B', 'C', and
21 'D', or in total, but it in terms of where we're
22 focused, I'm -- I would estimate in the -- in the
23 range of -- of twenty (20) or less.

24 But we are seeking -- one (1) of our
25 challenges is that, at least as we understand it, many

1 of the important components of the Hydro's forecasts
2 have -- have -- basically, we've got the 2017 detailed
3 forecast, and then rolled up forward.

4 So one (1) of the things we would be
5 looking for is a reconciliation, trying to understand
6 how we actually got to these numbers. So I think in
7 the range of twenty (20) is -- is probably safe, but -
8 - but some of them will -- will require bit of -- of
9 work, Mr. Chairman. So I don't think it's the number.
10 It's the complexity that might --

11 THE CHAIRPERSON: Thank you. The
12 twenty (20) would include 'A', 'B', 'C', or 'D', or
13 those are --

14 DR. BYRON WILLIAMS: You caught me,
15 sir.

16 THE CHAIRPERSON: Yes.

17 DR. BYRON WILLIAMS: I'm --

18 THE CHAIRPERSON: If you can't answer,
19 that's fine.

20 DR. BYRON WILLIAMS: I'm -- I'm
21 reluctant to answer.

22 THE CHAIRPERSON: Yeah. That's fine.
23 Mr. Shefman...?

24 DR. BYRON WILLIAMS: Sir, if I might
25 just say, like, normally, you would get eighty (80) to

1 a hundred and twenty (120) with a bunch of 'A', 'B',
2 'C's in these. I anticipate less than less than, you
3 know, less than a quarter of what we would normally
4 ask, if that gives you better insight, sir.

5 THE CHAIRPERSON: That -- that's fair.
6 That's a fair -- I'm -- I'm just trying to figure out
7 in terms of timing, and for Manitoba Hydro's purposes
8 as well, quite frankly, there are number of people
9 here who dealing with a number of applications --

10 DR. BYRON WILLIAMS: Yeah.

11 THE CHAIRPERSON: -- and trying to
12 figure out time constraints.

13 DR. BYRON WILLIAMS: And I'll just
14 finally add that because we're following up on the
15 PUB, it might even be less. But I -- I was just --
16 the twenty (20) came up in my mind with -- with that.

17 THE CHAIRPERSON: Thank you. Mr.
18 Shefman...?

19 MR. COREY SHEFMAN: Thank you, Mr.
20 Chair. And I promise I will provide an estimate for
21 AMC as well before I'm finished here today.

22 The Assembly of Manitoba Chiefs is the
23 political and technical coordinating body for sixty-
24 two (62) of the sixty-three (63) First Nations in
25 Manitoba. In total, AMC's members represent some one

1 hundred and thirty thousand (130,000) people,
2 including 98 percent of First Nations people living on
3 reserve in this Province.

4 First Nations in Manitoba -- First
5 Nations people in Manitoba make up nearly 15 percent
6 of the Province's population, and are uniquely
7 situated in a number of important ways which are
8 significant to the work done by the Public Utilities
9 Board.

10 All of Manitoba Hydro's power is
11 generated on the lands and waters of First Nations --
12 lands and waters on which the First Nations have
13 relied since time immemorial. The physical
14 infrastructure on reserve, as we know, is also not up
15 to the same standards which is generally expected off
16 reserve. And that leads -- excuse me -- that leads,
17 as we heard at the last GRA, to significantly higher
18 energy consumption on reserve.

19 It was also confirmed in last year's
20 General Rate Application that First Nations people on
21 reserve face significant rates of energy poverty, and
22 that bill affordability is an ongoing, and prior to
23 Order -- Order 59/'18, a largely unaddressed
24 challenge.

25 As was the case with the 2017 General

1 Rate Application, if granted Intervenor status, AMC
2 intends to actively collaborate where possible with
3 the other Intervenors. In particular, we look forward
4 to working with new counsel for the MKO to ensure that
5 the Board has the perspective of First Nations in
6 Manitoba without duplicating work.

7 I -- I think the Board likely found in
8 the last application -- last general rate application,
9 that we did a -- a moderately good job of avoiding
10 duplication. There is, of course, going to be
11 overlap, but we are happy to work with the MKO. And
12 certainly, there are issues which are of particular
13 concern to northern First Nations. And -- and in
14 those issues, we look forward to deferring to the
15 MKO's more particularized expertise.

16 That said, there are also issues which
17 are of concern to all First Nations in Manitoba, and
18 to all First Nations with respect to their reserves,
19 and the situation and the use of Manitoba Hydro's
20 electricity on reserve. And -- and in those issues,
21 we do look forward to taking the lead on -- at this
22 hearing.

23 I -- I don't intend to today go through
24 it in great detail what we've already provided the
25 Board in our Schedule 8 or application. You have it,

1 and have been able to read it, and to the extent that
2 you have any questions about it, I'm more than happy
3 to answer it.

4 What I will say is that there are a
5 number of significant issues raised by Manitoba
6 Hydro's application here that we intend to address
7 before the Board, and that we intend to assist the
8 Board in its determination with.

9 First, whether Manitoba Hydro's
10 requested rate increase is just and reasonable,
11 considering in particular the steps that Manitoba --
12 Manitoba Hydro has and has not taken to control its
13 own costs, the allocation of costs between classes,
14 and the appropriate rates for each class.

15 Second, whether Manitoba Hydro has
16 demonstrated a revenue requirement that justifies the
17 specific rate increase that has been requested.

18 Third, appropriate rate design and bill
19 affordability considerations in light of the energy
20 poverty faced by First Nations resident on reserve.
21 Included in that consideration, we intend to look at
22 Manitoba Hydro's consultations, or lack thereof, with
23 ratepayers about this increase, and the impact of a
24 proposed rate increase on consumers generally, and the
25 First Nation consumers in particular.

1 Finally, the implementation of Order
2 59/'18's directive 6, the First Nations on reserve
3 residential rate is, for obvious reasons, of great
4 concern to the Assembly of Manitoba Chiefs, and we
5 expect to address that in detail. That said, we're
6 sensitive to the phrasing of the Board's inclusion of
7 that issue in its proposed issues list, and the
8 Board's stated desire to ensure that this particular
9 application process is streamlined.

10 And so we -- we will make efforts to
11 the extent that we can to limit our participation on
12 this issue to questions of implementation of that rate
13 only, and not to broader questions raised by the rate,
14 which we anticipate needing a -- a much more fulsome
15 discussion at a later hearing, perhaps, and hopefully
16 Manitoba Hydro's next General Rate Application.

17 In terms of the process, we have some
18 differences of opinion to Dr. Williams, but generally
19 speaking, we concur with his -- his thoughts on the
20 process. When considering the process for this
21 General Rate Application, in our submission, the Board
22 should be guided by the process that would give it the
23 best -- that would give you the best evidence
24 available in the circumstances. At minimum, we
25 believe that means having at least two (2) rounds --

1 not at least, but having two (2) rounds of Intervenor
2 information requests, as Mr. Williams suggested,
3 starting after the responses to the Board's
4 information requests are received.

5 Having Intervenors' IRs, in -- in
6 particular, two (2) rounds of IRs, is an important
7 mechanism for testing Manitoba Hydro's evidence that
8 becomes even more important in the absence of the
9 provision of direct oral evidence and cross-
10 examination on that evidence. Without Intervenor IRs,
11 evidence is left untested.

