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Our File No. 10146-05

February 22, 2019

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

Attention: Kurt Simonsen

Dear Mr. Simonsen:

Re: Manitoba Hydro 2019/20 General Rate Application: MKO Comments on the Motion of the Consumers' Coalition on Manitoba Hydro's Supplemental Information and Revised Responses to PUB IRs

As you know, we represent Manitoba Keewatinowi Okimakanak Inc. ("**MKO**"), an approved Intervener in the above-noted proceeding.

MKO is in receipt of the following documents:

- Manitoba Hydro's January 31, 2019 responses to information requests ("**IRs**") from the Public Utilities Board (the "**PUB**", or the "**Board**");
- IRs of February 8, 2019 submitted by all approved Interveners;
- Manitoba Hydro's February 14, 2019 Supplement to the 2019/20 General Rate Application ("**GRA**") and associated appendices;
- Manitoba Hydro's February 14, 2019 updated/revised responses to PUB IRs and the 2018 Electric Load Forecast;
- Correspondence of February 21, 2019 from the Consumers Coalition (the "**Coalition**") including a motion to, among other things, amend the hearing process; and,
- Correspondence from the Board requesting comments from Manitoba Hydro and approved Interveners to the Coalition correspondence of February 21, 2019.

MKO thanks the Board for this opportunity to provide comments on the Coalition's correspondence and motion contained therein.

Upon receipt and review of the documents provided by Manitoba Hydro on February 14, 2019, MKO was, and remains, concerned with the accuracy and currency of the

evidentiary record upon which Manitoba Hydro has based its requested final approval of a rate increase of 3.5% to be applied to all customer classes.¹ MKO notes that the requested rate increase has remained static while the projected financial results that form the basis upon which Manitoba Hydro seeks to justify the increase have significantly improved.² As such, MKO shares the concerns of the Coalition that the fundamental revisions in Manitoba Hydro's forecasts raise the issue of whether there is an appropriate evidentiary basis for the Board to make an informed determination in the public interest on Manitoba Hydro's requested rate increase.³

MKO appreciates that the Manitoba Hydro-Electric Board had not approved the 2019/20 budget until February 12, 2019,⁴ and that, once approved, the budget drastically altered Manitoba Hydro's forecasts. However, while MKO understands the timing of the release of the supplemental information, MKO is particularly concerned that the current timetable does not allow an opportunity for MKO and other approved Interveners to test Manitoba Hydro's evidence contained in the supplemental information through the IR process. MKO is very concerned that the supplemental information has the potential to significantly affect the outcome of the hearing without being thoroughly tested.

In addition, MKO also shares the concerns of the Coalition that Manitoba Hydro's responses to the IRs of the Board have not been updated to account for the supplemental information filed by Manitoba Hydro.⁵

Therefore, MKO supports in part the proposed remedies set out in the motion of the Coalition, and agrees that:

- Manitoba Hydro should be ordered to update its responses to all the relevant IRs of the Board;
- Manitoba Hydro is best placed to identify the relevant IRs that need to be updated based on the new information; and,
- the existing deadline of February 28, 2019 to file Manitoba Hydro Responses to Intervener IRs, as set out in the timetable in Procedural Order 1-19, should be replaced with a deadline of March 7, 2019 for Manitoba Hydro to file revised responses to PUB IRs and responses to Interveners IRs;

MKO takes no position on the Coalition's request to amend the deadline for the filing of Intervener evidence.

Further to the proposed remedies set out in the motion of the Coalition, MKO seeks the opportunity for Interveners to further assist the Board in making its determination on whether the rate increase requested by Manitoba Hydro is just and reasonable, and in the public interest. Therefore, MKO proposes that:

1 Manitoba Hydro 2019/20 Electric Rate Application, November 30, 2018, at page 2.

2 Manitoba Hydro Supplement to the Application, February 14, 2019, at page 2.

3 Consumers Coalition Letter to the Board, February 21, 2019, at page 1.

4 Manitoba Hydro Supplement to the Application, February 14, 2019, at page 1.

5 Consumers Coalition Letter to the Board, February 21, 2019, at page 3.

- the timetable should be amended to allow Interveners an opportunity to file a second round of IRs, limited to IRs specifically on:
 - the supplemental information filed by Manitoba Hydro on February 14, 2019; and,
 - Manitoba Hydro revised responses to PUB IRs and Round 1 Intervener IRs

and the revised timetable should set out the following filing deadlines:

- Round 2 Intervener IRs to be filed March 14, 2019; and,
- Manitoba Hydro Responses to Round 2 Intervener IRs to be filed by March 28, 2019.

MKO disagrees with the Coalition's proposal to eliminate the second pre-hearing conference currently scheduled for March 20, 2019 in favour of a paper process regarding the issues in scope for the oral evidentiary hearing, if necessary. MKO takes the position that the second pre-hearing conference will be necessary for the Board to determine whether an oral evidentiary portion of the hearing will be necessary, and if so, which issues will be in scope for the oral hearing. If the Board decides to amend the timetable to extend the filing deadline for Intervener evidence by one week, and allows for a second round of Intervener IRs, MKO suggests that each of the subsequent dates for the hearing, including the second pre-hearing conference, be subsequently rescheduled, and extended by three weeks.

Once again, MKO thanks the Board for the opportunity to provide comments on the correspondence and motion of the Coalition and looks forward to the decision of the Board on the important issues raised by the Coalition.

Should you have any questions or concerns, please contact the undersigned.

Yours truly,

JERCH LAW

Per:

Jared Wheeler

Encl.

cc: Board Counsel
Manitoba Hydro
Interveners