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MANITOBA PUBLIC UTILITIES BOARD

Re: PRE-HEARING CONFERENCE IN
RESPECT OF MANITOBA HYDRO'S
2007/08 AND 2008/09
GENERAL RATE APPLICATION

Before Board Panel:

- Graham Lane - Board Chairman
- Robert Mayer - Board Member
- Len Evans - Board Member

HELD AT:

Public Utilities Board
400, 330 Portage Avenue
Winnipeg, Manitoba
October 15th, 2007
Volume I
Pages 1 to 53

APPEARANCES

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Patti Ramage)Manitoba Hydro
Odette Fernandes)
Myfanwy Bowman)CAC/MSOS
Doug Buhr)City of Winnipeg
William Gange)TREE/RCM
Riley Rempel)
Andrew McLaren)MIPUG
Michael Anderson)MKO
Alan Ciekiewicz)Private Citizen
Mr. Dyck)Private Citizen

	TABLE OF CONTENTS	
		Page No.
1		
2		
3		
4	Opening Remarks	4
5		
6	Opening Comments by Manitoba Hydro	14
7	Opening Comments by CAC/MSOS	20
8	Opening Comments by City of Winnipeg	27
9	Opening Comments by MIPUG	28
10	Opening Comments by MKO	29
11	Opening Comments by RCM/TREE	37
12	Opening Comments by Mr. Alan Ciekiewicz	41
13	Opening Comments by Mr. Dyck	44
14	Reply by Manitoba Hydro	46
15		
16		
17		
18	Certificate of Transcript	53
19		
20		
21		
22		
23		
24		
25		

1 --- Upon commencing at 10:39 a.m.

2

3 THE CHAIRPERSON: Good morning, ladies
4 and gentlemen. Welcome to the pre-hearing conference in
5 respect of Manitoba Hydro's 2007/'08 and 2008/'09 General
6 Rate Applications.

7 In Order 20/07 dated February 28, 2007,
8 this Board approved, on an interim basis, an average rate
9 increase of 2.25 percent, effective March 1st, 2007.

10 In that Order, the Board also directed
11 Manitoba Hydro to file its General Rate Application for
12 the fiscal year 2007, and also for 2008/'09, by August
13 the 1st, 2007.

14 Manitoba Hydro has made its preliminary
15 General Rate Application filings seeking, among other
16 matters, final approval of the current interim rates, as
17 well as a further 2.9 percent increase effective April 1,
18 2008 for all rate classes excepting area and roadway
19 lighting, which is proposed to receive a 1 percent rate
20 increase. This pre-hearing conference brings together
21 interested parties for the Board to consider matters
22 related to a public hearing process that was envisioned
23 in Order 20/07.

24 My name is Graham Lane, and as Chairman of
25 the Public Utilities Board, I am joined this morning by

1 the Board's Vice Chairman, Mr. Bob Mayer, and also by
2 Board member Dr. Len Evans. Dr. Avery Kinew will join us
3 for the Hearing itself.

4 I will now turn matters over to Board
5 Counsel, Mr. Peters, to outline the procedures. Good
6 morning, Mr. Peters.

7 MR. BOB PETERS: Yes. Thank you and good
8 morning, Mr. Chairman, Mr. Vice Chairman, Board member
9 Dr. Evans, ladies and gentlemen. For the record, my name
10 is Bob Peters. I will act as Counsel to the Public
11 Utilities Board on this application. The Board is also
12 assisted in this matter by Larry Buhr of LAB Consulting
13 and Roger Cathcart of Cathcart Advisors, Inc.

14 By way of background, Mr. Chairman and
15 Board members, ladies and gentlemen, the last Manitoba
16 Hydro General Rate Application was heard by way of a
17 public hearing in the summer of 2004, following the end
18 of the 2003/'04 drought. That Hearing resulted in a
19 Board-directed rate increases.

20 First was a firm 5 percent increase across
21 all rate classes, implemented August 1st, 2004. There
22 were also two (2) conditional rate increases of 2.25
23 percent, of which only one (1) was implemented, that in
24 early 2005. And until Manitoba Hydro's application in
25 January of '07 that resulted in Order 20 of '07 that the

1 Chairman spoke of, Manitoba Hydro did not pursue the
2 second conditional rate increase, citing net -- record
3 net income for '05/'06.

4 In terms of the application before the
5 Board, the Utility is seeking eight (8) specific
6 approvals. The first is approval of the current interim
7 rates, which were approved in Orders 20/07 and 21/07.

8 The second matter is approval of new April
9 1st, 2008 average rate increases of 2.9 percent for all
10 customer classes, except the area and roadway lighting
11 class, which is proposed to receive a 1 per cent rate
12 increase.

13 The third request is an immediate interim
14 extension of the surplus energy program, which is due to
15 expire October 31, 2007. It appears Manitoba Hydro is
16 seeking a one (1) year extension immediately, and then a
17 further five (5) year extension through the hearing
18 process that would go till 2013.

19 The fourth item is approval of the weekly
20 surplus energy rates from July 2004, through and to, at
21 least, July 25th, 2007 if not the end of the Hearing.

22 The fifth request is for approval of
23 modifications to the Curtailable Rates Program, as well
24 as the interim Curtailable Rates orders, since Order 28
25 of '05.

1 The sixth item of request is approval of
2 changes to the limited use billing demand rate from Order
3 27 of '05.

4 The seventh item for which Manitoba Hydro
5 is seeking approval is the approval by this Board of the
6 four (4) interim rate orders that relate to electricity
7 service in the diesel rate zone.

8 And the final matter is approval of a new
9 general service large rate for new or expanding loads.

10 In terms of procedures, Mr. Chairman, at
11 this pre-hearing conference, there are a few matters that
12 need be addressed today. The Board will want to hear
13 from parties that seek Intervenor status and will also
14 want comments, if any, on the proposed draft schedule,
15 prior to finalizing who will be granted Intervenor status
16 and prior to finalizing the schedule for the orderly
17 exchange of information leading up to a public hearing.

18 Additionally, and as noted in the public
19 notice that was published, the Board will also consider
20 whether to extend the Surplus Energy Program on an
21 interim basis, pending the Board's final decision on
22 Manitoba Hydro's request to extend the Surplus Energy
23 Program to March 31st, 2013.

24 Mr. Chairman, to efficiently hear from all
25 parties on the Surplus Energy Program and the request for

1 the extension for one (1) year, as well as -- as well as
2 the request for intervener status and the proposed
3 timetable that has been circulated, I suggest that the
4 Board first call on counsel for Manitoba Hydro, and it'll
5 be Ms. Ramage, I believe, and Ms. Fernandes.

6 I believe Ms. Ramage will provide her
7 opening comments, which could include, and perhaps should
8 include, the specifics of Manitoba Hydro's request for a
9 further one (1) year interim approval of the surplus
10 energy rate, together with any comments on that proposed
11 schedule.

12 After hearing from Manitoba Hydro, the
13 Board could canvas each of the interested parties,
14 present today, to hear their request for Intervenor
15 status, their comments on the proposed timetable, and
16 also their comments and position on Manitoba Hydro's
17 request for an -- for an immediate and interim extension
18 of the Surplus Energy Rate Program.