12 To suggest -- and I mean, of -- of
13 course, I mean no disrespect to the Board by this, but
14 the reason that Intervenors participate in this
15 process is because of the unique perspective that they
16 bring. Each Intervenor brings the perspective of its
17 members, of the ratepayers that it represents, and
18 those perspectives are -- are going to be different
19 than the perspectives that the Board itself brings,
20 and so the IRs that it asks -- that each Intervenor
21 asks will be different than the IRs that the Board
22 itself asks.

23 And so excluding Intervenors from that
24 process would, I think, have a very serious impact on
25 the -- the quality of the evidence that the Board is

1 left with to make its decision, and having a second
2 round of information requests is important for the
3 same reason that it is -- it will be useful, in our
4 view, for the Intervenor information requests to come
5 after the Board -- the responses to the Board's IRs
6 are provided.

7 Simply, you don't know what you don't
8 know. And without a second round of requests,
9 Intervenors are left to guess and to hope that their
10 questions are broad enough to catch the full scope of
11 the topic in question, but specific enough to elicit a
12 useful answer. Again, in the absence of oral cross-
13 examination, during which the ability to follow up on
14 an answer is obviously a key part of the process,
15 having only one (1) round of information requests
16 would, again in our view, severely limit the quality
17 and extent of the evidence available to the Board in
18 making its decision.

19 We've conducted a preliminary review of
20 Manitoba Hydro's application, but have not yet had the
21 benefit of AMC's expert -- or proposed expert review,
22 and we expect to conduct a more detailed review going
23 forward. Based on what we've seen so far, our
24 estimate would be around twenty (20) to twenty-five
25 (25) Information Requests, each of which may have a

1 number of 'A', 'B's and 'C's, but of course, with the
2 overarching mission of -- of not duplicating the work
3 done by other Intervenors, or by the Board, we, as I
4 said before, we agree with the Consumers' Coalition
5 that having Intervenors' Information Requests come
6 after the response to the Boards are received would be
7 helpful in that.

8 That said, I do note that following a
9 review of the Board's information requests, the
10 significant majority of the areas that we look to
11 explore are not addressed there, or if they are
12 addressed, they're addressed in part. And so we do
13 expect to have a sig -- not insignificant number of
14 information requests to Manitoba Hydro; certainly less
15 than we did at the previous General Rate Application.
16 And -- and, again, we will do what we can to limit our
17 requests to those that are absolutely necessary.

18 We also -- continuing on in terms of
19 what -- what would be a bare minimum acceptable
20 process, that would, in our -- in our view, again, in
21 addition to those Information Requests, would be the
22 ability to submit written argument, and make -- to
23 make written submissions by the Board.

24 We -- we certainly don't object to an
25 oral hearing which includes cross-examination. We

1 don't object to Intervenors prod -- producing
2 evidence. We think in a normal General Rate
3 Application process, those are both crucial parts of
4 the process. But as I think we've all heard and
5 generally agreed, this is not a normal rate
6 application process.

7 I -- I would echo my friends' comments
8 that this should not become a habit by Manitoba Hydro,
9 but there are obviously circumstances that have led us
10 to being in this particularly unique situation today,
11 and so we're willing to perhaps, you know, accept a --
12 a more limited process than otherwise would be the
13 case.

14 In terms of the proposed issue list
15 which was circulated by Board counsel, I will quickly
16 go through where we intend to participate. If we want
17 to actually go to the -- to the chart, that would be
18 helpful. So that's where we've broken it down.

19 Yes, thank you. So on issue 1, on both
20 of the sub-issues we intend to parti -- AMC intends to
21 participate, and the same is true with issue 2. We do
22 not intend to participate on issues 3, 4, 5, and 6.
23 On issue 7, we expect to have a few information
24 requests arising out of the second and third sub-
25 issues. Depending on the responses to those requests,

1 we may or may not participate in submissions in a more
2 fulsome manner. This is a question -- an area where,
3 as Mr. Cohen -- Mr. Williams alluded, we believe that
4 there are significant gaps in Manitoba Hydro's
5 evidence. And so the extent of our participation here
6 is contingent on their answers to -- or further
7 filling in those gaps.

8 We don't intend to participate on
9 issues 8 and 9. We expect to reach out to the other
10 Intervenors after this prehearing conference on issue
11 10, and to determine where there may or may not be
12 overlap. To the extent that the Consumers' Coalition
13 in particular, but the other Intervenors generally,
14 may cover off this issue, we don't intend to duplicate
15 their work, but we do have some question -- some
16 issues arising out of number 10.

17 Issues, 11, 12, and 13, we do not
18 intend to participate in. Issue 14, we do -- and
19 issue 17. We also, of course, do intend to
20 participate; 15 and 16, we do not.

21 On the -- the other issues list
22 document, the numbered list, I -- I wanted to just
23 raise one (1) concern with the issues which are --
24 would be deferred to the '19/'20 GRA, on page 2, item
25 number 9, impact on consumers and bill affordability.

1 As Mr. Hacault mentioned in reference to his client's
2 members, we view the impact on consumers and -- and
3 bill affordability as fairly crucial issues, and
4 central issues to the setting of fair and just rates.

5 I -- I think what AMC is looking for
6 here is perhaps not necessarily moving this to the
7 first list, but some additional guidance from the
8 Board as to how -- how we may be able to address these
9 issues in the context of the issues which are live in
10 this proceeding.

11 Again, we're sensitive to the Board's
12 desire to maintain this unique, one (1) time process
13 as a streamlined process. And so, where we may have
14 otherwise intended to produce our own evidence on this
15 issue, that would be something where our understanding
16 of the Board's preference here is -- is that should be
17 deferred to the -- the next GRA.

18 But insofar as the impact of the rate
19 increase on consumers and bill affordability generally
20 feeds into the other issues which are live, and which,
21 frankly, have to be live at the setting of any final
22 rate for Hydro, we hope, and we would request that the
23 Board consider the that aspect of those issues to be
24 within the scope of this hearing.

25 That was all I thought I needed to add

1 to our written application. We did provide the Board
2 with a preliminary budget as well on the Board's new
3 spread -- spreadsheet, which I have to thank the Board
4 for, because it's great, and makes it a lot easier for
5 us. Obviously, depending on the Board's procedure
6 Order coming out of this prehearing conference, that
7 budget's going to change, but we wanted to give the
8 Board some sense of -- of where we were going at this
9 point, and that's -- that's where that came from.

10 Yeah. So subject to any questions,
11 Board members, those are AMC's submissions.

12 THE CHAIRPERSON: Thank you. Any
13 questions? Certainly.

14 VICE-CHAIRPERSON KAPITANY: Mr.
15 Shefman, thank you for using the chart that we
16 provided. It was really helpful.

17 Just to go back to Item 7, I heard you
18 say, I think, that on the second two (2) items there,
19 that you had question marks, but I wasn't sure what
20 you said about the first one, the budget and actual
21 OM&A results?

22 MR. COREY SHEFMAN: Yeah. We don't
23 intend to -- to participate on the budget and actual
24 OM&A results generally. Again, this is bec -- because
25 of what we see as fairly significant gaps in Hydro's

1 evidence, it's not entirely clear to us the extent to
2 which the second two (2) sub-issues there may lead to
3 questions on the first.

4 So at this stage, we don't expect that
5 the budget and actual OM&A results are going to be a
6 live issue for AMC, but depending on what responses we
7 get on the implementation of the voluntary departure
8 program, the numbers coming out of that, and Hydro's
9 procurement strategy generally as it relates to this
10 application, there -- it -- it may lead us to becoming
11 more involved in that.

