



THOMPSON DORFMAN SWEATMAN LLP

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September 21, 2017

VIA EMAIL & ORIGINAL TO FOLLOW BY MAIL

Taylor McCaffrey LLP
Barristers & Solicitors
900 - 400 St. Mary Avenue
Winnipeg, MB R3C 4K5

Attention: Mr. Kevin T. Williams

Dear Sirs/Mesdames:

Re: Issues and Proposed Evidence
Our Matter No. 0147961 AFH

We acknowledge receipt of your letter dated September 14, 2017 addressed to all intervenors of record. We also acknowledge receipt of the response provided by Mr. Byron Williams in his letter dated September 18, 2017. We also refer you to our client's budget submission and the budget submission of the Consumer Coalition both of which are on the PUB website.

In preparing this response we also considered your letter dated July 25, 2017 addressed to the Public Utilities Board "PUB" in which two proposed but unidentified experts (in addition to Murray Taylor) were proposed to testify on:

Macro-Economic impacts of bond ratings and impact on public borrowings, debt and finances.

Bond Rating considerations, techniques and process. (hereinafter the "original two subjects")

In the PUB's decision dated August 25, 2017 it made the following ruling:

The Board does not approve the Business Council of Manitoba's experts on macro-economic impacts and bond rating considerations. These areas will be addressed by other witnesses and Business Council of Manitoba has not



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provided an explanation as to how its proposed experts would provide additional value. The Board also shares Manitoba Hydro's concern that Business Council has not identified the experts it is proposing on these topics and the budgets do not appear to be tied to hourly rates.

In light of the above, it is difficult to prepare a full response to your September 14, 2017 letter, in that it is unclear to us how the items in the new list of issues set out in this new letter relate to the original two subjects (which were not approved by the PUB).

Based on the information we have to date, it is our client's view that the original two subjects in your July 25, 2017 letter, to the extent they are relevant to rate setting and the PUB's jurisdiction, will be dealt with by the experts retained by our client and Morrison Park Advisors and the experts retained by the Consumer Coalition. Further, we note that aspects of these topics are also within the scope of the Independent Expert Consultants ("IEC"s) retained by the PUB, specifically including Dr. Adonis Yatchew on matters of the impacts on the economy of Manitoba tied to the fiscal health of Manitoba Hydro.

You should note that MIPUG's experts include Gerry Forrest, Cam Osler and Patrick Bowman who will be addressing each of the following:

- (i) Purpose and role of Manitoba Hydro (including related implications for the approach to financing Hydro);
- (ii) Regulation of utilities, and in particular capital-intensive utilities (including, as you note, "macro-economic impacts" arising from Hydro's financial considerations); and
- (iii) Financial implications of large capital-intensive development such as hydraulic generation.

This includes a number of the topics from the new list set out in your September 14, 2017 letter. Note that this scope is in addition to the items highlighted for Morrison Park Advisors as per the Byron Williams letter to you of September 18, 2017.

As per the established schedule, all written evidence of the experts will be contained in pre-filed testimony presently due October 31, 2017, and will be subject to discovery by all parties (including the Business Council of Manitoba) during the period to November 15, 2017.



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We thank you for your inquiry and invite you to contact the writer on any areas in which you are proposing cooperation.

Yours truly,

THOMPSON DORFMAN SWEATMAN LLP

Per:

A handwritten signature in cursive script, appearing to read 'Antoine F. Hacault'.

Antoine F. Hacault *

AFH/ab

cc: Bob Peters, Board Counsel
Dayna Steinfeld, Board Counsel
Intervenors of Record

*Services provided through A. F. Hacault Law Corporation