19 And after hearing from all interested
20 parties, the Board could then return to Ms. Ramage to
21 hear whether Hydro has any concerns with respect to any
22 of the requested interventions.

23 Mr. Chairman, I spoke of the draft
24 timetable that has been circulated. The parties wish to
25 thank the Board for their patience this morning as they

1 met to try to review it and deal with issues that have
2 arisen in terms of the timeline.

3 For the sake of the record, I'd like to
4 run through what the parties, I believe -- excuse me, my
5 -- I haven't been at a hockey game yelling loud enough, I
6 guess.

7 Mr. Chairman, in terms of the draft time
8 table, the parties did meet and there are issues related
9 to availability of certainly the parties, their
10 witnesses, and timelines, and in an effort to seek a
11 consensus, we have met this morning, and I would like to
12 walk through what I'm going to put forward as the revised
13 draft timeline. I will certainly type up a further copy
14 for the Board's consideration after the pre-hearing
15 conference.

16 But we start with the pre-hearing
17 conference on October the 15th. The parties are then
18 asking that the first round Information Requests be filed
19 on November the 9th, and that Manitoba Hydro file
20 responses to first round Information Requests by December
21 the 5th.

22 The parties are aware, and the Board
23 should be aware, that Manitoba Hydro will be filing its
24 Integrated Financial Forecast - its most current one - in
25 or on approximately November the 23rd; that financial

1 forecast contains some relevant information that the
2 parties need to pose the Information Requests, and they
3 will have an opportunity to ask those questions on the
4 second round Information Requests, which will then be due
5 on December the 14th, and not December 11th, as on the
6 first draft.

7 In terms of filing responses to the second
8 round Information Requests --

9 MR. ROBERT MAYER: December what --

10 MR. BOB PETERS: I'm sorry, Mr. Vice-
11 chair. The -- Manitoba Hydro to be in receipt of second
12 round Information Requests on December the 14th.

13 MR. ROBERT MAYER: I'm sorry. The one I
14 got says December 19th.

15 MR. BOB PETERS: I believe that's my
16 error. It would be December the 14th.

17 And Manitoba Hydro, in the next item,
18 would propose to respond to those second round
19 Information Requests by January the 19th. I'm sorry --
20 January 18th.

21 It's telling when you can't read your own
22 writing. I apologize.

23 The parties have then suggested that the
24 parties would be in receipt of Intervenor evidence on
25 February the 1st, and that questions would be asked of

1 Intervenor, and they would file their Information
2 Requests on the Intervenor evidence on February the 8th.

3 The Intervenor would be answering those
4 Information Requests on or before February 20th. And
5 Manitoba Hydro would file rebuttal evidence on
6 approximately February 27th.

7 The parties then propose, following the
8 filing of rebuttal evidence, to allow the hearing --
9 propose the hearing commence either on Monday, March the
10 3rd, or Tuesday, March the 4th, at the pleasure of the
11 Board.

12 And also at the pleasure of the Board, to
13 determine the hearing schedule through the -- through the
14 conclusion of the hearing as to the Board's availability,
15 whether it be three (3) days a week or four (4) days a
16 week; although there is certainly a willingness to -- to
17 work towards a four (4) day week schedule if that is
18 amenable to the Board.

19 We would ask those matters be considered
20 by the Board at the earliest opportunity.

21 And, Mr. Chairman, if the process of
22 starting with Manitoba Hydro in this pre-hearing
23 conference, and hearing their comments, and then turning
24 to the Intervenor is acceptable to the Board, I would
25 suggest that after Manitoba Hydro speaks, that the

1 Consumer's Association of Canada, Manitoba, and the
2 Manitoba Society of Seniors, who are represented here
3 today by Ms. Bowman, would speak next.

4 The city of Winnipeg is represented today
5 by Mr. Buhr.

6 The Manitoba Industrial Power Users Group
7 is represented by Mr. Andrew McLaren. The Manitoba
8 Keewatinook Ininew Okimowin, which I believe I have Mr.
9 Anderson's permission to use the acronym MKO, is
10 represented by him and he is present this morning.

11 And then Resource Conservation Manitoba
12 and Time To Respect Earth's Ecosystems are represented by
13 Mr. Gange and Mr. Rempel, and I believe Mr. Gange will
14 speak to the matters this morning.

15 I'm also made aware this morning that an
16 Intervenor request form has been filed by Mr. Ciekiewicz,
17 and he will be available to speak to his Intervenor
18 request form and answer any questions if there are any as
19 well.

20 So, Mr. Chairman, that's been a little
21 lengthy, but subject to any questions you have of me at
22 this time, those conclude my opening comments. I thank
23 you and suggest that you consult now with Ms. Ramage.

24

25

(BRIEF PAUSE)

1 THE CHAIRPERSON: Thank you, Mr. Peters.
2 We'll now follow your suggested procedures and start with
3 Manitoba Hydro's counsel, Ms. Ramage, for opening
4 comments on behalf of the applicant.

5 However, in addition to the matters raised
6 by Mr. Peters, the Board would also like to understand
7 the current status of the final execution of the proposed
8 settlement agreement among Manitoba Hydro and MKO and
9 Indian Northern Affairs, Canada, INAC.

10 Manitoba Hydro indicates in its
11 application that it will be seeking final approval of the
12 four (4) Interim Orders that relate to the diesel zone as
13 referenced in Appendix 10-6. Those Orders appear to
14 include the current interim rates charged in the diesel
15 zone, and those interim rates were premised on an
16 agreement to resolve various outstanding issues.

17 So we would like to hear from Manitoba
18 Hydro and MKO on the current status of the final
19 execution of the agreement. The timing of that final
20 execution of the agreement will determine whether the
21 Interim Diesel Zone Orders are up for review and
22 finalization in these GRA proceedings.

23 After hearing from Manitoba Hydro first, I
24 will then call on the interested parties and hear them as
25 to their requested interventions, the timetable, the

1 interim continuation of the Surplus Energy Program and,
2 if applicable, the agreement that relates to the diesel
3 zone issues.

4 And after hearing from all proposed
5 intervenors, I will then call on Manitoba Hydro for any
6 comments in respect of the requested interventions.

7 So with those comments, Ms. Ramage...?
8

9 OPENING COMMENTS BY MANITOBA HYDRO:

10 MS. PATTI RAMAGE: Thank you and good
11 morning, Chairman Lane. Good morning, Mr. Evans and Mr.
12 Mayer. For the record, my name is Patti Ramage. I will
13 be appearing on behalf of Manitoba Hydro throughout these
14 proceedings.

15 To my left is Ms. Odette Fernandes, who
16 will act as my co-counsel through these proceedings.
17 Also here on behalf of Manitoba Hydro this morning is Mr.
18 Robin Wiens, who is division manager of Rates and
19 Regulatory Affairs, Mr. David Cormie who is division
20 manager of Power Sales and Operations, and Mr. Chic
21 Thomas who is the manager of Electric Rates and
22 Regulatory.

23 Mr. Cormie, in particular, as well as Mr.
24 Wiens and Mr. Thomas are with me today in part to deal
25 with the SEP Program, in the event the Board has any

1 questions.