12 But again, we would -- before doing
13 that -- because we recognize that this isn't a central
14 part of AMC's intervention, to the extent that our
15 issues are being covered off by other Intervenors, we
16 would work to ensure that we're not duplicating their
17 work.

18 VICE-CHAIRPERSON KAPITANY: Thank you.

19 THE CHAIRPERSON: Thank you. Mr.

20 Shefman, the only comment I was going to make is what
21 you raised right at the end, which is while you filed
22 your budget, you -- as part of the Order, we will be
23 setting a deadline to file budgets, and certainly if -
24 - if you want to change the budget after you see our
25 Order, you're -- you're very welcome to do so.

1 MR. COREY SHEFMAN: Thank you, Mr.
2 Chair.

3 THE CHAIRPERSON: Any questions? Ms.
4 Fernandes, I am going to ask if you want to go now, or
5 if you'd like a ten (10) minute break, and then we'll
6 finish off.

7 MS. ODETTE FERNANDES: If we could
8 have a ten (10) minute break, then?

9 THE CHAIRPERSON: Okay. We'll have a
10 fifteen (15) minute break, how's that?

11 MS. ODETTE FERNANDES: Okay. Thank
12 you.

13 THE CHAIRPERSON: Okay. Thank you.

14 MR. COREY SHEFMAN: AMC did bring
15 cookies if anyone wants.

16 MS. ODETTE FERNANDES: Mr. Chairman --
17 it's right here. Sorry. Just to clarify, when we
18 come back after the break, you're expecting Manitoba
19 Hydro -- Hydro to deal with the timetable, the process
20 --

21 THE CHAIRPERSON: No, no. Well, the -
22 - the -- on the sheet is comments by Manitoba Hydro as
23 to the Intervenor application?

24 MS. ODETTE FERNANDES: Yes.

25 THE CHAIRPERSON: So -- and then --

1 then following that, Ms. Steinfeld's going to, as I
2 have on mine, deal with the proposed issues list, and
3 then there will be discussions by the parties.

4 MS. ODETTE FERNANDES: Okay, because I
5 do note that Intervenors have provided some comments
6 on issues. They've provided comments on process and
7 timetable, so I just want to clarify whether you
8 expect Hydro to address all of those immediately after
9 the break, or during the time slots that are provided.

10 THE CHAIRPERSON: Ms. Steinfeld...?

11 MS. DAYNA STEINFELD: Ms. Fernandes, I
12 would suggest that because we do have a fairly
13 significant amount of time allotted for a more in-
14 depth discussion, that your comments on process and
15 the scope can lead us off on -- on those discussions,
16 and if you can limit your briefer comments after the
17 break just to the Intervenor applications, the request
18 to intervene, that may be most efficient.

19 MS. ODETTE FERNANDES: Thank you.

20 THE CHAIRPERSON: Thank you. Okay.
21 We'll be back at 1:20. Thank you.

22

23 --- Upon recessing at 1:04 p.m.

24 --- Upon resuming at 1:24 p.m.

25

1 THE CHAIRPERSON: Okay, if we could
2 resume. First, Ms. Fernandes...?

3 MS. ODETTE FERNANDES: Thank you, Mr.
4 Chairman.

5 I thought I'd start my comments off by
6 bringing you back to the Coalition's reference to
7 Order 80/'17 and page 11, where there was reference to
8 PUB comments on what a General Rate Application
9 involves.

10 And while Manitoba Hydro agrees with
11 those comments, you will note that Manitoba Hydro
12 deliberately did not call the application before this
13 Board a General Rate Application because we recognize
14 the fact that this application does not include the
15 typical materials, the financial forecast, the
16 financial plan that is in a typical General Rate
17 Application.

18 So in terms of that, Manitoba Hydro
19 submits that we need a process that reflects the
20 application that is currently before the Board. This
21 isn't a similar process to previous applications. We
22 just completed a very extensive and fulsome review of
23 the 2017/'18 GRA where parties were able to provide
24 their positions and tested the evidence extensively.

25 So any intervention in this process

1 should reflect the fact that the application, before
2 the PUB is a one (1) year rate request limited to the
3 financial information that has been provided.

4 The PUB determined that it was willing
5 to consider this application and recognize that the
6 information would be based on financial information
7 for the 2018/'19 and 2019/'20 years.

8 In terms of general comments to the
9 applications received, Manitoba Hydro notes that there
10 appears to be significant overlap between Intervenors
11 on issues to be canvassed.

12 Now, Intervenors are required to avoid
13 duplication and Manitoba Hydro submits that the list
14 of potential issues being reviewed should be
15 significantly shorter than a typical General Rate
16 Application having regard for the fact that there is
17 no financial forecast, and also that a number of
18 directives and issues have been deferred by this
19 Board.

20 Now, we acknowledge that it's a bit
21 difficult to comment on the Intervenor applications
22 because there are no specific budgets, but we will
23 provide our comments on what has been filed and then
24 we respectfully request permission to respond to
25 budgets once they are received by this Board.

1 In terms of the specific applications
2 that have been received, I will start off with MIPUG.
3 We have no comment on the retention of their legal
4 counsel or a consultant. They've appeared many times
5 in front of this Board. So we do not object to that.

6 In terms of their filed written
7 material, MIPUG has referenced a couple of items that
8 the PUB has included in its preliminary list of
9 deferred issues, and so Manitoba Hydro would submit
10 that any issues that are deferred by the PUB would be
11 that none of those deferred issues would be reviewed
12 in the -- in terms of the application before this
13 Board.

14 In terms of AMC, Manitoba Hydro again
15 does not have any comments with respect to the
16 retention of Mr. Raphals. He appeared before this
17 Board in the 2017/'18 GRA.

18 In terms of, again, Mr. Shefman raised
19 the issue of dealing with bill affordability
20 considerations in terms of their int -- intervention,
21 and again, this Board has placed that on its deferred
22 list of issues, and considering at the last GRA we had
23 an extensive discussion on bill affordability and this
24 Board actually made a recommendation to the province
25 in terms of dealing with bill affordability. Manitoba

1 Hydro, again, suggests that that issue remain on the
2 deferred list.

3 We understand that Mr. Wheeler, on
4 behalf of MKO, is here on a watching brief and based
5 on his comments this morning it appears that they will
6 be retained by MKO.

7 MKO has been involved in electric rate
8 applications before the Board. And while Manitoba
9 Hydro doesn't object to their participation, should
10 they be retained, we would encourage both MKO and AMC
11 to discuss potentially mounting a joint intervention.

12 We understand that they have distinct
13 mandates, but we also recognize that they both
14 represent First Nation peoples and their rights and
15 interests in Manitoba. And considering the limited
16 scope of this proceeding, we would just encourage the
17 parties to communicate and determine whether maybe
18 this is a proceeding where they could mount a joint
19 intervention, and if not, that they would do their
20 best to follow the Board's rules of avoiding
21 duplication.

22 In terms of the Coalition, this
23 Intervenor is proposing to retain the services of Mr.
24 Harper, Mr. Rainkie and Ms. Derksen. I might have
25 missed it this morning, but it appears that the

1 Coalition has failed to
2 identify -- identify why it requires a panel of three
3 (3) consultants to provide evidence collectively.

4 It is clear that the experience and
5 expertise of these three (3) individuals overlap, and
6 in the context of this limited application, Manitoba
7 Hydro submits that retaining three (3) advisors is
8 unwarranted for one (1) Intervenor.

9 If we look at the experience and
10 background, for example, of Ms. Derksen, her CV
11 identifies that her experience has a particular
12 emphasis on cost of service and rate design.

