

June 1, 2018

Ms. Patricia J. Ramage
Legal Counsel
Manitoba Hydro
22nd Floor, 360 Portage Avenue
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-and-

Approved Interveners

Re: Manitoba Hydro Review and Vary Application and Stay Requests

The Public Utilities Board (“Board”) is in receipt of Manitoba Hydro’s Application to Review and Vary Order 59/18 and Order 68/18 (“R&V Application”), filed with the Board and provided to all parties on May 30, 2018.

By this letter, the Board issues its decision with reasons to follow on Manitoba Hydro’s requests to stay certain Directives from Order 59/18 and related aspects of Order 68/18. The Board also establishes a process for the hearing of Manitoba Hydro’s R&V Application.

Pursuant to Orders 59/18 and 68/18 and *The Public Utilities Board Act*, consumer rates are increased in accordance with the rate schedules approved in Order 68/18 effective June 1, 2018, notwithstanding Manitoba Hydro’s R&V Application.

Manitoba Hydro’s Stay Requests

In its May 30, 2018 R&V Application, Manitoba Hydro requests that the Board stay certain Directives from Order 59/18 pending the Board’s decision on the R&V Application and decision of the Manitoba Court of Appeal should a stated case or appeal be necessary. Specifically, Manitoba Hydro requests that the following Directives from Order 59/18 be stayed:

- Directive 6: [It is therefore ordered that] Manitoba Hydro create a First Nations On-Reserve Residential customer class. This customer class is to receive a 0% rate increase for the 2018/19 Test Year, such that the rate for this class will be maintained at

the August 1, 2017 approved Residential rate. A 0% rate increase is to also apply to First Nations Residential customers in the diesel zone communities.

- Directive 7: [It is therefore ordered that] Manitoba Hydro credit net-metered customers' excess energy put on the grid at the rate of 8.196¢/kWh for 2018/19. Manitoba Hydro must apply to the Board for approval of any future net-metered rate or changes to the 8.196¢/kWh rate.
- Directive 14: [It is therefore ordered that] Manitoba Hydro retain an independent consultant to assess Manitoba Hydro's development of its asset management program and its progress in addressing the recommendations made by UMS, as well as the progress of the development of the Corporate Value Framework. Manitoba Hydro is to file with the Board by June 29, 2018 the Terms of Reference for the consultant for the Board's review and comment. Manitoba Hydro is directed to report back to the Board on its progress and the result of the consultant's assessment at the next GRA.

Manitoba Hydro also requests that the Board immediately stay the operation of Order 68/18 as it relates to the First Nation On-Reserve Residential class and First Nations Residential customers in the diesel zone communities.

A Panel of the Board consisting of the Chair (Robert Gabor, Q.C.), Vice-Chair (Marilyn Kapitany) and Board Member Larry Ring, Q.C. met to consider Manitoba Hydro's stay requests.

Panel Findings

Manitoba Hydro's requests that the Board stay the operation of Directives 6, 7, and 14 are denied. Reasons for the Board's decision will follow.

Pursuant to the Board's Rule 36(5)(b), the Board varies Directive 14 as follows:

- Directive 14: [It is therefore ordered that] Manitoba Hydro retain an independent consultant to assess Manitoba Hydro's development of its asset management program and its progress in addressing the recommendations made by UMS, as well as the progress of the development of the Corporate Value Framework. Manitoba Hydro is to file with the Board the Terms of Reference for the consultant for the Board's review and comment. Manitoba Hydro is directed to report back to the Board on its progress and the result of the consultant's assessment at the next GRA.

All other aspects of the R&V Application with respect to Directive 14 will be heard and considered by the Board in the process established by the Board, as detailed below. The deadline for Manitoba Hydro to file with the Board the Terms of Reference for the consultant will be determined if required in the course of the Board's hearing of the Application.

Review and Vary Process

All parties received Manitoba Hydro's R&V Application on May 30, 2018 at the time Manitoba Hydro filed its materials with the Board.

The Board has determined that a hearing on the R&V Application should be held to determine whether the Directives identified in the R&V Application should be rescinded, changed, altered or varied.

Intervenors are invited to provide written submissions on the R&V Application on or before 4:30 pm on **June 18, 2018**.

Manitoba Hydro's written Reply to Intervener submissions is to be filed with the Board on or before 4:30 pm on **June 25, 2018**.

On receipt of all submissions from parties, the Board will determine whether to convene an oral hearing on all or part of the R&V Application.

Please address any questions you may have at this time to the attention of the writer.

Yours truly,

"Original Signed By:"

Kurt Simonsen
Board Secretary