2 As alluded to by Mr. Peters in Manitoba
3 Hydro's letter of application of August 1st of this year,
4 Manitoba Hydro requested interim approval to extend the
5 SEP to October 31st of 2008. Pursuant to Board Order 173
6 of '06, the SEP is currently set to expire in
7 approximately sixteen (16) days on October 31st, of '07.

8 If we look back to Board Order 90 of 2000,
9 the Board established a requirement of twelve (12) months
10 notice of any intention to terminate the SEP.

11 I can advise that Manitoba Hydro has not
12 served any customers participating in this program with
13 such notice, in part -- well, obviously because we -- we
14 do intend to, at this time, continue the program, and we
15 received the Board's assurance in Order 173 of '06, that
16 the program would not be terminated prior to a review,
17 which was expected to happen at the next General Rate
18 Application.

19 And here we are today. However, sixteen
20 (16) days from now, the Board's current Order will
21 expire, and -- and for that reason, Manitoba Hydro has
22 asked that the SEP be extended to 2008.

23 I -- I would add that in earlier
24 correspondence exchanged with the Board, we -- we
25 suggested that even beyond 2008, because of the one (1)

1 year's notice period, might be appropriate. However,
2 given we are expecting an Order in or about April of this
3 year, perhaps May, at least, if we could get us through
4 that without having to come back to the Board for an
5 extension, it would be helpful.

6 And it would give customers on that
7 program the assurance. At least we can tell them today
8 that -- that we've gotten approval for -- for a year and
9 the Board has given us these assurances, that they
10 wouldn't terminate while customers -- you know, without
11 adequate notice.

12 And on that, I -- I don't know how the
13 Board would like to proceed. If you'd like to address
14 some questions to the panel right now with respect to
15 SEP, or if I should move on to --

16 THE CHAIRPERSON: I think you can move
17 on, and if the other parties here have any comments, they
18 can make them when their turn comes.

19 MS. PATTI RAMAGE: Okay. Thank you. The
20 second matter that the Board asked us, in your opening
21 comments, Mr. Chairman, to address was the matter of the
22 diesel interim rates.

23 As noted, we did have in our application
24 our intention to obtain final approval of the diesel
25 orders during the GRA, contingent on final execution of

1 the settlement agreement.

2 To date, the settlement agreement, I can
3 advise, has not been executed. The parties met again
4 this summer to -- in part to try to see if we could move
5 things along, and to finalize any outstanding matters.

6 I'm -- I'm at a loss, in terms of
7 providing the Board with a date, because Manitoba Hydro
8 is looking for that same assurance, and -- and we've been
9 asking the parties and have been told that it is moving
10 along, however, it is outside our hands.

11 Mr. Anderson is a little closer to the
12 issue on the INAC side and might be able to give the
13 Board some hard information. I'm not sure. But I can
14 only say we've re -- received assurances that it is
15 moving along at a -- on the INAC end.

16 THE CHAIRPERSON: So you got no reason to
17 believe that it's going to fall apart then?

18 MS. PATTI RAMAGE: No, I don't

19 MR. ROBERT MAYER: Ms. Ramage, are you in
20 a position to tell us where the hold up is? I mean is it
21 -- is it the Federal cabinet? Is it management? Is it
22 government? Is it MKO? Or is it the one (1) or -- one
23 (1) or more of the bands involved?

24 MS. PATTI RAMAGE: I can only say that
25 Manitoba Hydro has signed off on the agreement, and that

1 it is in -- I will say Canada and MKO's hands in terms of
2 moving it forward. I think MKO is -- has offered its
3 assistance to Canada to try to move it through the
4 process.

5 But there is -- is nothing in the body of
6 the agreement itself that Manitoba Hydro has an issue
7 with that would hold it up. But I can't identify where -
8 - where the hold up would be.

9 THE CHAIRPERSON: Is the hold up
10 affecting in any way the service to the communities?

11 MS. PATTI RAMAGE: Again, I think Mr.
12 Anderson could better answer, but I don't believe so.

13 And I should also advise for the record,
14 and I -- I believe the Board is aware of this -- that
15 despite the hold up on execution of the agreement, the
16 payments contained in the agreement have been made in
17 accordance with the payment schedule.

18 THE CHAIRPERSON: Thank you, Ms. Ramage.

19 MR. ROBERT MAYER: So then the only major
20 outstanding concern that the Board would have is the
21 signing of the agreement that would -- because that
22 agreement, if I recall correctly, provides for capital
23 contributions by INAC as Manitoba Hydro improves or
24 increases the service in those communities; that, I take
25 it, is the outstanding issue.

1 MS. PATTI RAMAGE: I don't believe that's
2 even an outstanding issue. It's just a question of
3 getting the agreement signed.

4 THE CHAIRPERSON: Thank you, Ms. Ramage.
5 Are you okay with the draft timetable that's now being
6 distributed?

7 MS. PATTI RAMAGE: Yes, we are.

8 MR. ROBERT MAYER: You mentioned, Ms.
9 Ramage, that you don't expect an Order till April or May.
10 You recognized the Board's reluctance to give retroactive
11 orders and it's my understanding that your request is for
12 a rate increase that is to take effect April 1st.

13 Am I correct?

14 MS. PATTI RAMAGE: That's correct. I --
15 I -- just looking at the schedule with a March 4th
16 commencement date, I was under the impression or -- that
17 if we did finish up near the mid-to-end of March, the
18 Board's reasons, given their typically fairly lengthy --
19 often we don't get our reasons in details till further on
20 with a -- simple Order to -- on April 1st to get the
21 rates in place. But the more detailed Order usually
22 comes afterwards.

23 THE CHAIRPERSON: Thank you, Ms. Ramage.
24 Okay, over to CAC/MSOS.

25 Ms. Bowman...?

1

2 OPENING COMMENTS BY CAC/MSOS:

3 MS. MYFANWY BOWMAN: Good morning, Mr.
4 Chair, members of the Board. I'm here on behalf of
5 CAC/MSOS and potentially also on behalf of Winnipeg
6 Harvest; we're in discussions with them as to whether
7 they would like to participate as well. So we may be
8 here representing three (3) clients but that's not
9 definite at this time.

10 I've circulated a -- an Intervenor request
11 form. I'm not sure if anyone's had an opportunity to
12 have a look at it. It should be on your desks.

13 THE CHAIRPERSON: We have it here, but we
14 haven't had an opportunity to review it very closely.

15 MS. MYFANWY BOWMAN: Neither have I,
16 unfortunately. In any event, I -- I will walk you
17 through it quickly, and certainly if there's questions,
18 I'll -- I'll do my best to respond to them.

19 CAC/MSOS and potentially Harvest and the -
20 - the name that we're proposing would be the Coalition,
21 since that's otherwise a bit unwieldy.

22 The Coalition is proposing to test the
23 reasonableness of the rate requirement -- pardon me, the
24 rate requirement and the rate proposals and, in
25 particular, to consider a number of specific issues,

1 including the risk management strategy, the Corporation's
2 accounting policy with respect to capitalization and cost
3 deferral, capital spending, OM&A spending, DSM, links
4 between sustainable development and DSM. And we're
5 particularly looking at filing some evidence on the issue
6 of DSM programs for low-income and hard-to-reach
7 customers, cost allocation, rate increases and the
8 proposed rate design change.