13 Mr. Harper is a well-known consultant
14 to this Board has -- as he has appeared on behalf of
15 the Coalition on numerous occasions, and he too has
16 provided evidence in terms of cost of service and rate
17 design.

18 Manitoba Hydro submits that there is no
19 need for the Coalition to have two (2) consultants
20 advising on both the issues of rate design and cost of
21 service. Also, acknowledging the fact that the PUB
22 has placed the issue of cost of service on its
23 deferred list.

24 In addition, Mr. Rainkie's experience
25 on the issues of revenue requirement, financial

1 outlook, just and reasonable rates and expenditures
2 are the same issues that Mr. Harper has been qualified
3 before this Board as an expert on behalf of the
4 Coalition.

5 We submit that the retention of three
6 (3) consultants by one (1) Intervenor, all
7 collectively focusing on the same issues, is
8 completely unreasonable, especially given that MIPUG
9 and AMC also proposed to retain experts to review the
10 exact same issues.

11 Based on the list of issues considered
12 in scope, Manitoba Hydro submits that one (1)
13 consultant is certainly sufficient to assist the
14 Coalition in its intervention.

15 And Manitoba Hydro requests that the
16 Board allow the retention of one (1) consultant.
17 Manitoba Hydro proposes that it either be Mr. Rainkie
18 or Mr. Harper. Given Ms. Derksen's lack of experience
19 with a number of the revenue requirement issues before
20 this Board, and -- therefore Manitoba Hydro object --
21 objects to Ms. Derksen being retained by the Coalition
22 in this proceeding.

23 And again, all parties -- we would
24 request that all parties be directed to avoid
25 duplication in terms of their interventions.

1 Subject to any questions, that
2 concludes my comments.

3 THE CHAIRPERSON: Thank you. Does the
4 panel have any questions?

5 Thank you. Ms. -- sorry, Mr. Williams?

6 DR. BYRON WILLIAMS: Mr. Chair, it's
7 up to the Board obviously, but if we could have a
8 brief reply?

9 THE CHAIRPERSON: Sure, certainly.

10 DR. BYRON WILLIAMS: Certainly, we --
11 we've heard the comments of Manitoba Hydro.

12 From our clients' perspective, this
13 Board has reviewed many costs applications of our
14 clients and has found them to be reasonable. Until
15 there is an actual, proposed estimate for the Public
16 Utilities Board, our clients would suggest it's
17 premature to -- to foreclose us retaining these
18 experts.

19 We'd note that if we look at our
20 friends from the Manitoba Industrial Power Users
21 group, when InterGroup approaches an issue, it's a
22 team. So it's -- it is -- one will get the insight of
23 Ms. Davies, one will get the insight of Mr. Bowman,
24 one might get the insight of others as well. So we
25 would certainly caution against prematurely rushing to

1 judgment until you see the reasonable bill that will
2 be proposed by our client.

3 From our clients' perspective as well,
4 I can just indicate that we -- we have highly
5 qualified experts. We are always mindful of the need
6 to make sure that there's no duplication in their
7 work.

8 And in our client's particular
9 circumstances, Mr. Harper -- and I'm authorized to
10 share this -- I think the last General Rate
11 Application just about put him in his professional
12 grave in the terms of the scope of the hearing.

13 He is -- he continues to -- we're in
14 the process of transitioning and this is an important
15 part of our orderly transition from a well-established
16 expert who brings inter -- our national expertise to
17 two (2) very qualified individuals who bring acute
18 insight into Manitoba Hydro.

19 And certainly our client expects, as
20 usual, that it will bring forward a reasonable cost
21 estimate and would urge the Board to defer its
22 judgement till it sees our estimated bill of costs.

23 THE CHAIRPERSON: Thank you. Do we
24 want to reply to the reply?

25 MS. ODETTE FERNANDES: If I can get

1 leave of this Board for a very quick reply.

2 THE CHAIRPERSON: Sure, yes.

3 MS. ODETTE FERNANDES: In terms of
4 InterGroup, Manitoba Hydro recognizes that their team,
5 there is a difference in the costs associated with the
6 hourly rates for Mr. Bowman and Ms. Davies.

7 For the team being proposed by the
8 Coalition, we're talking in excess of about \$700 an
9 hour for that team. And although I understand that
10 there is a transition, ratepayers of Manitoba should
11 not be paying for transitioning from one expert to
12 another.

13 THE CHAIRPERSON: Thank you.

14 Ms. Steinfeld...?

15 MS. DAYNA STEINFELD: Thank you, Mr.
16 Chair. We are turning now to the review of the
17 proposed issues list, and just for the purposes of the
18 panel's information and for the record, Board counsel
19 would clarify that the list that has been prepared,
20 both the chart version that's called the proposed
21 issues list, as well as the so-called preliminary
22 issues list, were prepared by Board counsel through
23 our office without consultation from the panel and
24 without having been adjudicated by the Board. And
25 those documents were purely for the purpose of

1 assisting parties and focusing their preparations for
2 this pre-hearing conference.

3 It remains in Board counsels' view in
4 your full discretion to determine which issues are in
5 scope, out of scope or deferred to another process.

6 I would suggest that for this
7 discussion that we are turning to now that we focus on
8 the chart, which is up on the screen. The proposed
9 issues list for PUB adjudication.

10 I would also suggest that this can be a
11 more informal discussion and those who were at the
12 pre-hearing conference for the last GRA will recall,
13 we didn't necessarily have formal submissions from
14 each party, but rather a discussion to inform the
15 Board about the issues, and the same would be true for
16 the timetable discussion that will follow.

17 MIPUG counsel and AMC counsel have gone
18 through this list already, but the first thing I would
19 note is that I have not heard from parties whether
20 there is anything missing from this list in terms of
21 an issue that has not been identified or a sub-issue
22 that has not been identified, again, keeping in mind
23 that this is just from the brains of Board counsel,
24 which are not always the smartest of brains. Some of
25 us...

1 THE CHAIRPERSON: To which counsel are
2 you referring, Ms. Steinfeld?

3 MS. DAYNA STEINFELD: I will protect
4 my own career by not saying. And also whether or not
5 there are things on this list that perhaps should not
6 be here that should be refined further.

7 So I would note that Mr. Williams was
8 not required to go through this list in detail
9 earlier, but if he's able to do so at this time, that
10 would be helpful.

11 As well, Manitoba Hydro, if you have
12 comments and that following those points that I just
13 made, I think this is a helpful document to guide us
14 forward.

15 So I think the aim is to come out of
16 this pre-hearing conference and have a document that
17 completely captures the issues that are in scope and
18 also the extent of the intended participation of the
19 parties that are before us. So that's where I would
20 suggest we focus our attention.

21 So I don't know, Ms. Fernandes or Ms.
22 Boyd, if you had any comments on this listing
23 initially or the Intervenors who have identified where
24 they'd like to participate, or if you'd like Mr.
25 Williams to fill in the gap first.

1 MS. ODETTTE FERNANDES: Yes, if
2 Intervenors can proceed and then if we have any
3 comments after we can make those. Thank you.

4 MS. DAYNA STEINFELD: Sure.

5 DR. BYRON WILLIAMS: Thank you. And
6 just from our clients' perspective, notwithstanding
7 some of the derogatory comments made about Board
8 counsel by Board counsel, which I'm going to reserve
9 our opinion on, we did think this was a really useful
10 exercise and we appreciate the efforts. Our client
11 basically thought it reflected the issues that are in
12 play in this hearing.

