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MANITOBA PUBLIC UTILITIES BOARD

Re: CENTRA GAS MANITOBA INC.
 2007 COMPETITIVE LANDSCAPE PROCEEDING

Before Board Panel:

- Graham Lane - Board Chairman
- Len Evans - Board Member
- Eric Jorgensen - Board Member

HELD AT:

Public Utilities Board
400, 330 Portage Avenue
Winnipeg, Manitoba
September 6th, 2007

Vol III

Pages 483 to 681

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1 --- Upon commencing at 9:04 a.m.

2

3 THE CHAIRPERSON: Okay. Good morning,
4 everyone. Ms. Murphy, if you wouldn't mind introducing
5 your witness, then we will swear him in and get under
6 way.

7 MS. MARLA MURPHY: Certainly. Good
8 morning. With me is Mr. Andrew Enns, who is a senior
9 vice-president of the eNRG Research -- Research Group,
10 and he appears this morning to speak to the two reports
11 that have been filed by eNRG in this proceeding. His CV
12 is filed as an exhibit to the response -- I'm sorry, to
13 the response to DEML/ESMLP/CENTRA-49, as Attachment 1.
14 With Mr. Enns this morning, seated behind him is Mr. Eric
15 Sokay (phonetic), who is an assistant also at eNRG. And
16 Mr. Enns is available to be sworn.

17 THE CHAIRPERSON: Mr. Barron...?

18

19 CENTRA PANEL:

20 ANDREW ENNS, Sworn

21

22 THE CHAIRPERSON: Mr. Saxberg and Mr.
23 Hoaken, any questions on their credentials?

24 MR. KRIS SAXBERG: Not from me, Mr.
25 Chair, thank you.

1 MR. ERIC HOAKEN: None from me.

2 THE CHAIRPERSON: Ms. Murphy, you can
3 begin when you like.

4 MS. MARLA MURPHY: Thank you. I intended
5 to qualify Mr. Enns. Perhaps that's not necessary at
6 this point, we can run through that --

7 THE CHAIRPERSON: No, I think we are all
8 satisfied.

9 MS. MARLA MURPHY: Thank you.
10

11 EXAMINATION-IN-CHIEF BY MS. MARLA MURPHY:

12 MS. MARLA MURPHY: Mr. Enns, you're the
13 primary author of the Customer Research Report, dated
14 June 14th of 2007, filed as Centra Exhibit 7-1 in this
15 proceeding?

16 MR. ANDREW ENNS: Yes, I am.

17 MS. MARLA MURPHY: And are you also the
18 primary author of the Customer Research Focus Group
19 Report, which is dated July 3rd, 2007 and filed as CENTRA
20 Exhibit 7-2 in this proceeding?

21 MR. ANDREW ENNS: Yes, I am. Yes, I am,
22 to both.

23 MS. MARLA MURPHY: You've also provided
24 responses to certain Information Requests filed in this
25 proceedings, is that right?

1 MR. ANDREW ENNS: Yes, I have.

2 MS. MARLA MURPHY: Do you have any
3 corrections to make to that evidence?

4 MR. ANDREW ENNS: I do actually. Going
5 through again, I found a couple of errors that I would
6 like to correct for the record, to the -- the survey, the
7 research report, dated June 12th.

8 The first one is on page 4 of the report,
9 point 7. And in there's a reference, it's a bracketed
10 reference, to Hydro and marketer residential customers,
11 regarding their opinions to Manitoba Hydro's Rate
12 Management Program -- Price Management Program. That
13 question was only asked of Hydro residential customers
14 and commercial customers. The marketers is -- should not
15 have been included.

16 Were you able to find that reference?

17

18 (BRIEF PAUSE)

19

20 MR. ANDREW ENNS: Point 7, on page 3.

21 And you've got the reference to the marketers in the
22 bracket; that should just be deleted.

23 And then on -- and on page 41 of the
24 report, I believe Table 21B is on that page.

25 MS. MARLA MURPHY: Forty-two (42).

1 MR. ANDREW ENNS: Forty-two (42), okay --
2 it's right now. Page 42 of the report, Table 21B is on
3 the -- toward the bottom half of the page. The "N" size
4 in that table were -- in the bracketed, the top box in --
5 on the table, the "N" size incorrectly states that the
6 entire sample is asked that question. In fact, the
7 sample was based on -- on a pre --previous question, so
8 the numbers in that -- for that "N" size, for that
9 question, are four four seven (447) for residential
10 hydro; three-o-four (304), for residential marketer; and
11 two two six (226) for small commercial.