9 So those are the issues that we're
10 anticipating addressing. We'd anticipate to participate
11 fully in the -- in the Hearing as is our usual practice.

12 At this time we are proposing three (3)
13 experts, Mr. Bill Harper, whom of course is familiar to
14 the Board, and he would be dealing with the -- the rate
15 design of the revenue requirement issues. We're also
16 proposing evidence from Dr. Roger Higgin and Philip
17 Dunsky, and they would be examining the DSM issues and as
18 I said, with a particular view to low-income and hard-to-
19 reach customers.

20 We're considering whether we will also
21 need some accounting expertise, but haven't made that
22 determination yet. So at this point, we're simply
23 proposing the -- the three (3) experts.

24 We have some scheduling issues that are --
25 are noted in box 11 of the -- of the form. I can

1 indicate that they've been addressed in terms of our
2 discussions already, so the Board doesn't need to look at
3 that any more closely at this point.

4 In terms of the fees that are proposed on
5 page -- page 4 of the form, provides a summary of the
6 hours that are proposed for legal counsel and for the
7 various experts.

8 So legal -- legal counsel is proposing for
9 preparation eighty (80) hours for appearance, eighty-four
10 (84) hours, and for argument and reply, thirty-five (35)
11 hours. The experts I referred to -- expert number 1
12 would be Mr. Harper, expert number 2 would be Mr. -- it
13 would be Dr. Higgin and expert number 3 would be Mr.
14 Dunsky.

15 I'm hoping that that is at least somewhat
16 legible. Would the Board li -- like me to walk through
17 that in detail?

18 MR. ROBERT MAYER: No. You -- you do
19 much better on the following pages where you actually
20 have the budget for Dr. Higgin and we see the typed
21 stuff.

22 MS. MYFANWY BOWMAN: Very good. So the
23 next page shows Mr. Williams' proposed hours and hourly
24 rate. The following page shows Mr. Harper's proposed
25 hours. I can indicate for the Board's information that

1 the estimate under review of IR responses, preparation of
2 evidence and response to IRs -- the estimate of one
3 hundred and twenty (120) hours is based on the assumption
4 that he'll be dealing with two (2) issues, and that's
5 both rate design and the revenue requirement.

6 If it turns out that he will only be
7 addressing one of those issues, that would decrease that
8 time somewhat but would also correspondingly increase
9 some of the time that he would need to spend, in terms of
10 assisting with preparation for cross-examination. So I'm
11 told that the net savings would be in the area of around
12 twenty (20) hours.

13 Are there questions about Mr. Harper's
14 proposal?

15 THE CHAIRPERSON: That's fine for now.

16 MS. MYFANWY BOWMAN: The next page deals
17 with Dr. Higgin, and his hours are significantly small.

18 MR. ROBERT MAYER: Just -- just back on
19 that last one. You've got two (2) hourly estimates on
20 your -- on Bill Harper's -- which one of them am I
21 looking at?

22 MS. MYFANWY BOWMAN: I apol --

23 MR. ROBERT MAYER: one eighty-five (185)
24 or one seventy-five (175)?

25 MS. MYFANWY BOWMAN: I apologize for

1 that. I believe that the rate that he has been granted
2 in the past is one hundred and seventy-five (175). I
3 believe that we'll be proposing that it would be time for
4 an increase to one hundred and eighty-five (185). But we
5 provided both calculations for the Board and the parties.

6 The next page deals with Dr. Higgin, and
7 he'll be working, I believe, in collaboration with Mr.
8 Dunsky, so Mr. Higgin's estimate's quite short. The
9 following page -- actually the following three (3) pages,
10 pardon me, is a letter from Mr. Dunsky's office, which
11 sets out a -- a draft -- or pardon me, a proposed time
12 allotment.

13 You'll note that he provides two (2)
14 scenarios, one (1) smaller and one (1) larger. I'm given
15 to understand that we won't be able to take a position on
16 which one we'll be pursuing until we've at least reviewed
17 the first round IRs.

18 So both are provided for your information.
19 I think that that's it for the material that's been
20 filed, and I can tell you that the -- the estimates have
21 been prepared on the basis of a twelve (12) day hearing.
22 Obviously if the hearing goes longer, that'll change the
23 estimates.

24 I know that the number is a little bit
25 higher than perhaps we've seen in the past. However, our

1 view is that the numbers are, in fact, comparable to the
2 Cost of Service Hearing with the addition of one (1)
3 extra piece of evidence. So it's our suggestion that
4 those numbers are reasonable and that we've done our best
5 to give you realistic estimates.

6 THE CHAIRPERSON: So you will give us any
7 updates as they -- as they may arise. Do you have a
8 position on the Surplus Energy Program?

9 MS. MYFANWY BOWMAN: I have no comments
10 on that this morning, thank you. Subject to questions,
11 however, those are my comments on the --

12 MR. ROBERT MAYER: Ms. Bowman, you
13 mentioned twelve (12) days for hearings. I note the
14 schedule that everybody appears to have agreed on calls
15 for seven (7) days hearings. I'm getting the impression
16 you have no belief, nor do I, that we're going to get
17 through this in seven (7) days?

18 MS. MYFANWY BOWMAN: I don't think -- and
19 I -- I hesitate to speak for the group, but I'm going --
20 I don't think that people are thinking that it's going to
21 be a seven (7) day hearing. I -- I think that we're
22 expecting it'll take much of the month of March, but I'll
23 defer to My Friends.

24 MR. BOB PETERS: Mr. Chairman, Mr. Vice
25 Chair, that -- the draft timetable that was circulated,

1 and I apologize for not explaining this, the -- the far
2 right-hand column indicates the number of days between --
3 between the previous scheduled matters and that's where
4 the number seven (7) jumped out at us.

5 In terms of the Hearing, it will -- it
6 will be one where we were hoping that, I think we talked
7 briefly about being optimistic of ten (10) hearing days,
8 and whether the Board wanted to schedule that over three
9 (3) weeks or two (2) weeks or how -- how that would be
10 accommodated. We'd be appreciative. That also will
11 depend a little bit on the number of Intervenors who are
12 filing evidence and...

13 THE CHAIRPERSON: We thought for a minute
14 you were thinking of a younger panel; sixteen (16) hour
15 days or something.

16 Thank you. Do you have -- does CAC/MSOS
17 have any comments with respect to the diesel situation,
18 that we've heard an update from Ms. Ramage?

19 MS. MYFANWY BOWMAN: I'm sorry, I have no
20 information about that.

21 THE CHAIRPERSON: And as for the
22 timetable, are you all right with it?

23 MS. MYFANWY BOWMAN: Ah, yes. Yes.
24 We've -- we've discussed it with the various other
25 parties and our concerns have been taken into account in

1 the revisions.

2 THE CHAIRPERSON: Okay, thank you, Ms.
3 Bowman.

4 Mr. Buhr, for the city of Winnipeg, do you
5 have any opening comments?

6

7 OPENING COMMENTS BY CITY OF WINNIPEG:

8 MR. DOUG BUHR: Thank you, Mr. Chairman.

9 In terms of our Intervenor Request Form,
10 as I noted in there, the City of Winnipeg is the largest
11 customer in Winnipeg, in terms of area and roadway
12 lighting; in practical terms, we're the only one.

