

GANGE GOODMAN & FRENCH

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September 27, 2013

VIA EMAIL

Mr. Hollis Singh
Manitoba Public Utilities Board
400 – 330 Portage Avenue
Winnipeg, MB. R3C 0C4

Dear Mr. Singh:

Re: Manitoba Hydro Motion
Our File No. 16194 WSG

I am writing to provide the position of Green Action Centre ("GAC") in response to the Notice of Motion of Manitoba Hydro regarding Information Requests. I will respond to the position taken by Manitoba Hydro that relates to the Information Requests of GAC.

GAC 023 and 024

Please provide, in electronic format, hourly grid-connected demand in Manitoba over at least the last five years. Please exclude exports, and demand in remote communities served by isolated diesel generators. Please specify whether the data provided is at the customer level or the system level - i.e., before or after transmission and distribution losses. No breakdown by geographic area or by customer types is required.

Please provide, in electronic format, the hourly load shape or shapes used to model Manitoba electricity demand. The data may be normalized or scaled, as the focus of this IR is on variability and seasonality, not on absolute levels of demand.

Hydro objection

These requests are not designed to test the reasonableness of Manitoba Hydro's material, but

rather to attempt to create separate models of MH information. Such undertakings are not within the scope of this proceeding.

GAC Response

The information requested is within the scope of the hearing. The Information Requests specifically fall within the Terms of Reference.

2.e. The reasonableness of the scope and evaluation of risks and the benefits proposed to arise from the development and the reasonableness and the reliability of Hydro's interpretation of the most likely future outcomes as a result of climate changes, interest rate fluctuations, export market prices, domestic load fluctuations, droughts, competing technologies, fuel prices, carbon pricing, technology developments, economic conditions, Hydro's transmission positions and other relevant factors;

Further the Information Requests fall within the scope of the GAC intervention approved by the Board in Order 67/13.

The following issues, identified by GAC in its written Application for Intervener Status are considered to be within the scope of the Terms of Reference of the NFAT Review:

(a) Forecasts and risks associated with domestic load, export commitments and export pricing;

The questions serve a number of purposes. Most importantly, the information would permit our experts to perform calculations to verify the reasonableness of some of Manitoba Hydro's modeling results. Without this type of check, our experts have no way to verify that the forecasts made by MH are valid. The forecasts as to domestic load are at the heart of the submission made by MH. Without a thorough vetting of the information regarding current domestic load it is not possible to comment upon the forecasts and the modeling employed by MH in the proposal. The information could also be used to perform simplified modeling where appropriate. Again this modeling process falls within the scope of the Terms of Reference and of the scope approved by the Board for GAC.

In Order 92/13, the Board considered the objection of MH to provide further alternative plans and ruled as follows:

Of concern to the Board is that Manitoba Hydro may be unable to provide further alternative plans and scenarios as may be requested by the Board, independent experts or intervener consultants.

While Manitoba Hydro has explained its timelines to provide further alternative plans and scenarios, the Board will expect Manitoba Hydro to be able to model such

alternatives and scenarios to permit critical examination.

It is the position of GAC that the objection raised by MH with respect to modeling has already been dismissed by the Board. GAC submits therefore that the questions posed are within the scope of the terms of reference, are within the scope of the GAC intervention and are within the scope of appropriate information as determined previously by the Board.

GAC-030-068

As summarised by MH, these questions seek detailed breakdowns of forecasts from the end use model related to fuel switching.

Manitoba Hydro objection

The requested information is beyond what is reasonably required to test fuel switching assumptions in the load forecast. Manitoba Hydro proposes to respond to these questions by filing a description of its assumptions, together with a table to illustrate it. The information requested in GAC-0034 and GAC-0041, without live spreadsheets will be provided. Manitoba Hydro is not able to provide responses to GAC-0035 and GAC-0042 as these would require substantial new work which cannot be completed in the time allotted.

GAC Response

The purpose of these questions is not to "test assumptions". Rather it is to know the assumptions and calculations used. This would then allow our experts to determine how the assumptions and calculations resulted in the forecast of 2031/32 and 2032/33 electric space and water heat saturation rates. The information is also required to know how MH's fuel switching efforts have been taken into account in the new load forecast.

Our experts have assumed that MH has separate forecasts for such things as new homes vs retrofits, with each broken down according to accessibility to gas. Our experts also have assumed that MH has taken into account the changes in accessibility over time as Centra Gas expands. If the assumptions of our experts are correct, we would expect that the information is readily accessible. If the assumptions are not correct and MH has instead employed an overall increase in saturation rates, this information would be easily accessible as well.

With respect to IRs GAC 030-033, the information requested relates to actual data and assumptions made by MH. One would expect that the information is readily accessible.

MH has advised that GAC 34 and 41 could be answered but without live spreadsheets. From previous hearings, GAC and its experts are aware that the review of spreadsheets is much more easily accomplished when the spreadsheet is provided in a live format. Our preference would be for the material to be delivered in a "live" format. If the Board is not prepared to order the

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delivery of a live format, we would ask that the direction be that MH specify all of the data, assumptions and calculations preferably with the data and assumptions on a spreadsheet (without formulas).

MH has advised that it cannot respond to GAC 35 and 42 because they would require substantial new work. Our experts are of the view that MH should be able to use its forecast model with only minor input changes. If one reviews the questions, it is difficult to understand how the IRs would require "substantial new work."

GAC 015-016

Appendix 9.3 notes "The above wind integration costs were flow weighted and then the total divided by the average annual wind generation to produce the unit wind integration costs... The unit wind integration costs are expressed on a marginal basis for each 100 MW increment of wind, and scaled to the current long-term export price forecast using the ratio of the current long-term price forecast divided by the 2005 price forecast."

Please provide the workpapers for the wind integration cost estimates used in the NFAT filing and specify the basis and source of all assumptions used.

Appendix 7.4 indicates "Manitoba Hydro has examined the performance of the existing wind generation fleet in Manitoba during the peak load hour of each month during the period from June 2007 to May 2013. In examining the data set it was found that the minimum wind generation, during the peak load hour each month, was zero or near zero least once each month."

Please provide the data relied upon and the workpapers developed for this analysis.

Manitoba Hydro Objection

GAC-015 The response to this Information Request would require production of commercially sensitive information

GAC -016 Wind data from St. Leon and St. Joseph windfarms is not Manitoba Hydro information and is specified as confidential by contract.

GAC response

GAC expects that it will receive consent of Pattern Energy to the release of information with respect to its operations as requested in the Information Requests.

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GAC-068

Please provide the justification documents for the largest five Centra Gas expansions into planned or existing residential areas.

Manitoba Hydro objection

Gas expansion projects are reviewed and approved by the PUB. There is no merit in considering such expansions in the context of the NFAT.

GAC response

The purpose in requesting this information is to compare Centra's projections of gas heat penetration with the projections of MH. The judgment of Centra about the market for gas heat is highly relevant to the consideration of fuel switching. It is the position of GAC that the question is therefore relevant to the NFAT review.

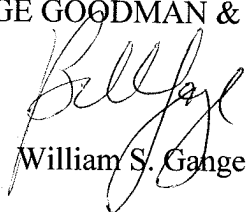
Conclusion

It is the position of GAC that the Information Requests under consideration are relevant, within scope and would provide useful information to GAC and its experts, the other interveners and experts and the Board for a more thorough and robust examination of the issues before the Board.

Yours very truly,

GANGE GOODMAN & FRENCH

Per:


William S. Gange

WSG/