12 I went back and verified that the percent
13 responses is accurate. It was just an incorrect
14 inclusion of the total sample, as opposed to the -- the
15 fact that some respondents skipped that question.

16

17 (BRIEF PAUSE)

18

19 MR. ANDREW ENNS: Oh, also there was an I
20 -- I guess it's called an IR requesting some detail or --
21 or a number of the energy products that we've -- our
22 firm, eNRG Research Group, or its predecessor firm,
23 Western Opinion Research had -- had worked on in the
24 past.

25

 And at the time we went through and -- and

1 determined we had worked for -- worked on nine (9)
2 projects with a number of different companies. In fact
3 going through the records and speaking to one of my
4 colleagues in Vancouver, we actually worked for -- we
5 actually conducted thirteen (13) studies for a number of
6 different companies, including Manitoba Hydro, Terasen
7 Gas and -- and Union Gas.

8 MS. MARLA MURPHY: I might just indicate
9 for the record, Mr. Chairman, that the Information
10 Request being referred to is DEML/CENTRA-50, five zero
11 (50).

12 THE CHAIRPERSON: Thank you.

13

14 CONTINUED BY MS. MARLA MURPHY:

15 MS. MARLA MURPHY: Mr. Enns, with those
16 corrections, do you adopt the evidence before the Board
17 today?

18 MR. ANDREW ENNS: I do.

19 MS. MARLA MURPHY: Could you please
20 describe for the Board a bit about who eNRG is and your
21 experience and qualifications?

22 MR. ANDREW ENNS: eNRG Research Group is,
23 I believe it's still -- still now the second largest
24 western Canadian research company. We've got offices in
25 Vancouver, Calgary and Winnipeg. Our primary hub of

1 operations is out of Winnipeg. We maintain a large call
2 centre just down the street from us, close to Portage and
3 Main; a hundred and fifty (150) interviewing stations.

4 eNRG Research Group is -- is a fairly
5 recent entity in name. It was created in -- in the
6 summer of 2005 -- we just celebrated our second
7 anniversary -- summer of 2005, through the merger of
8 Nordic (phonetic) Opinion Research out of Vancouver and
9 Western Opinion Research out of Winnipeg.

10 Western Opinion Research might be a more
11 familiar name to some -- to some. It's been around
12 Winnipeg and the Manitoba scene for a number -- number of
13 years since -- since '88, conducting different forms of
14 public opinion research.

15 The -- the merger has enabled us to expand
16 our -- our operations, obviously into the British
17 Columbia market working in Alberta, and as well, the
18 extra manpower and capacity has enabled us to conduct an
19 increasingly larger number of national projects in --
20 across the country.

21 We're a full service research firm, in --
22 in the sense that we conduct quantitative survey related
23 research, internally with -- with no outsourcing. In
24 addition, we've got several experienced focus group
25 moderators on -- on staff, so we can provide the broad

1 range of qualitative research services sometimes required
2 for clients.

3 MS. MARLA MURPHY: Mr. Enns, could you
4 please describe for the Board the purpose of your
5 retainer with Manitoba Hydro?

6 MR. ANDREW ENNS: The -- the purpose of
7 the retainer basically was -- was mapped out in the RF --
8 in the RFP that was issued -- I don't have that date in
9 front for me, but it was some time in March I believe.
10 Our -- our purpose, in terms of the firm, was to provide
11 Manitoba Hydro with the research services that they
12 spelled out in that RFP.

13 They laid out a number of objectives.
14 They provided some -- some sense of how they anticipated
15 the -- the research being done and -- and our
16 responsibility was to -- to deliver on that.

