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July 28, 2017

Mr. D. Christle
Secretary and Executive Director
Public Utilities Board
400-330 Portage Avenue
Winnipeg, Manitoba
R3C 0C4

Dear Mr. Christle:

RE: MANITOBA HYDRO 2017/18 & 2018/19 GENERAL RATE APPLICATION – MANITOBA HYDRO'S COMMENTS ON BUSINESS COUNCIL OF MANITOBA PROPOSED BUDGET

Manitoba Hydro is in receipt of the proposed budget for the Business Council of Manitoba ("BCM") for their participation in the 2017/18 & 2018/19 General Rate Application. BCM is proposing a total budget of \$185,000.

As part of its proposed budget, the BCM has included \$60,000 for expert consultant costs related to macro-economic impacts of bond ratings, impact on public borrowings, debt and finances, as well as bond rating considerations. However, no detail has been provided regarding which expert will be retained, budgeted hours, and hourly rates. Manitoba Hydro understood that Interveners were requested to provide a detailed budget and work plan for their participation in the GRA. Manitoba Hydro acknowledges that the BCM is still in the process of identifying an expert for its participation in this hearing; however, without having this information, Manitoba Hydro is unable to comment on the reasonableness of the proposed budget. Manitoba Hydro is of the view that the PUB should be provided with this information in advance of making a determination on the budget for the BCM and that any hourly rates associated with the consultants' time would be consistent with the PUB's Policy for Advisory Services (effective January 1, 2016).

With the addition of the BCM proposed budget, the anticipated costs for intervention in the 2017/18 & 2018/19 GRA are now expected to be \$2.4 million, which is above the costs incurred during the 2014 NFAT and five times the costs associated with the last Electric GRA. Manitoba Hydro continues to be of the view that the issues to be addressed in this GRA are not comparable to those considered as part of the NFAT, and continues to question why Intervener costs for the current proceeding need to be higher than the NFAT, which lasted a full year by comparison.

Manitoba Hydro appreciates the opportunity to provide comments on BCM's proposed budget. Should you have any questions with respect to this submission, please contact the writer at 204-360-3633 or Greg Barnlund at 204-360-5243.

Yours truly,

MANITOBA HYDRO LEGAL SERVICES DIVISION

Per:



ODETTE FERNANDES
Barrister & Solicitor

cc: All Approved Interveners
Patti Ramage, Manitoba Hydro
Bob Peters, Board Counsel
Dayna Steinfeld, Board Counsel

Att.