



The Public Utilities Board  
400 – 330 Portage Avenue  
Winnipeg, Manitoba, Canada R3C 0C4  
T 204-945-2638 / 1-866-854-3698  
F 204-945-2643  
Email : [publicutilities@gov.mb.ca](mailto:publicutilities@gov.mb.ca)  
Website : [www.pub.gov.mb.ca](http://www.pub.gov.mb.ca)



Régie des services publics  
330, avenue Portage, pièce 400  
Winnipeg (Manitoba) Canada R3C 0C4  
Tél. 204-945-2638 / 1-866-854-3698  
Télé. 204-945-2643  
Courriel : [publicutilities@gov.mb.ca](mailto:publicutilities@gov.mb.ca)  
Site Web: [www.pub.gov.mb.ca](http://www.pub.gov.mb.ca)

January 23, 2014

**SENT VIA E-MAIL**

Thompson Dorfman Sweatman LLP  
2200 - 201 Portage Avenue  
Winnipeg MB R3H 3L3

**Attention: Antoine F. Hacault**

Dear Sir:

**Re: MIPUG Request for Budget Increase for Public Sector Finance Expert - NFAT Review**

The Public Utilities Board ("Board") has reviewed the Manitoba Industrial Power Users Group's ("MIPUG") request for a budget increase to retain a public sector finance expert, specifically Dr. Janice MacKinnon, as well as Manitoba Hydro's submissions in respect of MIPUG's request and MIPUG's reply dated January 10, 2014.

After careful deliberation, the Board has decided to deny MIPUG's application for a budget increase.

The Board accepts MIPUG's submission that Dr. MacKinnon's proposed work plan falls within the scope of the NFAT Terms of Reference, and notes that aspects of the proposed scope of work overlap the scope of work of one of the Independent Expert Consultants, Morrison Park Advisors. However, MIPUG's approved intervention is limited to the four issues approved in Board Order 67/13, specifically:

- (a) Impact on domestic rates, including long term impacts;
- (b) Risks to domestic customers through Manitoba Hydro's investment in subsidiaries, export ventures and new Programs;
- (c) Alternatives to Manitoba Hydro's Preferred Development Plan including demand side management programs; and
- (d) Risks including long term financial and economic risks and the financial liability of Manitoba Hydro.

The approved intervention permits MIPUG to adduce evidence with respect to the risks on domestic ratepayers (items (a) and (b)) and financial and economic risks as they relate to Manitoba Hydro (item (d)).

The Board tentatively approved the retainer of a public sector finance expert by MIPUG in Board Order 92/13. However, at that time, the Board had not been provided with any proposed work plan, or the identity of the proposed witness. Upon reviewing the proposed work plan recently submitted for Dr. Janice MacKinnon, it is apparent that her primary focus would be the financial effects of Manitoba Hydro's Preferred Development Plan on the finances of the Province of Manitoba, not their impact on ratepayers or Manitoba Hydro. This exceeds the approved scope of MIPUG's intervention, and the Board therefore is not prepared to approve the requested budget increase.

The Board is satisfied that the scope of the work assigned to Morrison Park Advisors will encompass the impact of the preferred development plan on provincial finances, both short term and long term, and will examine the areas of concern identified in MIPUG's proposal of December 13, 2013.

Sincerely,

*"Original signed by"*

H. M. Singh  
Secretary

cc: Bob Peters/Sven Hombach - Board Counsel  
Christian Monnin/Michael Weinstein - Counsel to Independent Expert Consultants  
Interveners of Record