

**From:** [Christian Monnin](#)  
**To:** [Senwung Luk](#); ["Williams, Kevin"](#); ["Giraldo-Gomez, Natalia"](#); [Villegas, Diana \(PUB\)](#); [Simonsen, Kurt \(PUB\)](#); [Christle, Darren \(PUB\)](#); [+WPG1002 - Public UTILITIES \(FIN\)](#); ["Dayna Steinfeld \(dsteinfeld@fillmoreriley.com\)"](#); ["Bob Peters \(bobpeters@fillmoreriley.com\)"](#); ["Alanna Gray"](#); ["Alex.bakulev@metsco.ca"](#); ["Bill Harper"](#); ["Byron Williams"](#); [Corey Shefman](#); ["David Cordingley"](#); ["Donald Leitch \(dleitch@businesscouncil.mb.ca\)"](#); ["George J. Orle \(GOrle@woodorle.ca\)"](#); ["Gloria Desorcy - CAC MB \(Gloria@CACManitoba.ca\)"](#); ["Hacault, Antoine"](#); ["James Battershill"](#); ["Janice Compton"](#); ["Jarome Leslie"](#); ["Katrine Dilay"](#); ["kadi@legalaid.mb.ca"](#); ["Kristina Marley"](#); ["Lynne Cooke"](#); ["manderson@mkonorth.com"](#); ["Manitoba Industrial Power Users Group \(MIPUG\) \(mdavies@intergroup.ca\)"](#); ["Paul Chernick"](#); ["pbowman@intergroup.ca"](#); ["Pelino Colaiacovo"](#); ["Peter Miller"](#); ["Susan Geller"](#); ["Thor.hjartarson@metsco.ca"](#); ["Wayne Simpson"](#); [Wilde, Angela \(PUB\)](#); ["William S. Gange \(wsg@gchlaw.ca\)"](#); ["bywil@pilc.mb.ca"](#); ["Donald.benham@winnipeg harvest.org"](#); ["info@manitobachiefs.com"](#); ["kap@kap.mb.ca"](#); [Ho, Carrie](#)  
**Cc:** [Barnlund, Greg](#); [Gregorashuk, Shannon](#); [Ramage, Patti](#); [Fernandes, Odette](#); [Niemczak, Jonathan](#)  
**Subject:** RE: Manitoba Hydro's 2017/18 & 2018/19 General Rate Application - Interim Rate Hearing  
**Date:** July-14-17 4:07:33 PM  
**Attachments:** [image001.png](#)

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Dear All,

I am writing on behalf of the GSS/GSM Customer Class ("GSS/GSM") with respect to Manitoba Hydro's Interim Rate Request which is scheduled for a hearing on July 18 and 19, 2017.

I will be out of the Province on those dates and am unable to attend the hearings. In order to further conserve resources, GSS/GSM will forego having someone in attendance and will avail itself of the transcripts. While GSS/GSM prefers to focus its participation by addressing the issues raised in the 2017/18 & 2018/19 GRA hearing process, it does have the following comments with respect to Manitoba Hydro's Interim Rate Request:

- In its June 2, 2017 correspondence, Manitoba Hydro challenges the argument that there is a requirement of urgency or some emergency circumstance in order for the PUB to grant interim relief. Rather, at page 3 of 15, Manitoba Hydro suggests that in the context of an interim rate application, the PUB must determine whether it would be just and reasonable to grant interim rates, and whether Manitoba Hydro would suffer deleterious effects in the absence of an interim rate increase. At page 10 of its June 2, 2017 correspondence, Manitoba Hydro highlights some material changes which it submits supports the requested interim rate increase, namely:
  - **Keeyask** – The control budget for Keeyask has increased by \$2.2 billion and project completion date has been delayed 21 months, thereby delaying associated export revenues.
  - **Bipole III** - The control budget for Bipole III has increased by \$0.4 billion.
  - **Load Forecast** – The domestic Load Forecast has significantly deteriorated, lessening the opportunity for Manitoba Hydro to look to growth to cure its financial challenges.
  - **Export Price Forecast** – Export Price growth expectations have again been tempered from past forecasts as the outlook for sustained low fossil fuel costs perpetuates.
  - **Corporate Re-Organization** - A new Board of Manitoba Hydro has been appointed along with a new President and CEO and a new Chief Finance & Strategy Officer. The Corporation has undergone a dramatic reorganization, senior management has been significantly downsized and a Voluntary Departure Package has resulted in the expected elimination of roughly 820 staff by early 2018.
  - **Introduction of a Capital Review** – OIC 00092/17 issued April 5, 2017 directing the PUB to increase the focus on capital expenditures and review voluminous capital related contracts, justifications, analysis, reports and other documents as part of setting Manitoba Hydro's rates for service. The introduction of this additional work