17 MS. MARLA MURPHY: Could you describe for
18 the Board how the format of this survey was determined?

19 MR. ANDREW ENNS: The -- it's -- starts -
20 - it started when -- started when we looked at the RFP,
21 and you start to get a sense of -- of what your -- you
22 know, first of all, your research design; how are you
23 going to approach this.

24 In terms of the -- the survey when we were
25 -- when we were preparing our -- our response we looked

1 at the number of objectives that were identified in the -
2 - in the RFP that was -- that was tendered, and
3 immediately from that you determined that the survey was
4 going to be -- you were going to aim for a survey of a
5 particular length, just given the number of objectives.

6 It was also, obviously, going to be a
7 fairly wide reaching questionnaire. There were a number
8 of -- a number different objectives identified in that,
9 that we were going to have to work to include.

10 When we were in -- when we were notified
11 that we were successful, we were the successful bidder,
12 the first step was some initial client discussions and
13 meetings, just in terms of a) confirming some of the
14 details that we had -- we had indicated in the RFP
15 timelines; just confirm those.

16 And then for my benefit as the -- as the
17 drafter of the -- of the -- of the survey, I thought it
18 important to spend some time before even putting pen to
19 paper really, just sitting down with -- with the
20 interested parties. And in this case it was clear to us
21 it would be Manitoba Hydro along with some -- some
22 stakeholders, that they had mentioned in the RFP that
23 would probably be included. In addition, they had
24 mentioned early on that they would be including some
25 third party stakeholders.

1 To sit down with them before -- before
2 starting to work on crafting questions, but to -- an
3 ability for -- for these individuals to talk to the
4 objectives, perhaps emb -- perhaps provide a bit more
5 input in terms of what is meant by some, it allowed me an
6 opportunity for some objective, if I wasn't entirely
7 comfortable with the -- with the -- with the intent, or
8 if there's aspects of it that I wanted to sort of have a
9 better understanding before I started to draft questions,
10 to have that discussion.

11 We had that initial meeting early on with
12 Manitoba Hydro personnel, in the process. Again, there
13 was no questions at this time; it was really ba -- just
14 basically understanding what the objectives were.

15 Following that we had a -- had a larger
16 meeting that, again, without -- without any questions
17 drafted that involved several of the -- of the interested
18 third parties, several independent marketer
19 representatives along with the Consumers' Association of
20 Manitoba represented, where we again discussed the
21 general objective and objectives of the project. They
22 were -- they had an opportunity to ask me, in terms of my
23 -- my approach, and ask a few questions in terms of
24 structure of the survey.

25 And I also was able to pose some questions

1 to them in terms of, you know, in their own words, what
2 were some of the -- what were some of the issues, or what
3 were some of the questions behind some of these
4 objectives, that I should probably take into account when
5 preparing -- when preparing the initial -- the initial
6 draft.

7 The -- going back, the other -- the other
8 thing that we -- we discussed to some degree, there was,
9 I believe from -- raised it with Manitoba Hydro, was this
10 notion of conducting a survey in advance of focus groups.
11 There was some discussion whether or not they should be
12 done in advance of the -- focus groups should be done
13 ahead of the survey, or the other way around.

14 In 2003/2004, we conducted another large
15 study with natural gas customers, where in that study we
16 had -- we had conducted focus groups prior to the survey.
17 In this particular instance, looking at the RFP and --
18 and giving it some thought from a research design
19 perspective, we recommended actually conducting the
20 survey first, and then following up with focus groups.
21 We did so -- we did so, drawing upon our experience in
22 the 2003/2004.

23 At that time, based on our conversations
24 with Manitoba Hydro, there wasn't a great deal of -- of
25 information regarding customer preferences, customer

1 attitudes; the terminology cus -- natural gas customers
2 use when they talk about price of volatility, or their
3 likes or dislikes with regard to pricing in general.

4 And when you have that situation, it's
5 nice to -- before you start writing a survey, and perhaps
6 guessing a little or assuming a little bit on
7 terminology, it's nice to get a dozen people in a room
8 and ask them some of those questions and get into that
9 discussion. And in that sense you get a feel for their
10 terminology and how they interpret, sometimes complicated
11 subject matter. But in a focus group you can actually
12 ask them to explain things back to you, and from that you
13 can -- you start to develop a picture of what their
14 understanding is.

