



P.O. Box 815 • Winnipeg Manitoba Canada • R3C 2P4
Street Location for DELIVERY: 22nd floor - 360 Portage Avenue
Telephone / N° de téléphone : (204) 360-3946 • Fax / N° de télécopieur : (204) 360-6147
pjramage@hydro.mb.ca

July 3, 2013

Mr. H. Singh
The Public Utilities Board
400 - 330 Portage Avenue
WINNIPEG, Manitoba R3C 0C4

Dear Mr. Singh:

**RE: MANITOBA HYDRO NFAT
MEANING OF “MACRO ENVIRONMENTAL” AND “SOCIO-ECONOMIC”
REQUEST FOR EXTENSION BY CAC (MANITOBA)**

Manitoba Hydro is in receipt of the letter from legal counsel for CAC(MB) dated June 28, 2013 regarding commentary on the definition of “macro-environmental impact” and “socio-economic impact”. Manitoba Hydro will provide its comments on CAC (MB) and other Intervenor intervention plans and budgets under separate cover.

In the Public Utilities Board (PUB) Order 67/13, Manitoba Hydro and approved Intervenors were invited to submit their definitions of the terms "macro-environmental" and "socio-economic" by June 28, 2013, as such terms are used in the Terms of Reference for the Needs For and Alternatives To (NFAT) Review. Manitoba Hydro provided its definitions on June 28, 2013 as ordered by the PUB. CAC(MB) provided its preliminary views and those of Dr. Kyrke Gaudreau regarding the matter on June 28, 2013. CAC(MB) also requested an opportunity for further consideration of the concepts in order to assess Manitoba Hydro's comments and to further evaluate issues related to the scope of the PUB's mandate as a consequence of the environmental impact statement (i.e. matters being considered by the Clean Environment Commission).

Manitoba Hydro objects to the extension requested by CAC (MB). Order 67/13 was an invitation by the PUB to Manitoba Hydro and approved Intervenors to submit their definitions of the terms “macro-environmental” and “socio-economic” by June 28, 2013. Clearly, Order 67/13 did not contemplate that Intervenors would be provided the opportunity to comment on Manitoba Hydro's submission nor is such a process consistent with accepted regulatory practice (included in the PUB's Rules of Practice and Procedure) where the Applicant is typically afforded the right of reply to Intervenor submissions

CAC(MB) notes Manitoba Hydro's statement that the recommendations of the CEC should be available for review by the PUB prior to the completion of the PUB's NFAT Review. As a funded intervenor in the CEC process, CAC(MB) is aware that the topics to be covered by the CEC have already been established in the current environmental reviews of the federal and

provincial governments. The public had an opportunity in that process to provide comments to the regulators concerning topics to be considered in the environmental and socio-economic assessments. By referencing the Keeyask assessment when discussing the analysis between the preferred and alternative development plans, Manitoba Hydro clearly indicated that the topics to be covered in its review of preferred and alternative development plans would be consistent with the environmental impact statement and Manitoba Hydro's socio-economic topics listed in its June 28, 2013 letter.

The PUB's Terms of Reference provides a guiding statement regarding the level of detail required for the assessment: "The assessment as to whether the Plan is justified as superior to potential alternatives that could fulfill the need. The assessment will take the following factors into consideration..." In its letter of June 28, 2013, Manitoba Hydro has put forward reasoned explanations as to the information that will be provided to meet this requirement at three different levels: a screening level analysis, an analysis of preferred and alternative development plans, and a multiple-accounts analysis. This submission is complete and should be considered on its merits within the time frame established by the PUB.

Furthermore, the PUB's Terms of Reference sets out a list of factors that its assessment will take into consideration, including

2.
 - h. the socio-economic impacts and benefits of the Plan and alternatives to northern and aboriginal communities;
 - i. the macro environmental impact of the Plan compared to alternatives.

As indicated in Manitoba Hydro's letter of June 28, 2013, the Terms of Reference identify certain areas which are not in the scope of the NFAT, including "the environmental review of the proposed projects that are part of the plan, including Environmental Impact Statements (these will be conducted through individual processes by the Manitoba Clean Environment Commission ("CEC"), and where possible the impacts of the matters to be considered by the CEC are included in the costs of the projects that are part of the Plan." Clearly, the Terms of Reference do not intend for the NFAT to be a mini-environmental review where the PUB is to form its own environmental conclusions. This would duplicate the efforts of the CEC in carrying out its mandate, which is, in Manitoba Hydro's submission, contrary to the intent of the provisions set forth in the Terms of Reference.

Manitoba Hydro would also like to note one difference between the CEC definitions and the PUB's definitions, as set out in the Terms of Reference. The CEC considers "environmental effects" to include biophysical and socio-economic effects. The PUB's Terms of Reference distinguish between "environmental" and "socio-economic"; as such, environmental in this context refers to biophysical effects. While Manitoba Hydro notes this is a common distinction between the meanings of the two words, it is important this distinction is recognized and understood.

If there remains opposing interpretations of the intent of the legislature in terms of the review to be conducted on "macro-environmental" impact, Manitoba Hydro would suggest that the PUB

The Public Utilities Board

July 3, 2013

Page 3

seek clarification from the Minister as to his intent in regards to the PUB's review of macro-environmental impacts of the Plan compared to alternatives.

If the PUB determines that a request for Ministerial direction is not required, Manitoba Hydro requests that the PUB deny CAC(MB) request for an extension, but rather, review only those comments provided by CAC(MB) and Dr. Kyrke Gaudreau in their letter dated June 28, 2013. In the alternative, if the PUB grants CAC(MB) an extension, Manitoba Hydro would request an opportunity to consider and respond in detail to any comments made by CAC(MB) and Dr. Kyrke Gaudreau in the June 28, 2013 letter and any additional correspondence provided by CAC(MB) in relation to the definition of "macro-environmental impact" and "socio-economic impact".

Yours truly,

MANITOBA HYDRO LAW DEPARTMENT

Per:



for.

PATRICIA J. RAMAGE
Barrister and Solicitor

cc: R.F. Peters, Fillmore Riley LLP
Byron Williams, Public Interest Law Centre