13 We have a history, as this Board is well
14 aware, of intervening in this area, and that is -- we are
15 here once again to -- to deal with that area. We are not
16 proposing to call evidence and we are not seeking costs.

17 In terms of the other items that the Board
18 raised, we have the revised timetable -- revised draft
19 timetable is acceptable to us. We have no position on
20 either the Surplus Energy Program, or the diesel
21 situation.

22 And those are my comments. Thank you, Mr.
23 Chairman.

24 THE CHAIRPERSON: Thank you, Mr. Buhr.
25 Has the City been in consultation with Manitoba Hydro

1 since the Cost of Service Hearing?

2 MR. DOUG BUHR: Yes, we have, Mr.
3 Chairman. We've had one (1) meeting that I -- I think
4 was productive, and I anticipate that we will have some
5 more.

6 It's been difficult in terms of arranging
7 times to get together from both Manitoba Hydro staff and
8 City of Winnipeg staff time, but I anticipate that --
9 that those discussions will continue.

10 THE CHAIRPERSON: Very good. Thank you,
11 sir. Okay, we'll move on now to MIPUG.

12 Mr. McLaren, I don't think we've had the
13 pleasure of your appearing before us before, so welcome.

14 MR. ANDREW MCLAREN: Good morning, Mr.
15 Chairman, members of the Board. I did actually appear in
16 the cost of service study hearing with Mr. Bowman.

17 THE CHAIRPERSON: Memory -- the -- some
18 of the cells have just started up again.

19

20 OPENING COMMENTS BY MIPUG:

21 MR. ANDREW MCLAREN: Ms. McCaffrey is
22 unable to attend today, but we anticipate she will be
23 appearing on behalf of MIPUG throughout the proceeding.

24 MIPUG is seeking Intervenor status. We
25 circulated last week, I believe, our Intervenor Request

1 Form. We intend to provide participation through all
2 phases of the hearing, including the preparation of
3 evidence, but we will not be seeking costs.

4 With respect to the Surplus Energy
5 extension, MIPUG supports Manitoba Hydro's request for a
6 one (1) year extension, and we take no position with
7 respect to the diesel matters.

8 THE CHAIRPERSON: Thank you, Mr. McLaren.
9 Okay. Mr. Anderson, MKO, if you wouldn't
10 mind. You've sort of heard the pitter-patter that we go
11 through here.

12

13 OPENING COMMENTS BY MKO:

14 MR. MICHAEL ANDERSON: Good morning, Mr.
15 Chair, Mr. Vice Chair, Mr. Evans, Mr. Peters, Ms. Ramage,
16 and everyone here this morning. Thank you very much.

17 It's a pleasure to be before the Board
18 again and, Mr. Peters, your pronunciation is improving.

19 For the record, my name is Michael
20 Anderson. I am the research director of the Manitoba
21 Keewatinook Ininew Okimowin Natural Resources
22 Secretariate, and yes, I confirm that for the purpose of
23 evidence, we would be noted as "MKO"; and also for any
24 transcript references.

25 We have also circulated a request for

1 Intervenor status, and one (1) of the things I'd like to
2 point out in terms of our interest, of course, is that
3 MKO represents the thirty (30) northernmost First Nations
4 in Manitoba, and fifty-six thousand (56,000) treaty First
5 Nations citizens.

6 Of interest is that MKO First Nations are
7 both general service and residential customers of
8 Manitoba Hydro. The First Nations, while not ordinarily
9 being residential customers, do pay from time to time the
10 residential service bills of persons on Social Assistance
11 that may be in the community.

12 Also, the range of accounts held by First
13 Nations can be considerable, from the size of a shopping
14 mall, such as the Otineka Mall in the Opaskwayak Cree
15 Nation, to a small band office, which is literally a
16 portable trailer. So in that range, there is a great
17 deal of interest in customers.

18 In terms of MKO's interest in the
19 application as well, it's -- it's my understanding that
20 MKO is the only potential Intervenor, and certainly
21 hopefully an Intervenor granted status in this
22 proceeding, that represents both general service and
23 residential customers from a customer point of view.

24 We intend to participate fully in the
25 proceeding, as we do, to appear throughout the prot --

1 Hearing, to participate in the production of evidence, to
2 pres -- participate in the testing of the evidence, and
3 certainly to review all the matters filed by Manitoba
4 Hydro, and to present a final argument.

5 I can concur in the schedule that's been
6 presented, it's just a brief matter, and that I'm pleased
7 that it was developed this morning in a collaborative
8 manner between all parties. And in respect of the
9 evidence that we needed to con -- communicate with our
10 potential experts in respect to that schedule, so I'm
11 grateful that that's been resolved, and hopefully ordered
12 by the Board -- and endorsed by the Board today.

13 Specifically we wish to examine and test
14 the matters driving the financial forecast reflected in
15 the revenue requirement, and we're pleased that we've
16 made an accommodation to insure that the revised IFF is
17 filed prior to the second round of Information Requests.

18 It always is exciting when we begin the
19 proceedings on day 1 with a new IFF. So I'm pleased that
20 we'll have an opportunity to make sure that we can ask
21 questions in respect of it, and recognizing there may be
22 revisions in due course during the proceeding.

23 But I appreciate that the effort was made
24 to ensure we could do this. We also intend to examine
25 and test the proposed rate design and suggest options as

1 appropriate, and as we often have.

2 We would determine the impact on MKO First
3 Nation customer use and bills arising from the proposed
4 rates. While strictly speaking, the ability to pay of
5 customers is not a matter that the Board generally
6 undertakes as part of its consideration of the -- of
7 whether a rate is just and reasonable, it is of great
8 importance to MKO and MKO customers.

9 We also are keenly interested in Manitoba
10 Hydro's Comprehensive Integrated Energy -- excuse me, I
11 guess I haven't been going to the same hockey games that
12 Mr. Peters has been missing -- the Integrated Energy
13 Services approach to its customers, who are citizens of
14 the MKO First Nations, including demand side management,
15 supply options and multi-fuel options; particularly
16 again, for remote customers.

17 Even those that may be grid connected
18 still have multi-fuel sources, particularly wood in many
19 of our First Nations, primarily for cost, and the -- the
20 integration between these multiple energy sources, and
21 Manitoba Hydro's thinking, planning, service programs,
22 communications with customers, are of great interest to
23 us.

24 MKO also wishes to address and bring to
25 bear the special interests of the MKO First Nations in

1 respect to the provision of an adequate and affordable
2 supply of energy by Manitoba Hydro; and in respect of the
3 relationship between Manitoba Hydro and its customers who
4 are citizens of the MKO First Nations.

5 Many times we've raised during the
6 proceedings, and certainly we've commented further in
7 final argument, that MKO First Nations, in particular,
8 have a very intimate relationship with Manitoba Hydro as
9 a corporation; particularly those communities resident on
10 the developed waterway of Manitoba Hydro; those in the
11 Saskatchewan river basin, the Nelson River abutment, and
12 Churchill River diversion area. And so there's a direct
13 association and interest between the citizens of those
14 First Nations and the provision of electrical service.

