

June 9, 2017

Proposed Interveners
(per attached list)

Sent by Email

-and-

Ms. Patricia J. Ramage
Legal Counsel
Manitoba Hydro
22 -360 Portage Avenue
Winnipeg, MB R3C 0G8

Dear Parties:

Re: Manitoba Hydro's Interim Rate Request Review Process

Manitoba Hydro (or the "Utility") is requesting a 7.9% interim rate increase to all components of rates for all customer classes, effective August 1, 2017.

In the Board's May 17, 2017 letter to past Interveners of Record and Manitoba Hydro, the Board sought submissions on whether it should consider a request for an interim rate process and, if so, what that process should be.

The Board has received submissions on behalf of the Manitoba Industrial Power Users Group, Green Action Centre, Consumers Coalition (comprised of Consumers Association of Canada (Manitoba) and Winnipeg Harvest), and Manitoba Keewatinowi Okimakanak Inc. The Board also received a Reply submission from Manitoba Hydro.

After consideration of all submissions the Board has determined that it will conduct a process to consider the merits of Manitoba Hydro's interim rate request. The Board notes that Manitoba Hydro indicated in its June 2, 2017 Reply submission that submissions on the financial position of Manitoba Hydro were then premature and that the Utility would respond to the comments by the Consumers Coalition and Manitoba Industrial Power Users Group after the Board determined that it would consider the interim rate request within a prescribed process. As the Board has now determined that it will conduct a process to consider the merits of Manitoba Hydro's requested interim

rate increase, Manitoba Hydro will be required to provide its written submission on the merits of its request to the Board and all parties by June 20, 2017, following which the Board will convene a one day oral hearing.

The Board concurs with the alternative recommendation from the Manitoba Industrial Power Users Group that Manitoba Hydro's interim rate submission be focused on what has changed in its Integrated Financial Forecast since the Board issued Order 59/16 based on the Board mandated methodology for IFF15.

As Manitoba Hydro indicates in its June 2, 2017 Reply submission, the Utility has provided four binders of material together with responses to over 100 Minimum Filing Requests posed by the Board and Interveners. The Parties are reminded that, included in those Minimum Filing Requirements (i.e. PUB MFR 73), are various Integrated Financial Forecast scenarios. Manitoba Hydro is to include in its written submission on the merits of its interim rate request further Integrated Financial Forecast scenarios, utilizing different assumed rate increases for 2018 as follows:

- i. Manitoba Hydro's twenty year Integrated Financial Forecast IFF16, complete with all financial ratios, where the only change is in the 2018 fiscal year where the scenarios to be run reflect rate increases in that year of 0%; 1.6%; 3.36%; 3.95% and any other amount chosen by Manitoba Hydro, recognizing the 7.9% scenario for the interim rate has already been filed in Appendix 3.1;
- ii. Manitoba Hydro's twenty year Integrated Financial Forecast IFF16, complete with all financial ratios, where the scenarios to be run reflect rate increases in the 2018 fiscal year of 0%; 1.6%; 3.36%; 3.95% and any other amount chosen by Manitoba Hydro, and Manitoba Hydro is to also insert the indicative rate increases in subsequent years to achieve Manitoba Hydro's desired Debt:Equity target by the end of fiscal year 2027.

Manitoba Hydro is also to include in its written submission a specific identification of documents in its General Rate Application filing on which it is relying to support its requested interim rate increase.

As stated above, Manitoba Hydro's submission, including the above requested information, is to be filed with the Board and all Parties on or before June 20, 2017. Thereafter, the Board will convene a one day hearing for the oral submissions from the Parties as to Manitoba Hydro's interim rate request. The date for the one day hearing will be determined as part of the Board's adjudication of the timetable for the General Rate Application in the Board's procedural order following the Pre-Hearing Conference. Interveners will be required to file, with the Board and Manitoba Hydro, a written outline of their oral submission two days prior to the date scheduled for those oral submissions.

Should any party have questions of clarification, please contact our office.

Yours truly,

“Original Signed By:”

Darren Christle, MPA., B.A., CCLP, P.Log., MCIT
Secretary/Executive Director

DC/dv

cc: Bob Peters, Board Counsel
Dayna Steinfeld, Board Counsel
Odette Fernandes, Manitoba Hydro
Greg Barnlund, Manitoba Hydro