13 I will indicate, I think our
14 application speaks for itself. The two (2) that we
15 don't see much participation from our clients on are
16 items 16 and 17; item 16 being the declining block
17 general service rates, item 17 being the
18 implementation -- implementation of First Nation
19 residential on reserve customer class.

20 The other items our clients see as
21 being integral to the setting of just and reasonable
22 rates. As always there will be some issues where we
23 just file closing or make closing submissions, others
24 that we'll test more aggressively, and I hope my
25 preliminary comments gave insight into the ones that

1 we were intending to address more assertively.

2 If the Board requires me to go through
3 them, but I think at a high level that's -- that will
4 give you insight into our -- our clients' proposed
5 intervention.

6

7 (BRIEF PAUSE)

8

9 MS. DAYNA STEINFELD: And maybe while
10 Ms. Fernandes is filling in those parts of the table,
11 I will go back to the question I asked earlier, which
12 is: Has any party, including Manitoba Hydro,
13 identified that this table is missing an issue or
14 should be further refined?

15 MR. ANTOINE HACAULT: I may have just
16 a couple questions of clarification as a result of Ms.
17 Fernandes' comments that some of the issues that we
18 identified in our Intervenor application were deferred
19 or excluded.

20 I've gone through them, I'm not too
21 sure what those might be. We've identified, for
22 example, water levels and I see listed in number 11
23 hydrology. So that we want current updates.

24 We've identified also updates and
25 progress on Keeyask borrowing and construction

1 schedules since the last GRA, and also Bipole III in-
2 service cost implications. I believe that would be
3 covered by number 12, which immediately follows,
4 although those specific projects aren't identified.

5 With respect to DSM under 14 in that
6 list, the list says "spending." We had also said
7 spending and savings. I don't know whether that
8 detail adds anything, but we had also under that in
9 the general context for short-term risk considerations
10 and mitigation, put "retained earnings," but for that
11 very specific project.

12 I'm not sure whether that's included in
13 this, but we usually have some -- if we're not going
14 to go long-term I think we still might be filing some
15 evidence on the sufficiency of those retained earnings
16 for short-term risk considerations, and mitigation.

17 The only other thing that we had
18 listed, and I think is included in number 7 was, or --
19 O and M savings and attritions, and that's in number 7
20 in the voluntary departure.

21 So to the extent that it's not included
22 in there, and I don't see that it isn't, it leaves me
23 with a list of things that we included in our
24 Intervenor application, which I think are all covered
25 except for the short-term retained earnings subject.

1 MR. COREY SHEFMAN: I just have two
2 (2) issues. The first just building on my comments
3 earlier.

4 The presence of impact on consumers and
5 bill affordability on the deferred list is concerning
6 to us. If the Board doesn't want to include it as a
7 stand-alone issue within the scope on its own, then
8 again, recognizing the unique situation we're in that
9 -- that is fine, but I think it needs to, at the very
10 least, be not on the deferred list and allowed to be
11 used as a contextual factor or something like that.

12 The -- the idea that impact on
13 consumers writ large should be -- my friend has
14 pointed out to me at issue 2, impact of increase on
15 consumers. So then perhaps the discrepancy can just
16 be addressed.

17 But again, bill affordability as well,
18 should still be included -- or should still be allowed
19 to be included as a contextual factor, even if it's
20 not considered as a stand-alone issue.

21 The other point I wanted to raise,
22 again, was the particular phraseology of number 17,
23 implementation of First Nations residential on reserve
24 customer class.

25 Sorry. AMC is reading that as the

1 Board desiring to restrict the discussion of this
2 issue to a fairly narrow scope, being the -- how --
3 the manner in which the new rate has been -- the new
4 rate class has been implemented, rather than details
5 about the rate itself.

6 So again, some clarification on that
7 issue and where the Board would like to go would be
8 appreciated. I would comment that if a broader
9 discussion of the rate is anticipated, and the fact
10 that it remains a live issue before the Court of
11 Appeal, I think perhaps militates in favour of not
12 engaging in a lengthy discussion of it, but if the
13 Board does want to have a more in-depth discussion
14 about the First Nations on reserve rate, we would
15 strongly urge the Board to consider a more extended
16 hearing process.

17 The issues raised by the a more fulsome
18 consideration of the on reserve rate are important,
19 have not -- prior to 59/'18 have not been considered
20 by the Board in the context of -- in this particular
21 context, and so will require significant evidence from
22 -- both from Manitoba Hydro and from the Intervenors.

23 As it's currently phrased I think it
24 can be dealt with in this -- in this process. But
25 again, some -- some guidance I think would be helpful

1 here and if -- if we intend to go broader than -- or
2 if the Board intends to go broader than the
3 opportunity to make further submissions on the process
4 required to deal with it in a more fulsome way might
5 be necessary.

6 MS. DAYNA STEINFELD: Ms. Fernandes,
7 does Manitoba Hydro have any comments? Certainly.

8

9 (BRIEF PAUSE)

10

11 MS. ODETTE FERNANDES: Thank you. I
12 just have a few brief comments.

13 Under number 7, eliminate updates since
14 Order 59/'18. The third item listed there says
15 "procurement strategy," and Manitoba Hydro's
16 understanding is that is the supply chain management
17 savings. And so if we could get clarification as to
18 whether that is the case or whether the Board was
19 thinking something different in terms of that issue.

20 Sorry, I'm going backwards here.
21 Number 5, it refers to debt management strategy
22 changes. So, just to clarify with respect to that
23 issue.

24 Manitoba Hydro would require the long-
25 term rate plan that is being looked at by our Board

1 currently in order to fully respond to that request.
2 So any IRs that we're still reviewing, IRs but any IRs
3 that arise from that we will do our best to respond to
4 as fully as possible, but just advising that we will
5 need a new long-range plan approved by our Board prior
6 to fully responding to and fully addressing that
7 issue.

8 In terms of the comments on bill
9 affordability, I -- I have already indicated that
10 Manitoba Hydro's position is that there was a lengthy
11 review at the 2017/'18 GRA. There's a re --
12 recommendation to the province to address that issue.
13 And so we would maintain that that remains on the
14 deferred list.

15 And finally, in terms of the First
16 Nations rate, all parties are aware that that issue is
17 currently before the Court of Appeal, and so Manitoba
18 Hydro would submit that the way it is identified here
19 in terms of the implementation of First Nation
20 residential on re -- on reserve customer class is
21 fine, but that any broader discussion on that issue
22 should wait until we have some direction from the
23 Court of Appeal in terms of what's coming next.

24 So those are my comments.

25 THE CHAIRPERSON: Sorry, Ms.

1 Fernandes, can you go back to number 7, I really
2 didn't pick up the comment in relation to number 7.

3 MS. ODETTE FERNANDES: Number 7, our
4 understanding is that the procurement strategy is
5 referring to Manitoba Hydro's savings related to
6 supply chain management.

7 If there is anything in addition to
8 that or any other clarification that is required, we'd
9 appreciate being clarified.

10 MS. DAYNA STEINFELD: So before I move
11 on to the hearing timetable discussion, just to check
12 back in with the Intervenors, did anyone have any
13 other comments on the issues that are in scope?

14 All right. I would suggest then, Mr.
15 Chair, that we move on to the discussion about hearing
16 timetable. We have had some comments from the
17 Intervenors.

18 Let's start with PUB IRs. Is Manitoba
19 Hydro able to indicate what, in their view, is a
20 reasonable timeframe for Hydro responses to PUB IRs?