15 We had done that in 2003/2004 on a couple
16 of particularly tricky -- tricky areas, and then just in
17 general. A number of the objectives were somewhat
18 similar from 2003/2004, but we had that experience. And
19 professionally I didn't feel that there was any -- that
20 there had been any great change in public attitudes or
21 understanding on these issues, and felt confident that we
22 could use some of what we learned back then, incorporate
23 into the language of the survey for this one, and
24 therefore conduct the survey before the focus groups.

25 The added benefit of having focus groups

1 follow the survey, would allow for -- if there were some
2 particular things that were learned in the survey that
3 were of either particular surprise or of -- perhaps there
4 is some question, these could be explored a little
5 further in the focus groups. You had another opportunity
6 to perhaps go back. Obviously the findings wouldn't be
7 statistically relevant, but they could -- could help
8 enlighten what may have been behind some of these
9 responses that you saw in the survey.

10 So -- so for those reasons we recommended
11 the survey first, followed by the focus groups, which was
12 ultimately adopted.

13 MS. MARLA MURPHY: You've described some
14 of the process that you went through in designing that
15 survey. Is there anything in addition you'd like to add
16 to the Board in terms of the design and the conduct of
17 the survey?

18 MR. ANDREW ENNS: Well, the -- there are
19 two (2) -- two (2) points that I made fairly early on
20 that -- with the number of objectives that were
21 identified in the RFP, the challenge would be not so much
22 developing questions that would address these objectives,
23 but the challenge would be developing a survey that
24 wouldn't be overly -- and overly in terms of causing a
25 problem from a respondent perspective -- overly long.

1 We had in the RFP indicated that we would
2 -- we would like to try to -- to conduct a survey in the
3 fifteen (15) minute range. That -- you know, that
4 required some effort, and ultimately we didn't get to
5 that point. The survey ran slightly longer than that.

6 But that -- but that was -- that was a
7 concern that I expressed quite early on in -- in our
8 discussions was it's -- it's great, we'll have lots of
9 questions, we'll have lots -- we'll have lots of good
10 questions. The point that we're going to have to keep
11 working toward as we go through this process, is we're
12 also going to have to prioritize some of these -- some of
13 these objectives in areas we want to cover and you know,
14 use the -- I mean, the -- the nice-to-know versus the
15 need-to-know principle, if possible.

16 We worked through -- I mean, I -- I from
17 these -- the two (2) meetings that I -- I commented on
18 earlier, the -- what I would call the internal workshop
19 or background meetings that we conducted before drafting,
20 I worked to prepare a first draft of a survey.

21 Typically going -- going forward I -- I
22 write to -- to address the objectives in -- in my opinion
23 as -- as best we can. I'll leave -- I'll leave points in
24 there of where I need some clarification or where -- you
25 know, as you're drafting you're -- you're unsure about a

1 point, I'll leave -- I'll make -- I'll make some
2 references to that.

3 The first draft was circulated to -- to
4 Manitoba Hydro, which I got some feedback on and created
5 a second draft. There wasn't a great deal of feedback,
6 my recollection, between the first and second draft. The
7 third draft that -- that came out, that -- that we
8 prepared, that was circulated to Manitoba Hydro, and then
9 as well to some of the internal stakeholders that we had
10 -- that we had met previously in that pre-questionnaire
11 phase.

12 Draft three (3) was -- was really sort of
13 the draft where we started to -- we made some fairly
14 significant revisions. In addition we started to make
15 some -- we started to realize that we had to make some
16 fairly hard decisions at this point as well, in terms of
17 length, and what we could -- could -- could include and
18 we could -- what would be better to not include.

19 I should -- would it be helpful to just
20 indicate why it's important not to have a survey of a
21 half hour long or -- or twenty-five (25) minutes, for the
22 record, would be helpful or is everybody? Or has
23 everybody -- or have done one of those and appreciate why
24 it's not the -- professionally twenty (20) minutes is --
25 is what -- in the industry there -- there -- can tend to

1 become a problem is you go beyond twenty (20) minutes or
2 into twenty-five (25) minutes with a -- with a
3 questionnaire.