15 And in the cost of service proceeding, for
16 example, we raised an interest in the mitigation cost
17 being charged to those residents, and there was a request
18 by the Board for Manitoba Hydro to further review that
19 matter, for which MKO is grateful.

20 Having made those comments on our Inter --
21 request for Intervenor status, I could comment that in
22 respect of costs, we have checked an 'X' at Item 10, in
23 respect of application for costs.

24 As the Board is aware, the rules of
25 practice and procedure do not permit MKO to cost recover

1 its own time in our participation during the proceedings;
2 for example, the time that I would spend -- disbursements
3 and other costs.

4 However, we do and have submitted claims
5 for costs which have been approved for reimbursement by
6 the Board for expert witnesses, which we intend to do.
7 The scope of those costs, to my recollection, have not
8 exceeded twenty thousand dollars (\$20,000) and -- nor do
9 we expect that to be the case in this proceeding, at this
10 time.

11 In respect of the other matters, Mr.
12 Chair, I believe I've commented already on schedule.
13 We're pleased with the schedule and the collaborative
14 approach in which it was developed.

15 In respect to the Interim Surplus Energy
16 Program, we would like to ensure that Manitoba Hydro is
17 able to earn revenues from sales under that program. And
18 so absent having not had a full discussion about it in
19 the course of the proceeding, we would like to ensure
20 that the Board take whatever steps are necessary to
21 ensure those sales can continue, however, subject to any
22 matters that may arise during the course of the
23 proceeding that require further comments from MKO.

24 In respect to the status of the diesel
25 agreement, which was the fourth item that you had

1 requested comments on, and Ms. Ramage had suggested if
2 not deferred to -- certain of those responses to myself,
3 which I'm pleased to respond to now.

4 The parties to the diesel agreement have
5 at all times undertaken to act in good faith to implement
6 the provisions of the Interim Settlement Agreement. Even
7 though it has been a tentative settlement agreement in
8 technical terms that we've proceeded with, you'll recall
9 that the original interim Order in December of 2004 was
10 predated by a payment to resolve the unpaid -- the
11 payment of the unpaid surcharge billings amount. And
12 that -- in the course of events, the schedule for the
13 payment of the capital amounts has also been met in
14 accord with the tentative settlement.

15 So we're proceeding to ensure that those
16 payments that the Board were -- is particularly
17 interested in, that would reduce Manitoba Hydro's cost
18 and certainly the cost of service by reducing the -- the
19 capital component of the rates is -- is proceeding in --
20 in accord with the schedule.

21 In respect of the agreement itself, I
22 concur with Ms. Ramage that the parties have resolved all
23 of the matters in respect of the text of the agreement,
24 and what we're doing now is putting the paperwork
25 together. There are some 'Is' to dot and 'Ts' to cross,

1 the provisions of the tentative settlement agreement as
2 if it were entered into. That has been our undertaking,
3 and we have met that undertaking since the beginning of
4 this process, Mr. Chair.

5 I'm just looking to see if there are other
6 matters that you had requested our comments on. And
7 subsequent to any questions that you may have of any
8 matter that I've raised with you, those are my opening
9 comments for MKO. Thank you.

10 THE CHAIRPERSON: When you're able to,
11 you could file the budget, when your plans get a little
12 bit more finalized.

13 MR. MICHAEL ANDERSON: As soon as we have
14 a budget that we can file, we will do so. I had just
15 wanted to give the global scope of my expectation. Thank
16 you, Mr. Chair.

17 THE CHAIRPERSON: Thank you, Mr.
18 Anderson.

19 So RCM/TREE, Mr. Gange...?
20

21 OPENING COMMENTS BY RCM/TREE:

22 MR. WILLIAM GANGE: Thank you very much,
23 Mr. Chair. As you are aware, sir, Resource Conservation
24 Manitoba and Time to Respect Earth's Ecosystem have
25 appeared before this Board with respect to previous

1 hearings, as well as hearings with respect to the Centre
2 of Gas. This is an application by RCM and TREE for
3 Intervenor status.

4 A couple of things on the Intervenor
5 Request Form -- I apologize that this came in so late --
6 unfortunately, we were not able to firm up an expert
7 until this weekend, because of some problems that
8 developed with respect to the draft timetable.

9 I would say that with respect to the
10 Intervenor Request Form, although I have Mr. -- or Dr.
11 Miller as his business number of XXX-XXXX, Dr. Miller
12 advises me that the University Of Winnipeg is looking to
13 take his retired office and put it into other use, so I -
14 - I would ask that that number be deleted, and that Dr.
15 Miller's home phone number of, as listed on the
16 Intervenor Request Form, be included.

17 The purpose of -- of the --

18 MR. ROBERT MAYER: How about the fax
19 number? Is that --

20 MR. WILLIAM GANGE: The fax number would
21 still -- would still be appropriate. The -- the purpose
22 of the intervention by RCM/TREE is set forth in paragraph
23 8 of the Intervenor Request Form, that as in previous
24 hearings, RCM/TREE wishes to examine issues associated
25 with implementation of the ne -- of the new COSS

1 applications of marginal costing, including market and
2 environment values; the determination of rate structures;
3 the allocation of export earnings; DSM programming and
4 funding, including low -- special low income programs;
5 and other issues related to the application of principles
6 of sustainability and justice, and economic optimization
7 to the proceeding.

8 I have included in our request a -- a
9 budget that is set out.

10 The -- the expert that -- that Dr. Miller
11 has lined up for this Hearing is an individual whose name
12 is Paul Chernick. Mr. Chernick has testified at over two
13 hundred and twenty-five (225) hearings or Court
14 applications throughout the course of his almost thirty
15 (30) years of experience, providing expert testimony to -
16 - to groups before hearings such as this. We're actually
17 quite excited to have Mr. Chernick onboard with us, and
18 we expect that his input will be invaluable to the Board.

19 I have set out a -- a budget which is a
20 global budget. I haven't attempted to break that down
21 between our legal services and the expert testimony, but
22 it's set out at -- at the budget page.

23 We take no position with respect to the --
24 the other matters, the MKO matter, and -- and the -- the
25 export energy. And -- and with respect to the draft

1 timetable, I, like Mr. Anderson, commend Mr. Peters and
2 Ms. Ramage for the assistance that they've provided and -
3 - and the collaborative method in which that was
4 developed.

5 MR. ROBERT MAYER: I have just one (1)
6 question.

7 MR. WILLIAM GANGE: Yes, sir?

8 MR. ROBERT MAYER: I thought Arling -- I
9 though Arlington was in Virginia?

10 MR. WILLIAM GANGE: There is one in
11 Virginia, but -- but this one is in -- in Massachusetts,
12 and we would expect that Mr. Chernick would be flying out
13 of Boston, but -- so there's -- there's more than one
14 (1).

15 THE CHAIRPERSON: If you don't mind,
16 what's Mr. Chernick's discipline?

17 MR. WILLIAM GANGE: Yes. It would -- we
18 can -- we can provide to you his curriculum vitae. It's
19 on -- it's on his webpage. It's -- it's -- well, quite
20 stellar, actually.