21 MS. MARLA BOYD: Could we perhaps
22 pull up the timetable that Manitoba Hydro attached to
23 the letter of November 12th?

24 MS. DAYNA STEINFELD: Certainly. So
25 Kristen, it's the last page of the November 12th

1 letter.

2

3

(BRIEF PAUSE)

4

5

MS. DAYNA STEINFELD: So starting from
6 the previously unknown, as of November 12th, the fact
7 that the PUB IRs were filed on December 12.

8

So, requiring some adjustment to the --

9

MS. ODETTE FERNANDES: I think
10 December 14th --

11

MS. DAYNA STEINFELD: -- sorry,
12 December 14th.

13

MS. ODETTE FERNANDES: In terms of
14 response to the PUB IRs, I can advise that we weren't
15 expecting the IRs as quickly and we do appreciate the
16 -- the advisors diligence in terms of getting those
17 out.

18

But in terms of the filing of -- of
19 responses, I believe our schedule here says February
20 8th. Manitoba Hydro, I've been advised, would be in a
21 position to respond to them end of January.

22

We have encouraged staff, just as a
23 little bit of a background, we have encouraged staff
24 to take some time over the holidays with their
25 families considering when the new year starts the same

1 staff that is involved in the -- this electric process
2 will be the same staff involved in the gas process,
3 will be the same staff that's involved in preparation
4 of the IFF.

5 So, we all know the first half of next
6 year is going to be extremely busy. So we have
7 encouraged staff to take some time off. So that will
8 impact our ability to get the responses out earlier
9 than the end of January.

10 MS. DAYNA STEINFELD: And Ms.
11 Fernandes, in terms of the potential four (4)
12 Intervenor IRs of Manitoba Hydro, is it still Manitoba
13 Hydro's position that there should not be any
14 Intervenor IRs?

15 MS. ODETTE FERNANDES: You read my
16 mind. Yes, Manitoba Hydro's position is still that we
17 don't believe there is a requirement for Intervenor
18 IRs.

19 Based on our review of the PUB IRs they
20 have asked questions on every topic that is under the
21 issues list and considered to be within the scope of
22 this hearing.

23 And Manitoba Hydro submits that the PUB
24 and advisors have a role in testing the evidence and
25 challenging Manitoba Hydro's evidence. And no one can

1 credibly suggest that IRs posed by the Board
2 constitutes a rubber stamp.

3 And so Manitoba Hydro's position is
4 that the PUB advisors are more than capable of
5 adducing any additional evidence that's required in
6 terms of Manitoba Hydro's evidence, and that even
7 based on some of the Intervenor application forms that
8 we've received, it's very apparent that Intervenors
9 have already somewhat determined what their position
10 is going to be.

11 So again, Manitoba Hydro filed its
12 proposed schedule and we would recommend that the
13 Board adopt that.

14 MS. DAYNA STEINFELD: If there were
15 Intervenor IRs, as an alternative position, what would
16 Manitoba Hydro's view be as to the timing of when
17 those IRs would be asked and when they would be
18 answered? And if you're -- if you also have comments
19 on the suggestion at least from AMC that there would
20 be the opportunity for a second round of follow-up IRs
21 from Intervenors.

22 MS. ODETTE FERNANDES: Yes. If -- if
23 the Board were to determine that they would like
24 Intervenors to pose some IRs, Manitoba Hydro has
25 looked at the schedule provided by Consumers Coalition

1 this morning and we would say the dates included in
2 there, the intervenor IRs being received on January
3 18th with Manitoba Hydro responses on February 8th
4 appears to be doable from our perspective.

5 We don't -- we don't see a need to wait
6 for responses to PUB IRs if Intervenors are going to
7 ask their own IRs because they've already seen what
8 the PUB advisors have asked, and if we wait until
9 there are responses -- responses to the PUB IRs then
10 we're looking at a second round of IRs, really, is
11 what it boils down to, it would be a second round of
12 IRs and then if you doing two (2) rounds of IRs,
13 following responses received to PUB IRs that's really
14 tantamount to three (3) rounds of IRs.

15 And so, Manitoba Hydro would submit
16 that if this Board wanted to allow Intervenors to ask
17 IRs, the timetable provided with Intervenor IRs being
18 received January 18th, and Hydro responses on the 8th
19 would be acceptable to Hydro.

20 MR. COREY SHEFMAN: Thank you. I just
21 want to make a couple comments. First of all, in
22 response to Manitoba Hydro's comments that Intervenor
23 IRs are not necessary, I think of Ms. Fernandez,
24 generally speaking, is referring to her earlier
25 comments that this application was specifically not

1 referred to as a General Rate Application because it's
2 different.

3 My comment would be that if it walks
4 like a duck and talks like a duck -- Manitoba Hydro is
5 asking for a permanent increase as my colleagues have
6 said to -- to their rate and so whether or not they've
7 submitted all of the same information that they would
8 have normally submitted, they're asking for
9 effectively the same thing and so they should be held
10 to, as much as possible, the same standard.

11 Information Requests are a standard
12 part of the hearing process normally, and that
13 shouldn't change just because they're applying for one
14 (1) year, instead of two (2) or more years of rate
15 increases.

16 All of the Intervenors have already
17 indicated that the -- the Information Requests that
18 they intend to submit are significantly reduced from
19 what would be the case in a normal rate application
20 process, and that should be taken into consideration.

21 Speaking only for AMC, I can also
22 indicate particularly with respect to our proposed
23 second round of -- as Ms. Steinfeld referred to them
24 reply IRs. I certainly don't propose fresh
25 information in those IRs. But, we would also be open

1 to some sort of process by which those second round of
2 IRs would be first submitted to the Board to determine
3 -- for the Board to determine whether it's interested
4 in the information, essentially, and if not, then
5 those could be dispensed with before Manitoba Hydro
6 has to go through them and respond to them.

7 This isn't something we would recommend
8 or support in a normal situation, but again, with the
9 interests of expediency in mind in looking for
10 creative solutions rather than just saying, we want
11 everything or as Manitoba Hydro seems to be saying, we
12 want nothing in terms of a process, we're looking for
13 creative solutions to find a middle ground, and I
14 think that's what we've -- what we've proposed here or
15 what the Assembly of Manitoba Chiefs has proposed
16 here. Thank you.

17 MR. ANTOINE HACAULT: Mr. Chair, I
18 just note that, for example -- and I haven't done a
19 full analysis, but Order 59/'16, which related to the
20 2016 and '17 interim rate application, included IRs
21 from all parties.

22 So even in an -- an interim
23 application, there was some discovery mechanism
24 allowed for Intervenor and to regress from that in a
25 permanent application, I think would send the wrong

1 signal.

2 Two (2) other comments, with respect to
3 the usefulness of getting answers, if at all possible,
4 as they come in on the PUB IRs, that may be helpful
5 and by way of illustration, I looked at Manitoba Hydro
6 kind of general response to a request made by your
7 advisors on interim rates -- interest rates and the
8 question in my view, clearly, was trying to elicit
9 from Manitoba an update on that and the way the
10 question was interpreted by Manitoba Hydro and
11 responded to in their letter was not providing an
12 update, it was just saying, well, this is what we had
13 approved by our Board in the spring and that's what
14 we're providing you with.

15 So if -- the question that's posed by
16 your advisors is interpreted in such a way as not to
17 provide the relevant information and it needs to be
18 reworded slightly to make sure that we do get the
19 update information, it would be useful to have the
20 response of Manitoba Hydro. It may answer the
21 question, but it may not. It may need some slight
22 rewording and, for that reason, as and when Manitoba
23 Hydro is able to respond to the PUB IRs, it would be
24 useful to have those distributed and to the extent we
25 can see them it might shorten IRs, it might mean a

1 very short change in the IR but it would be a useful
2 process to have Hydro provide them as and when
3 available. Thank you very much.