within the confines of the GRA increases the likelihood that a 2017/18 rate [increase, sic] will not occur in the absence of an interim rate increase. [...]

- While the list of issues as set above might indeed establish real and material changes that **may** require a rate increase to the extent that is being sought by Manitoba Hydro, the sheer breadth and scope of these issues should and must be fully considered and tested in a proper GRA process before making that determination.
- At page 11 of its June, Manitoba Hydro suggests that the practical implications of declining to consider its interim rate application will be foregoing a revenue increase of any kind in 2017/18. This, it is further stated, is inconsistent with Manitoba Hydro's evidence, past and present regarding the need for regular predictable rate increases. It is respectfully submitted that it is actually the proposed 7.9% interim rate increase which is inconsistent with Manitoba Hydro's evidence, past and present regarding regular and **predictable** rate increases.
- In sum, to the extent that the PUB finds that it is appropriate and in the public interest to consider an interim rate increase, it is submitted that this ought to be done (as is suggested in the alternative by the Coalition) within the framework of Manitoba Hydro's current financial targets and expectations as established in recent GRAs and the NFAT proceeding.

Regards,

**Christian Monnin\***

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\*Services provided by Christian Monnin Law Corporation.

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**From:** Senwung Luk [mailto:SLuk@oktlaw.com]

**Sent:** Friday, July 14, 2017 6:19 AM

**To:** 'Williams, Kevin'; 'Giraldo-Gomez, Natalia'; 'Villegas, Diana (PUB)'; 'Simonsen, Kurt (PUB)'; 'Christle, Darren (PUB)'; '+WPG1002 - Public UTILITIES (FIN)'; 'Dayna Steinfeld (dsteinfeld@fillmoreriley.com)'; 'Bob Peters (bobbeters@fillmoreriley.com)'; 'Alanna Gray'; 'Alex.bakulev@metsco.ca'; 'Bill Harper'; 'Byron Williams'; Christian Monnin; Corey Shefman; 'David Cordingley'; 'Donald Leitch (dleitch@businesscouncil.mb.ca)'; 'George J. Orle (GOrle@woodorle.ca)'; 'Gloria Desorcy - CAC MB (Gloria@CACManitoba.ca)'; 'Hacault, Antoine'; 'James Battershill'; 'Janice Compton'; 'Jarome Leslie'; 'Katrine Dilay'; 'kadir@legalaid.mb.ca'; 'Kristina Marley'; 'Lynne Cooke'; 'manderson@mkonorth.com'; 'Manitoba Industrial Power Users Group (MIPUG) (mdavies@intergroup.ca)'; 'Paul Chernick'; 'pbowman@intergroup.ca'; 'Pelino Colaiacono'; 'Peter Miller'; 'Susan Geller'; 'Thor.hjartarson@metsco.ca'; 'Wayne Simpson'; 'Wilde, Angela (PUB)'; 'William S. Gange (wsg@gchlaw.ca)'; 'bywil@pilc.mb.ca'; 'Donald.benham@winnipeg Harvest.org'; 'info@manitobachiefs.com'; 'kap@kap.mb.ca'; Ho, Carrie

**Cc:** Barnlund, Greg; Gregorashuk, Shannon; Ramage, Patti; Fernandes, Odette; Niemczak, Jonathan  
**Subject:** RE: Manitoba Hydro's 2017/18 & 2018/19 General Rate Application - Interim Rate Hearing

Dear All,

AMC has confirmed with Board counsel that given other parties' prior submissions on the matter of Hydro's interim rate application, it does not feel the need to incur the expense of attending the oral hearing on Tuesday. We have outlined our views in the attached letter, which is addressed to the Board.