4 You start to get some respondent bias in
5 terms of people who actually have the time to sit and do
6 a survey of that length. You can start to affect your
7 population in terms of you may not have as many parents
8 with young children, for example, wanting to spend
9 twenty-five (25) minutes on the phone. You may end up
10 with -- with a different type of population.

11 So that's why it was important, from my
12 perspective, to keep that in -- in front and centre in
13 our -- in our deliberations on the questionnaire.

14 The -- back to the draft three (3)
15 version. We -- there was some -- there was -- there were
16 e-mail correspondence back with some comments on draft
17 three (3), as well, which we took and worked through in -
18 - in several meetings. Manitoba Hydro with -- as well,
19 with the -- I believe with the Consumers' Association
20 were involved with both those meetings, where we went
21 through question by question and took into account the --
22 the comments, the additions, the suggestions made by the
23 various stakeholders. And that included the independent
24 marketers as well. We had -- we had drafts that included
25 their -- their suggested changes or questions.

1 Went through two (2) fairly lengthy
2 meetings, I believe they totalled five (5) hours or
3 more. The -- there were -- there were -- in my
4 perspective, from -- from having done -- designed
5 numerous surveys and worked in -- in sort of group --
6 groups to design surveys and that, they're very
7 productive sessions; in terms of both from -- from
8 looking at the -- some of the substantive nature of the
9 question that we were asking and -- and why, when
10 challenged why we were asking and -- and what the
11 validity was and what we were going to do with this.

12 As well as just to some -- some, I'm going
13 to call wordsmithing and editing to help with -- with
14 simplifying, in some cases, or -- or just making a more
15 plain language. I thought they were -- both meetings
16 were -- were productive.

17 And from there the survey moved fairly
18 quickly from draft four (4) to eventual final draft,
19 which I believe was version six (6). There are a few --
20 a few minor -- for the most part, minor changes, pursuant
21 to them. But the major work was done, I believe, at
22 draft -- draft three (3).

23 I should, indicate parallel to this, as we
24 were going through the questionnaire design, we were also
25 working on our sample -- our sample for this -- for this

1 do, I just want to make two (2), sort of, technical
2 points regarding the -- the report, just to draw your
3 attention to the -- to the margin of error or confidence
4 interval that's associated with these -- with the
5 quantitative results.

6 For Manitoba Hydro residential customers
7 it's three point (3.) -- plus or minus three point four
8 six (3.46), nineteen (19) times out of twenty (20).
9 Marketer residential customers, 4.9 percent nineteen (19)
10 times out of twenty (20), and commercial customers 4.9
11 percent.

12 In my view, those are -- those are
13 reasonable, confidence intervals of margin of errors in a
14 study of this nature.

15 In addition, there's -- in the report
16 there's a reference in different places throughout in
17 terms of significant findings. I just want to -- just a
18 brief comment on significance. It's not -- although I
19 did find a couple of times where I've used it in a -- in
20 the more conversational sense, but in a research sense
21 significant is not the same as -- as necessarily as how
22 we sometimes use it in conversations.

23 Significance basically means it's --
24 looking at the data, one can assume that the data is more
25 -- most likely or probably true. And we basically use --

1 in the industry we use -- we test significance using a
2 chi-squared formula and at a -- at a ninety fifth (95th).
3 And we determine significance at a ninety fifth (95th)
4 percentile. So there's a -- there's a sort of research
5 test behind that, that determines significance.

6 In terms of the report I'll go through
7 high level, I guess, in terms of some of the -- some of
8 the findings that we -- that we came up -- that we came
9 up after the research.

10 The -- in terms of awareness of -- of
11 competition in the market place, there's generally a good
12 -- a good level of awareness amongst natural gas
13 customers that they are able to -- to purchase natural
14 gas from companies other than -- from different companies
15 other than Manitoba Hydro. 78 percent are -- 78 percent
16 are -- are -- indicate they're aware they can purchase
17 from another supplier.