4 THE CHAIRPERSON: Mr. Williams...?

5 DR. BYRON WILLIAMS: Certainly our
6 clients' position about the importance of IRs is known
7 and we certainly concur with our friends.

8 We do think Manitoba Hydro, in terms of
9 the schedule, if -- in terms of their suggestion that
10 -- that if the Board directs IRs necessary that they
11 schedule of filing them on the 18th and responding by
12 February the 8th is -- is doable and so we do
13 appreciate that.

14 And I guess my question to Manitoba
15 Hydro, if I might, is just, if we have them ready a
16 week earlier does that -- does that assist in any way
17 or not?

18

19 (BRIEF PAUSE)

20

21 MS. ODETTE FERNANDES: Mr. Williams,
22 I'm advised that if we do receive them earlier, I
23 think the intent would be to try and get the PUB IRs
24 completed, and to the extent that we've got staff
25 available that can address those in the meantime, we

1 will -- we could attempt to get those in earlier as
2 well.

3 MS. DAYNA STEINFELD: I think we've
4 already had, in the earlier comments from Intervenors,
5 a fairly robust conversation about the schedule
6 brought to the hearing today by Mr. Williams.

7 I'm wondering, Ms. Schubert, if we can
8 maybe put that back up on the screen and in the
9 interest of moving our discussion forward, if Manitoba
10 Hydro moving beyond the issue of Intervenor IRs has
11 comments on any of the specifics in terms of the
12 process step or the timeframe for completion of the
13 step, it would suggest that those comments be brought
14 forward now and similarly if any Intervenors haven't
15 had the opportunity to comment on an aspect of this
16 schedule yet, I think now would be the time to do so.

17 MS. ODETTE FERNANDES: I -- I can
18 briefly touch upon these -- timetable provided by the
19 Coalition this morning.

20 If -- if the PUB were to determine that
21 Intervenors were permitted to ask IRs, then Manitoba
22 Hydro would definitely take the position that there
23 would be no requirement for Intervenor evidence or an
24 oral hearing and that we could go directly to
25 Intervenor written submissions. I don't have a

1 timetable in front of me as to when that would occur
2 but that would be our position on that.

3 And I think part of what this schedule
4 is missing is the reduced scope of this application
5 and, you know, this is the typical process that's
6 required for a fulsome GRA and the only difference is
7 that it's in a condensed timeframe.

8 And, you know, I think it's noteworthy
9 to mention at this point, I do acknowledge the
10 comments from AMC earlier this afternoon where they
11 said they didn't object to not having an oral hearing
12 if they are provided with the ability to ask IRs.

13 And I do think it's also noteworthy to
14 mention that this schedule is in stark contrast to an
15 Intervenor that has typically participated in these
16 proceedings before Green Action Centre who has been a
17 long time Intervenor and in their letter -- I don't
18 have -- oh, November 16th, they did indicate that they
19 were in favour of an expedited process and were
20 amenable to an exchange of IRs from the PUB only and
21 that paper submission upon the review of IRs was
22 acceptable.

23 And then upon Manitoba Hydro filing its
24 application, Mr. Gange, on behalf of the Green Action
25 Centre indicated that they determined in this process

1 there was no need to intervene. And so I think that
2 stands in stark contrast to what we see here, and we
3 would ask that the Board take that into consideration
4 as well in terms of coming up with its timetable.

5 MR. COREY SHEFMAN: Mr. Chair, I would
6 just briefly note that I believe Ms. Fernandes
7 misquoted me. What I had said was that we don't
8 object -- AMC doesn't object to their being an oral
9 hearing rather than they're not being an oral hearing.
10 It may be just mincing words, but our preference, as I
11 said in my opening comments, is that the process be as
12 fulsome as possible.

13 We understand the situation we're in
14 and that there might not be, and we've adjusted our
15 own intervention accordingly, but, if the Consumers
16 Coalition's request is -- is granted then we would, of
17 course, participate and think that that would be a
18 more fulsome and better option generally, but we take
19 -- if it comes down to, Do we think that there needs
20 to be an oral hearing, we take no position.

21 THE CHAIRPERSON: Thank you for
22 clarifying it, because quite frankly, I heard it the
23 same way as Ms. Fernandes heard it so.

24 MR. COREY SHEFMAN: It may be that I
25 misspoke initially and I apologize if I did. Our

1 position, as I said, is that we take no position on --
2 on there being an oral hearing or not.

3 MR. ANTOINE HACAULT: I have a short
4 comment. With respect to previous procedures of this
5 Board, if we look at Order 80 of '17 which related to
6 the 2017/'18 interim rates, we actually had a two (2)
7 day oral hearing. Again, that was interim rates.

8 And that's why I suggested that this
9 Board perhaps address its mind, once we have the
10 evidence, as to what can be dealt with in written form
11 and what limited items might be dealt with in cross-
12 examination because I would suggest that the
13 importance of Intervenors having evidence in is the
14 necessity of fairness and we can better address
15 whether or not we need any oral hearing and to what
16 extent we're going to do that in cross-examination by
17 Board counsel and by counsel for CAC and other counsel
18 at a subsequent hearing when we actually see the
19 evidence and can address whether or not we need any
20 cross-examination.

21 THE CHAIRPERSON: Thank you, Mr.
22 Hacault.

23 MS. ODETTE FERNANDES: And -- sorry,
24 Mr. Chairman, just to clarify for the record, in terms
25 of the 2017/'18 interim two (2) day oral hearing, it -

1 - I -- I have to note that there was no Intervenor
2 evidence for purposes of that interim.

3 And I also if I recall correctly there
4 also we no IRs, which I think is one (1) of the
5 reasons why the Board wanted a two (2) day oral
6 hearing to deal with that interim application.

7 THE CHAIRPERSON: Thank you. Mr.
8 Williams...?

9 DR. BYRON WILLIAMS: I do want to
10 thank the Board for the opportunity. Just -- I did
11 want to accept on behalf of our clients in terms of
12 the draft we put before you, legal counsel for the
13 Manitoba Industrial Power Users Group correctly
14 pointed out that after the oral hearing in the event
15 there are written submissions at least are -- saying
16 to the Board is that it would be Manitoba Hydro that
17 goes first and then inter -- Intervenors so we would
18 reverse that order.

19 Certainly, from our clients'
20 perspective given the seriousness of a permanent
21 Order, given the -- to be charitable, modest filing of
22 Manitoba Hydro and -- and given the interests of
23 fairness and -- and giving the Board the diversity of
24 perspectives, our client would suggest that this is
25 really a -- a bare minimum consistent with the Board's

1 intent in 80/'17 and is an effort to accommodate these
2 highly unusual circumstances. We have no further
3 comments.

4 MS. DAYNA STEINFELD: And perhaps, Mr.
5 Chair, if I may, before we move off of this agenda
6 item, if Manitoba Hydro is able...

7

8 (BRIEF PAUSE)

9

10 MS. DAYNA STEINFELD: Ms. Fernandes,
11 if you're in a position to comment if there was to be
12 Intervenor evidence, would Manitoba Hydro be wanting
13 to ask IRs on that evidence and/or file rebuttal
14 evidence?