21 THE CHAIRPERSON: Very good. Thank you
22 so much.

23 MR. WILLIAM GANGE: Thank you.

24 THE CHAIRPERSON: Okay. Mr.
25 Ciekiewicz...? I hope I pronounced it fairly close.

1 If you wouldn't mind, sir, just going
2 through -- providing opening remarks. Give us an
3 indication of your Intervenor status, and if you have any
4 comments on the issues that have been raised today about
5 the Surplus Energy Program, or the diesel community
6 matters?

7

8 OPENING COMMENTS BY ALAN CIEKIEWICZ:

9 MR. ALAN CIEKIEWICZ: Okay. Thank you,
10 Mr. Chairman.

11 My name is Alan Ciekiewicz. Before I get
12 into the -- the request form, the reason why I want to
13 get Intervenor status is because at the last GRA, I sort
14 of got in a little at the end and I probably missed some
15 things that I could have taken part in, so this year I'd
16 like to be able to get in at the beginning.

17 On the first page of the Intervene --
18 Intervenor Request Form, it asks for specific reasons,
19 and I -- I included a page 2 -- and by the way, I'm just
20 representing myself. I'm not representing a group.

21 So these interests that I have in this are
22 things like attaining the seventy-five (75) to twenty-
23 five (25) debt-to-equity ratio by 2017.

24 The Wuskwatim Power Limited power --
25 Partnership and the responsibility of the Nisichawayasihk

1 Cree Nation Cree Nation during drought conditions after
2 the project is completed.

3 Water flow rates and the prediction of
4 droughts; drought conditions and the target date of the
5 debt-to-equity ratio of seventy-five (75) to twenty-five
6 (25).

7 Firm export revenues versus unfirm export
8 revenues.

9 The risk of firm export revenues versus
10 unfirm -- unfirm export revenues.

11 The thermal generating stations, gas fired
12 and coal fired.

13 The retained earnings, and its reasons for
14 existing; the amount of -- gas and hydrant information on
15 applications for electric rate increase.

16 The amount of gas required and used for
17 the gas fuel thermal generating stations during the
18 2003/'04 drought that was responsible for the last few
19 rate increases, beginning in August of 2004.

20 The conditional rate increase of 2007.

21 The contributing factors that increased
22 retained earnings the quickest, assuming medium or better
23 water flows.

24 Residents whose residence is all electric
25 services.

1 And the last note I have there is I
2 obtained a copy of the application during the first week
3 of October, but I have not had the opportunity to review
4 the total document. Therefore, the list I just read off
5 may involve more items, or it may be reduced after I
6 finish reviewing the application.

7 On the -- state the nature of the pro --
8 proposed Intervention. Do you intend to appear? I have
9 a note; "see page 4." I intend to appear throughout the
10 hearing, except I -- I don't know what my schedule is
11 right -- right now, so I could be in Toronto, I could be
12 in Montreal, but whenever I'm in -- in Manitoba, I will
13 be attending the Hearing to participate in the production
14 of evidence.

15 To be honest, I'm not sure if evidence
16 means here -- includes the -- the requested -- the
17 Information Requests, plus other material, but I have a
18 note on that on page 4 al -- also, which states that if I
19 was to present evidence that I may, much of the material
20 that I would present would be determined by Manitoba
21 Hydro's responses to my Information Requests. Therefore
22 at this time, I cannot make a response to 9(a), Part 2.

23 "Do you intend to call witnesses?

24 No.

25 Will you apply for costs?

1 No."

2 And basically that's it. Referring to the
3 SEP in diesel agreement, I have no comment on that. The
4 draft time table was fine with me.

5 THE CHAIRPERSON: Okay. Thank you, sir.

6 Do we have contact information on you?
7 How to get a hold of you? I see we've got your phone
8 number there. Okay. And address. Okay.

9 MR. ALAN CIEKIEWICZ: Yeah.

10 THE CHAIRPERSON: Okay. We also have a
11 Mr. Dyck who's with us today. And Mr. Dyck, you haven't
12 applied to be an Intervenor, but you've indicated that
13 you'll want the opportunity to make a presentation.

14 Now you understand that presentations,
15 you're not sworn in for that, and it's not evidence per
16 se, so it's just an opportunity to express yourself
17 basically before the Hearing.

18 Do you have any comments you want to make
19 at this time that would delineate the areas of interest
20 that you may have?

21

22 OPENING COMMENTS BY MR. DYCK:

23 MR. DYCK: Primarily residential rate
24 increases, and the transfers to -- to the Provincial
25 Government, and the -- Hydro's previously stated

1 complaint of that, stating they require a certain amount
2 of revenue on hand for equipment upgrades, and that I
3 feel that a residential rate increase is not warranted.

4 THE CHAIRPERSON: Okay, sir. I'm sure we
5 can find time for you to make a presentation. It's
6 helpful to the Board when you're making the presentation
7 if you could also not only an oral, if you could provide
8 it in written form too.

9 MR. DYCK: Will do.

10 THE CHAIRPERSON: And if you wouldn't
11 mind letting Board staff know so that we have your
12 contact information so we're able to let you know,
13 because the hearing schedule gets a little fluid at
14 times, depending on how quick we're going. We have to
15 arrange a time that's convenient for both you and the
16 Board. Thank you, sir.

17 Are there any other interested parties
18 here today to seek Intervenor status for Manitoba Hydro's
19 General Rate Application?

20 MR. MICHAEL ANDERSON: Mr. Chair, I had
21 one (1) other comment I'd like to make, if possible. As
22 I -- I think I often do, I have a -- an afterthought.

23 Well, one thing I had wanted to commend
24 and thank Manitoba Hydro and the Board for was for the
25 electronic filing. You'll recall in earlier proceedings

1 that MKO had specifically recommended that future
2 proceedings be carried out in the form of an electronic
3 filing, and Manitoba Hydro has maintained all of the
4 documents for this proceeding on its website, and for
5 that, I thank them, because I can bring the entire
6 filing, of course, with me in my laptop, and as well as
7 whatever written material I require.

8 But I just wanted to also compliment both
9 the Board and Manitoba Hydro for making that possible.
10 It also allows us, for example, to circulate more readily
11 copies of the application by CD to interested parties;
12 for example, our economic development corporations and
13 others, so that when we work with them in the production
14 of evidence the development of Interrogatories and the
15 cross-examination of witnesses, it makes it much simpler
16 for all parties and less costly to share the application
17 more widely. And for that I thank you.

18 THE CHAIRPERSON: Thank you, sir. It is
19 always helpful to get some feedback on those matters.

20 So it is back to you, Ms. Ramage, if you
21 have any comments at this time with respect to the
22 requested interventions.

23

24 REPLY BY MS. PATTI RAMAGE:

25 MS. PATTI RAMAGE: Yes, Mr. Chair, I

1 will, perhaps if I can just go through my notes so I will
2 comment as -- in the same order that the various parties
3 presented their materials.

4 If I could just make the global comment at
5 the beginning that it's very difficult to comment on
6 budgets and everything else when we're presented with
7 them this morning, so these are going to be fairly high-
8 level comments --

9 THE CHAIRPERSON: I am sure we would be
10 happy to hear from your comments when you have a chance
11 to peruse them more carefully.