18 However, the awareness diminishes, and
19 noticeably, when it comes down to actually having to name
20 who some of those suppliers are. There's not a very good
21 awareness level at all of the different companies that do
22 offer natural gas products in Manitoba. If one were to -
23 - one were to combine the entire sample it would be a
24 number close to 84 percent, are unable to name a company
25 other than Manitoba Hydro in terms of actual -- the name

1 of a company that supplies natural gas.

2 The majority of natural gas consumers feel
3 they benefit from having competing choices. 65 percent
4 of Manitoba Hydro residential customers agree with --
5 agree, either strongly or somewhat, with -- with the fact
6 -- with the statement that they -- that they benefit from
7 having competing choices in the market place. Eighty-
8 three percent of market or residential customers have
9 that view and 76 percent of commercial customers.

10 We asked people in an open ended manner
11 why they felt that -- the way they did in this -- on both
12 sides of the equation. If they felt they benefited from
13 having competing choices, we ask them in their -- in
14 their own words just tell us why do you feel you benefit.

15 Most -- the couple of the most frequent
16 mentions were that it's nice to have a choice, consumers
17 liked having a choice over monopolies, and there was a
18 view that competition kept prices -- kept prices down;
19 now the primary reasons why people, in their own words,
20 said they thought that they benefited from having choice
21 -- competing choices.

22 The few people that suggested that they
23 did not benefit, mentioned that they felt the addition of
24 what -- in some of the open ended comments referred to as
25 a middle -- a middle person, or a middle man, in the

1 equation, actually added to the cost. In addition,
2 there's a -- there were some comments to the fact that
3 they -- they did not like having contracts. And then
4 there was some other comments with respect to that they
5 didn't -- they didn't like or didn't trust the
6 independent marketers.

7 The -- we asked a few more questions with
8 respect to competition. These related to the -- sort of
9 probed a little more with -- with the aspect of the cost
10 of competition. We -- we provided -- we had a question,
11 I'm just going to read it to you, because it's not really
12 in the -- it's not in the report itself, it's just in the
13 questionnaire.

14 We -- there was a question where we --
15 where we prefaced the question:

16 "There are administrative and
17 regulatory costs associated with
18 insuring consumers; have a choice of
19 companies to purchase natural gas from.
20 In your opinion, what is an acceptable
21 amount you are willing to pay on your
22 monthly natural gas bill to ensure
23 there is choice in the market?

24 And we provided a list -- a list of
25 options ranging from zero, nothing, to less to a dollar

1 (\$1), to a dollar (\$1) and up.

2 A large number of people would be willing
3 to pay nothing. They like having choice, but they're not
4 necessarily prepared to pay a little extra for that. If
5 you were to sort of -- about 20 percent were less than a
6 dollar (\$1), more than nothing, but less than a dollar
7 (\$1), and it was with Manitoba -- Manitoba Hydro
8 residential customers.

9 The -- there's a -- not surprising, a
10 divergence of views when it comes to whether or not all
11 customers, all natural gas customers in the province
12 should share the -- share this cost -- this additional
13 cost for -- for competition, or whether or not the cost
14 should be borne only by those who choose to exercise
15 their choice and go with a -- and go with -- go with the
16 -- an independent marketer.

17 Hydro -- Manitoba Hydro customers are more
18 inclined to suggest that only those who choose to go with
19 a -- with a -- with a marketer customer should bear the
20 cost. Whereas marketer customers, not surprising, are
21 more inclined to suggest that the -- the cost should be
22 shared.

23 We asked a series of questions with
24 respect to the -- whether Manitoba Hydro should offer
25 additional natural gas products in the market. The --

1 there's a number of questions that touched on -- touch on
2 these.

3 The first one that I'll touch in on Table
4 13, and I believe it's on -- on page 34, if you're -- if
5 you're following around electronically. Although if it's
6 not 34, it could be 33, depending on my track record.

7 The -- we presented -- we presented
8 customers with a serie -- with five (5) products.
9 They're listed in Table 13 if you're there, so I won't go
10 through them, but they basically varied in terms of --
11 primarily in terms of term length, and when the price
12 would change.