15 MS. ODETTE FERNANDES: Yes, we would.

16 MS. DAYNA STEINFELD: Mr. Chairman,
17 unless any of the parties have any further comments or
18 issues to raise on timetable -- Ms. Fernandes?

19 MS. ODETTE FERNANDES: Sorry, if I can
20 just briefly reply to Mr. Williams's suggestion that
21 the Order be reversed, that Manitoba Hydro would file
22 its comments first.

23 I do note that it's always been of
24 great concern to Manitoba Hydro that Intervenors are
25 not required to place their positions on the record

1 until the very last day when they are submitting
2 closing arguments. We don't know what the rate
3 request will be. We don't know what positions they
4 will take on certain issues and so that is problematic
5 for Manitoba Hydro in terms of going first with
6 respect to providing closing arguments.

7 Manitoba Hydro's application and
8 evidence is before all the parties and is tested
9 extensively, so, Manitoba Hydro would suggest that
10 Intervenors provide their positions first, and
11 Manitoba Hydro be provided an opportunity to respond.

12 THE CHAIRPERSON: Thank you. Ms.
13 Steinfeld...?

14 MS. DAYNA STEINFELD: I did omit to
15 ask one (1) follow-up question of Ms. Fernandez.

16 Going back to my earlier question, how
17 long would you need if you were asking IRs of
18 Intervenor evidence? I think the one (1) week or so -
19 - I guess more like two (2) weeks that's suggested
20 here is typical.

21 Is that fair in terms of timing to
22 prepare?

23 MS. ODETTE FERNANDES: I think the
24 difficulty we're having in terms of providing you with
25 the timeline is we recognize there's a concurrent gas

1 process going on at the same time. So --

2 MS. DAYNA STEINFELD: And -- and maybe
3 -- sorry, Ms. Fernandes, to cut you off, it might be
4 helpful to put on the record in this proceeding -- and
5 Ms. Schubert perhaps we can put the page from Hydro's
6 letter up.

7 Is it fair that what Hydro is proposing
8 process wise in terms of the two (2) applications is,
9 essentially, a leapfrogging so that while Manitoba
10 Hydro is asking IRs -- or answering IRs asked of it on
11 the Hydro side, on the gas side, you would not be
12 answering IRs at the same time, the processes would
13 leapfrog, for lack of a better term?

14 MS. ODETTE FERNANDES: You're correct
15 that it's more of a leapfrogging but I do -- I'd like
16 to point out that this also doesn't include the
17 process of responding to Intervenors' IRs, preparing
18 rebuttal evidence.

19 So again, I think I'm having a bit of
20 difficulty in terms of providing a timeline without
21 seeing what is going on exactly on the gas side.

22 MS. DAYNA STEINFELD: And that's --
23 that's fair enough. And -- and I wouldn't expect
24 Manitoba Hydro or this particular panel to comment on
25 what the process that will be for the gas side, but

1 just so there's an understanding from a resource
2 perspective, what the proposal is.

3 DR. BYRON WILLIAMS: Mr. Chair, if --
4 if I just might. In terms of the gas hearing just
5 because it was brought up, I may be incorrect in this,
6 our clients' understanding is on the Hydro side
7 there's a \$60 million rate increase in terms of the
8 operational costs on the gas side.

9 I think our concern is that there is no
10 proposed rate increase. I could be wrong on that, but
11 from our clients' perspective that points out the
12 anomaly here in terms of the rigour where we have a
13 very material rate increase coming for Hydro
14 ratepayers with a very truncated process. So from our
15 clients' perspective that heightens the collective
16 concern.

17 THE CHAIRPERSON: I'm hearing comments
18 from people at -- which I think are more appropriate
19 for closing comments than talking about schedule and
20 specific issues but I note your comment.

21 Ms. Steinfeld...?

22 MS. DAYNA STEINFELD: Mr. Chair, I
23 think unless there is anything I've missed or if the
24 panel has any questions, I think that concludes the
25 discussion on the hearing timetable.

1 THE CHAIRPERSON: Okay. It's okay,
2 Ms. Fernandes, because you're up and we're at closing
3 comments and we seem to have mixed everything into
4 everything else. So if you want to include what Ms.
5 Carriere wants you to say, you can -- or the weather
6 or Donald Trump, you could put it into closing
7 comments that would be fine. I told by Ms. Kapitany
8 you can't say anything about Donald Trump but
9 otherwise the floor is yours.

10

11 CLOSING COMMENTS BY MANITOBA HYDRO:

12 MS. ODETTE FERNANDES: I try not to
13 mention his name so. I think I've addressed all of
14 the comments that have been submitted today and I'm
15 not going to bother going over everything like, as you
16 indicated, Mr. Chairman, I think all the comments have
17 been integrated and everything.

18 So we would just request that the Board
19 take a look at Manitoba Hydro's comments and our
20 proposed schedule and give serious consideration to
21 the fact that this is a one (1) year limited
22 application and that Manitoba Hydro has indicated that
23 there is a fulsome GRA coming in the 20 -- late 2019
24 and so we thank you for your time.

25 THE CHAIRPERSON: Thank you. I may go

1 in reverse order. Mr. Shefman, have you got any
2 closing comments?

3

4 CLOSING COMMENTS BY ASSEMBLY OF MANITOBA CHIEFS:

5 MR. COREY SHEFMAN: I've -- I've made
6 my comments, Mr. Chair. I just wanted to, again, take
7 this opportunity to thank the panel for having us and
8 we look forward to providing the perspective of First
9 Nations in Manitoba at this hearing.

10 THE CHAIRPERSON: Thank you. Mr.
11 Hacault...?

12

13 CLOSING COMMENTS BY MIPUG:

14 MR. ANTOINE HACAULT: All the best in
15 the New Year to everybody and just a final comment, a
16 lot of what we're trying to do to streamline this is
17 because of some administrative issues in the Utility,
18 change of board, et cetera.

19 I've al -- always viewed and our client
20 has viewed this Board as a very worthy and -- and
21 gatekeeper that makes sure that all the evidence on
22 both sides is properly adduced in front of this Board
23 and properly considered, and that's a really really
24 important role that our clients see this Board
25 exercising.

1 THE CHAIRPERSON: Thank you, Mr.
2 Williams...?

3

4 CLOSING COMMENTS BY CAC:

5 DR. BYRON WILLIAMS: Given that I
6 slipped in my closing comments under the schedule, for
7 which I apologize, Mr. Chair --

8 THE CHAIRPERSON: No, that's fine.

9 DR. BYRON WILLIAMS: -- our clients
10 have spoken of the need for a transparent robust
11 process given the magnitude of the Order, we -- we re-
12 iterate that and we thank the Board for the
13 opportunity to make these submissions and wish you
14 well in the New Year as well. Thank you.

15 THE CHAIRPERSON: Thank you. Any
16 closing comments of Board counsel?

17 MS. DAYNA STEINFELD: Thank you, Mr.
18 Chair. I would just thank counsel today for your
19 assistance and I would wish everybody happy holidays
20 and Happy New Year.

21 THE CHAIRPERSON: Thank you. We will
22 adjourn the hearing now. The Board -- the panel will
23 meet as soon as possible to try and work through the
24 issues. We will issue an Order as soon as possible.

25 On behalf of the Board, I'd like to

1 wish everybody a Merry Christmas, happy holidays and a
2 happy and healthy New Year to all. Thank you.

3

4 --- Upon adjourning at 2:19 p.m.

5

6

7

8 Certified Correct,

9

10

11 _____

12 Cheryl Lavigne, Ms.

13

14

15

16

17

18

19

20

21

22

23

24

25