



THOMPSON DORFMAN SWEATMAN LLP

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VIA EMAIL & ORIGINAL TO FOLLOW
BY MAIL

Public Utilities Board of Manitoba
400 - 330 Portage Avenue
Winnipeg, MB R3C 0C4

Attention: Darren Christle / Kurt Simonsen

Dear Sirs:

Re: Scope of Work for Independent Expert Consultants in the
Manitoba Hydro 2017/18 and 2018/19 General Rate
Application
Our Matter No. 0147961 AFH

During the interim rate request oral hearing of July 18, 2017, the Public Utilities Board Chairperson, Mr. Robert Gabor, requested written requests to alter or expand the scope of work for independent expert consultants by August 11, 2017.

MIPUG has reviewed the scope of work for MGF Project Services Inc. to review Manitoba Hydro's capital expenditures and provide an expert opinion on Manitoba Hydro's updated costs for its major generation and transmission projects currently under development or construction. Following review, MIPUG has the following request for scope expansion relating to Hydro's capital budgeting for contingencies:

- **Hydro Practice:** Assess Hydro's approach to establishing contingencies for major projects, and whether appropriate risk areas and magnitudes of uncertainty are recognized. Also, review whether Hydro has a consistent approach across projects to establish contingencies.
- **Current:** Assess the sufficiency and/or excessiveness of current contingency budgets and schedule estimates (each of Keeyask and Bipole III) in relation to specific identifiable outstanding uncertainties.



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- **Future regarding Major Projects:** What is the timing for resolution of the largest outstanding risk items addressed by contingency budgets for each major project? (e.g., geotechnical work, remaining tenders).

In addition to the requested scope expansion, MIPUG also requests specific scope expansion for bullet 3 of the “Keeyask project” section , bullet 11 of the “Bipole III HVDC Converter Stations (Keewatinohk and Riel)” section, and bullet 17 of the “Bipole III” sections to include “and what appear to be insufficient contingency amounts.”

Thank you for the opportunity to provide input on the scope of work for the PUB Independent Expert Consultants in this proceeding.

Yours truly,

THOMPSON DORFMAN SWEATMAN LLP

Per:

A handwritten signature in cursive script, reading 'Antoine F. Hacault'.

Antoine F. Hacault*

AFH/ab

cc: Bob Peters, Board Counsel
Dayna Steinfeld, Board Counsel
Odette Fernandes, Manitoba Hydro
Greg Barnlund, Manitoba Hydro
Shannon Gregorashuk, Manitoba Hydro
All interveners

*Services provided through A. F. Hacault Law Corporation