All the best,  
Senwung

**Senwung F Luk**  
Barrister and Solicitor

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**From:** Williams, Kevin [<mailto:kwilliams@tmlawyers.com>]

**Sent:** July 12, 2017 11:24 AM

**To:** 'Giraldo-Gomez, Natalia'; 'Villegas, Diana (PUB)'; 'Simonsen, Kurt (PUB)'; 'Christle, Darren (PUB)'; '+WPG1002 - Public UTILITIES (FIN)'; 'Dayna Steinfeld ([dsteinfeld@fillmoreriley.com](mailto:dsteinfeld@fillmoreriley.com))'; 'Bob Peters ([bobpeters@fillmoreriley.com](mailto:bobpeters@fillmoreriley.com))'; 'Alanna Gray'; 'Alex.bakulev@metsco.ca'; 'Bill Harper'; 'Byron Williams'; 'Christian Monnin'; Corey Shefman; 'David Cordingley'; 'Donald Leitch ([dleitch@businesscouncil.mb.ca](mailto:dleitch@businesscouncil.mb.ca))'; 'George J. Orle ([GOrle@woodorle.ca](mailto:GOrle@woodorle.ca))'; 'Gloria Desorcy - CAC MB ([Gloria@CACManitoba.ca](mailto:Gloria@CACManitoba.ca))'; 'Hacault, Antoine'; 'James Battershill'; 'Janice Compton'; 'Jarome Leslie'; 'Katrine Dilay'; 'kadi@legalaid.mb.ca'; 'Kristina Marley'; 'Lynne Cooke'; 'manderson@mkonorth.com'; 'Manitoba Industrial Power Users Group (MIPUG) ([mdavies@intergroup.ca](mailto:mdavies@intergroup.ca))'; 'Paul Chernick'; 'pbowman@intergroup.ca'; 'Pelino Colaiacovo'; 'Peter Miller'; Senwung Luk; 'Susan Geller'; 'Thor.hjartarson@metsco.ca'; 'Wayne Simpson'; 'Wilde, Angela (PUB)'; 'William S. Gange ([wsg@gchl.ca](mailto:wsg@gchl.ca))'; 'bywil@pilc.mb.ca';

'Donald.benham@winnipeg harvest.org'; 'info@manitobachiefs.com'; 'kap@kap.mb.ca'; Ho, Carrie  
**Cc:** Barnlund, Greg; Gregorashuk, Shannon; Ramage, Patti; Fernandes, Odette; Niemczak, Jonathan; Williams, Kevin

**Subject:** RE: Manitoba Hydro's 2017/18 & 2018/19 General Rate Application - Interim Rate Hearing/Additional Lawyer

All

Further to the email circulated on July 10, 2017 with respect to Manitoba Hydro's Interim Rate Request and the call for approved Interveners to file a written outline of their oral submissions by Friday, July 14, 2017, the Business Council of Manitoba confirms that it continues to be concerned with issues pertaining to the management of debt and the protection of the credit rating of Manitoba Hydro and the Province of Manitoba. To the extent that the proposed rate increases will

assist and place Manitoba Hydro on a solid independent financial footing, while safeguarding Manitoba Hydro's and the Province of Manitoba's overall financial stability, the Business Council of Manitoba would be supportive of Manitoba Hydro's request for an interim rate increase. However, the Business Council of Manitoba intends to limit its active participation in relation to these issues as a part of the 2017/18 & 2018/19 General Rate Application hearing process itself rather than in the context of Manitoba Hydro's Interim Rate Request.

While the Business Council of Manitoba does not plan to participate in the oral hearing scheduled for Tuesday, July 18, and Wednesday, July 19, 2017 with respect to the Interim Rate Request, the Business Council of Manitoba wishes to reserve its right to have a representative attend the oral hearing and participate in the event an issue is raised during the oral hearing which the Business Council of Manitoba wishes to address.

Lastly, going forward can I trouble you all to add Carrie Ho of our firm to the email distribution list. She is assisting in this matter and I have added her to the recipient list to this email.

Thanks to you all.

Kevin

**Kevin T. Williams \***

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