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14 July 2017

The Public Utilities Board of Manitoba  
Attention: Mr. Darren Christle  
Executive Director and Board Secretary  
400-330 Portage Avenue  
Winnipeg, MB R3C 0C4

Dear Mr. Christle:

**Re: Manitoba Hydro 2017/18 and 2018/2019 GRA – Budget and Workplan**

Please find enclosed the Consumers Coalition detailed budget and workplan, (Attachment A) as well as a list of issues (Attachment B) which is referenced in the budget.

Upon request, we have previously shared a high level budget with both the Public Utilities Board legal counsel and Manitoba Hydro. The budget submitted today has been revised and reflects the scope of the Consumers Coalition's mandate as identified in the Public Utilities Board Order 70/17.

The budget reflects changes in estimates based on expanded scopes of work for Morrison Park Advisors and METSCO and also reflects the Coalition's collaboration with MIPUG on some main issues. The budget also reflects significant additions of time relating to the Bill Affordability and Rate Design Workshop, the Technical Conference on Sustaining Capital, as well as the motion on Commercially Sensitive Information and the Interim Rate Application hearing, all initiated or led by Manitoba Hydro. Finally, the budget also reflects the addition of consumer engagement in the form of focus groups, which will be discussed later in this letter.

**Expert and Legal Counsel Fees**

To the best of our abilities, we have used the estimates provided by our experts to categorize hours in the components identified by the Public Utilities Board at in Order 70/17<sup>1</sup>. While the budget roughly aggregates the hours expected from experts and legal counsel in these components, in the Coalition's respectful view, this does not represent the best way to develop time and budget estimates because it does not properly reflect a top-down estimate (i.e. based on number of hearing days) or a bottom-up estimate (i.e. based on tasks).<sup>2</sup>

Upon review of the Consumers Coalition's budget, you will note that Morrison Park Advisors' rates are higher than the maximum fee schedule set by the Public Utilities Board for hiring consultants. We believe the higher fees are counter-balanced by the lower than tariff fees charged by Dr. Wayne Simpson, Dr. Janice Compton and Dr. Doug Gotham, who we expect will bring significant value to the process. For this reason, the Consumers Coalition does not expect to set a precedent by retaining Morrison Park Advisors at a higher fee than the Public Utilities Board's maximum fee schedule.

We can also indicate that we conducted a national search for experts on the issues

1 PUB Order 70/17, p 24.

2 In particular, we note that it is challenging to aggregate a series of tasks into the four rough categories established by the Board and individual tasks are not easily divisible.

within Morrison Park Advisors' expertise and we received other estimates (for this type of work in the current year and previous years). We concluded that Morrison Park Advisors were the most qualified and were also price competitive with other quotes received. While the hourly rate was higher for Morrison Park Advisors, the total cost was comparable, if not lower. We also took into account the value that we expect Morrison Park Advisors will bring to this proceeding given their previous experience with Manitoba Hydro. Morrison Park Advisors were retained at a similar rate by the Public Utilities Board in the Need For and Alternatives To process.

We note that we expect Dr. Simpson's data gathering and analysis of strengths and weaknesses of bill affordability options are likely to be fed to Manitoba Keewatinowi Okimakanak as part of their deliberative process. Dr. Simpson's research inquiries will also be widened at no additional cost in response to certain issues raised by Manitoba Keewatinowi Okimakanak.

### **Collaboration**

Pursuant to the Board's Procedural Order 70/17, the Consumers Coalition can indicate that it has been in contact with all approved Interveners in the development of its scope and work for the issues and corresponding work plans and budgets. The following table outlines the dates of the conversations with the various Interveners:

<b>Date</b>	<b>Intervener</b>
Wednesday July 5, 2017	Meeting with Antoine Hacault, legal counsel, and InterGroup, consultants, to the Manitoba Industrial Power Users Group
Thursday July 6, 2017	Phone meeting with Alanna Gray and James Battershill of the Keystone Agricultural Producers
Monday July 10, 2017	Phone meeting with Christian Monnin, legal counsel to GSS/GSM
Monday July 10, 2017	Phone meeting with Bill Gange and David Cordingley, legal counsel to the Green Action Centre
Tuesday July 11, 2017	Phone meeting with Senwung Luk, legal counsel to the Assembly of Manitoba Chiefs
Wednesday July 12, 2017	Meeting with George Orle, legal counsel to Manitoba Keewatinowi Okimakanak
Friday July 14, 2017	Email sent to legal counsel for the Business Council of Manitoba

### **Issues List**

We have attached a list of issues as Attachment B, which will be referred to throughout the budget document. This issues list reflects the same main issues as outlined in Appendix A of Procedural Order 70/17. Based on the conversations with the other Interveners in this process, the Consumers Coalition has indicated in Attachment B:

- Issues on which it intends to lead, including issues where it expects to be adverse in interest to other Interveners;
- Issues on which it intends to collaborate with other Interveners; and
- Issues which it intends to monitor.

The Coalition notes its long-standing practice of co-leading on issues with the Manitoba Industrial Power Users Group with specific tasks assigned to each team, which is reflected in the list of issues.

### **Consumer Engagement**

The Consumers Coalition has added consumer engagement in the form of focus groups to its budget. For both the Manitoba Branch of the Consumers' Association of Canada and Winnipeg Harvest, hearing directly from consumers on issues that affect them is of primary importance. The Consumers Coalition strongly believes that consumers are experts in their own lives and bring an essential perspective to matters heard by the Public Utilities Board.<sup>3</sup>

Focus groups can provide qualitative information presented to the Board by a researcher, which is a different type of evidence than a panel of consumers or presentations made directly to the Board. The Consumers Coalition also notes that focus groups with consumers were included on the task list for the Bill Affordability Collaborative Process, but were never conducted.

In order to gain as much insight directly from consumers as possible, the Consumers Coalition will also be launching an extensive residential consumer outreach campaign in urban, rural and remote communities beginning in August 2017.

### **Stakeholder Engagement**

In addition to having discussions with other interveners in this proceeding, the Consumers Coalition has identified and been in contact with six key stakeholder groups from across Manitoba to provide input into its intervention in this proceeding. These stakeholder groups include significant rural and Indigenous representation.

Please do not hesitate to contact the undersigned at (204) 985-5220 or Byron Williams at (204) 985-8533.

Sincerely,



Katrine Dilay  
Attorney

KD/BW/km

cc Consumers Coalition  
Manitoba Hydro

*Enclosures*

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<sup>3</sup> For example, in the hearing relating to Payday Lending in 2016, the Consumers Coalition filed evidence of focus groups conducted on specific issues, in addition to presenting a panel of consumers.