12 MS. PATTI RAMAGE: Thank you. With
13 respect to CAC/MSOS, Manitoba Hydro fully expected them
14 to participate in this Hearing, and has no objections in
15 that regard. We do note, with respect to costs, Mr.
16 Williams' legal-fee costs are -- I -- I have in front of
17 me the budget from the 2004 Hearing, and he's within
18 dollars, essentially, of -- of where he was.

19 However, we are looking at a significant
20 difference for expert witnesses, not only with respect to
21 the number of expert witnesses, but with respect to the
22 cost. Mr. Harper, I believe in 2004, had a budget of
23 forty-two thousand (42,000) versus the budget we're
24 seeing today, at sixty thousand (60,000), give or take a
25 couple of thousand, which is a fairly significant

1 difference, particularly given CAC is also proposing to
2 bring two (2) other witnesses along.

3 So by way of comment, again, it's very
4 difficult because we -- we're not -- we don't fully
5 understand the -- the issues that these parties are going
6 to deal with, however, that is a significant increase in
7 expert witnesses.

8 And as I go through the other Intervenors,
9 we'll see that I'm -- I'm hearing a number are -- are
10 planning on bringing witnesses with them, and there is a
11 concern that we're going to be overlap -- there's going
12 to be overlap and that -- that we may be hearing the same
13 pers -- or not getting a new perspective in witnesses,
14 and our view, where parties can combine, they should be
15 in their interventions. And so if we have a DSM witness
16 from RCM/TREE, a DSM witness from CAC, a DSM witness from
17 MKO, that -- that would be a concern of Manitoba Hydro's.

18 And we're hoping that the Board will
19 certainly encourage parties to combine. And -- and
20 again, the concern about the increase of costs, I haven't
21 had the opportunity to look at where that comes from but
22 Mr. Harper alone, in -- in essentially the same length of
23 hearing, has increased the magnitude by close to 50
24 percent.

25 MR. ROBERT MAYER: Ms. Ramage --

1 MS. PATTI RAMAGE: Yeah.

2 MR. ROBERT MAYER: -- on the -- on that
3 issue, those of us who had the opportunity to be involved
4 in the Wuskwatim Clean Environment Commission Hearings,
5 did in fact hear from Dr. Higgin and the interesting --
6 the interesting thing, just because we have two (2) DSM
7 witnesses doesn't necessarily mean we're getting the same
8 evidence because, in fact, Dr. Higgin's comments with
9 respect to wind generation as opposed to those expressed
10 by, I think, Mr. Tory (phonetic), were not quite
11 diametrically opposed, but led to significantly different
12 results.

13 MS. PATTI RAMAGE: No, I -- I recognize
14 that, Mr. Mayer. It was -- my comments were more
15 directed at insuring that we're not calling the same --
16 or witnesses who take the same perspective.

17 THE CHAIRPERSON: Yes, the Board is
18 interested in avoiding duplication and enhancing
19 cooperation wherever possible, so I'm sure the staff and
20 counsel will have conversations as well.

21 MS. PATTI RAMAGE: With respect to the
22 City of Winnipeg, Manitoba Hydro has no objections.

23 MKO, the next party on the timetable -
24 Manitoba Hydro certainly encourages MKO and we -- we hope
25 -- we have the sincerest hope that the prime reason

1 they're here is to get that diesel matter dealt with. So
2 we not only accept them, we encourage them to be here.

3 With the same caveats, we've seen a
4 request for a witness, we would ask that perhaps Mr.
5 Anderson, when -- when retaining that witness, perhaps
6 talk to CAC. MKO has partnered with CAC numerous times
7 over the years and if we can avoid having a second
8 witness called, I -- typically the MKO community have
9 very similar interests to CAC's and Manitoba Hydro, by
10 silence, doesn't -- doesn't want to suggest that it
11 endorses the -- the calling of additional witnesses by
12 MKO, but we can't comment at this point. So we'd just
13 like to put that caveat.

14

(BRIEF PAUSE)

15

16
17 MS. PATTI RAMAGE: My notes on RCM/TREE,
18 Mr. Gange has assisted me in deleting some of them
19 because at first I was -- was planning on commenting that
20 TREE's legal expenses at eighty-four thousand (84,000)
21 were significantly higher than CAC's at thirty-five
22 thousand (35,000). However, Mr. Gange, you clarified
23 that that includes your expert witness.

24

25 So again, difficult to comment on, but
certainly Manitoba Hydro has welcomed RCM/TREE's

1 perspective in the past and -- and expect them to fully
2 participate in this Hearing.

3 And lastly is Mr. Ciekiewicz's Intervenor
4 application. This one is a little more problematic from
5 Manitoba Hydro's perspective. Traditionally the Board
6 has expected that Intervenor have represented a stan --
7 a substantial number of ratepayers. That's -- it hasn't
8 been my experience that an individual has been awarded
9 Intervenor status to represent their own interest.

10 These proceedings are, as we're all aware,
11 costly and there's a concern about duplication and Mr.
12 Ciekiewicz is in fact -- he is a resi -- residential
13 customer and I would suggest CAC should be able to
14 represent Mr. Ciekiewicz.

15 Having said that, I understand Mr.
16 Ciekiewicz has a -- an interest in these proceedings.
17 He's keenly interested in Manitoba Hydro's operations and
18 affairs and he certainly is welcome to attend the
19 proceedings. But I -- I believe in terms of, for
20 example, the description of evidence is really one (1)
21 individual's opinion and that it would be better
22 classified as a presenter to present those opinions, as
23 opposed to providing evidence.

24 So, on that front, Manitoba Hydro suggests
25 Mr. Ciekiewicz be designated as a presenter who will be

1 attending the Hearing as he is available to do so and
2 will be supplied materials upon request, as all parties
3 are.

4 THE CHAIRPERSON: Do you have any comment
5 with respect to MIPUG?

6 MS. PATTI RAMAGE: I'm sorry, I missed
7 MIPUG. MIPUG doesn't cost anything and they are always
8 here and we expect them to continue to be here.

9 THE CHAIRPERSON: Thank you, Ms. Ramage.
10 Mr. Ciekiewisz, do you have any response
11 to Ms. Ramage's comments?

12 MR. ALAN CIEKIEWISZ: In the rules of
13 practices and procedures of Section 27 says:

14 "Wherein notice of public hearing has
15 been published, any interested person
16 per organization may request to
17 intervene".

18 I'm an interested person.

19 THE CHAIRPERSON: Okay, thank you, Mr.
20 Ciekiewisz, we will take that into account. And I am
21 sure you are aware of our normal process of seeking the
22 various Intervenor parties to cooperate with each other
23 to try and avoid regulatory costs. Very good, we'll
24 consider that.

25 The Board would like to thank all those

1 parties for their attendance today. The Board will
2 provide its procedural order shortly. And in addition to
3 the Intervenor request and the timetables, we will also
4 address Manitoba Hydro's request for an immediate interim
5 order extending the Surplus Energy Rate Program.

6 Thank you and we stand adjourned.

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8 --- Upon adjourning at 11:45 a.m.

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13 Certified Correct,

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Rolanda Lokey, Ms.

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