13 We asked peop -- we asked customers to
14 rate this on a scale of zero to ten (10), and what --
15 what perhaps is of interest is that -- I mean not
16 surprising, residential marketers who -- who are more
17 familiar with a fixed -- fixed term product --

18 THE CHAIRPERSON: Mr. Enns, could you
19 just
20 hold for one second --

21 MR. ANDREW ENNS: Sure.

22 THE CHAIRPERSON: -- we've got a
23 technical problem.

24

25 (BRIEF PAUSE)

1 THE CHAIRPERSON: Okay, Mr. Enns.

2 MR. ANDREW ENNS: Not surprising, we see
3 marketer customers tend to show a higher inclination to
4 the longer fixed term products. I'll just explain
5 quickly -- I should have did this before -- but the table
6 -- the numbers in the table represent what we call Top
7 Box in the industry. And what that is, is we've -- we've
8 combined the percent of respondents who rated that
9 particular product a seven (7), eight (8), or nine (9),
10 or ten (10). So a fairly -- on a scale of zero to ten
11 (10), consider them to be at the upper end of the scale.

12 So that would be the Top Box score, and
13 that's what we've reflected here, along with the mean --
14 the mean score out of ten (10).

15 Like I say, not surprising, the
16 residential marketers tend to have a higher inclination
17 for the -- the longer fixed term rates. What I thought
18 was interesting is that while at a somewhat lower level,
19 there -- there is -- among Hydro residential customers
20 there is also some inclination toward a -- a longer term
21 fixed -- fixed rate product.

22 33 percent of residential Hydro natural
23 gas customers, for example, rated the rate change of the
24 three (3) year plan, rated that a seven (7) or higher,
25 which is not a -- I mean it's not the majority, but it's

1 -- it's a certain segment of that -- of that customer
2 base.

3 The -- we -- we took from that question
4 and we -- the nice thing about computerized
5 questionnaires is it's easier to do this. We identified
6 the -- the rate -- the -- the plan that each individual
7 respondent had rated as their highest or their favourite.

8
9 And if -- if people gave a, for example,
10 an eight (8) to two (2) plans, we had a subsequent
11 question which prompted them to, between the two (2)
12 which one would you consider to be your -- your
13 favourite, because we wanted to ask them of their -- of
14 their highest rated plan, the one (1) that they gave
15 their highest rating out of ten (10) -- we wanted to ask
16 them a couple of followup questions with respect to --
17 and that's -- those -- those -- that data follows on page
18 36, on table 14.

19 We wanted to ask them -- so that's fine,
20 you like this plan, are you prepared to pay -- to pay a
21 premium for -- for your -- your favourite plan.

22 So we -- so we -- and that's why the "N"
23 sizes in the Table 14 are -- are different for this, so
24 we asked people what they thought.

25 Now, I guess the rubber hits the road here

1 a little bit in terms of on some these -- on some of
2 these plans, but not -- not entirely.

3 I mean, obviously we -- there's some
4 people who like the plan, but aren't -- aren't prepared
5 to pay, particularly amongst the Manitoba Hydro
6 residential customers. But -- but that tables indicative
7 -- indicative of that.

8 The -- we moved from -- we had a question
9 with respect to what -- for those who said they would be
10 willing to pay, we -- we had one (1) last followup
11 question which asked them to provide us with a -- with
12 what they felt was a -- was a dollar amount monthly,
13 extra they'd be willing to pay on their -- on their
14 natural gas bill.

15 We didn't break this out by each
16 individual plan that they had identified, because the end
17 sizes start to get quite small. But -- but you see there
18 in Table 15 some of the -- where the responses are
19 typically -- typically grouped between two (\$2) and five
20 dollars (\$5) dollars extra per month, for a longer term
21 plan.

22 We moved to a couple of additional
23 questions related to this topic. They actually skipped
24 forward a little bit to table -- table 20 on page 41 of
25 the report where we asked them -- again, we presented

1 them with the -- with the scenario of Manitoba Hydro
2 offering more than one (1) product in the marketplace.

3 And -- and in this we -- we narrowed it
4 down to a couple of different answer choices. We asked
5 them whether or not that would -- they would support
6 Manitoba Hydro offering a fixed-rate plan. We -- we
7 provided a range to prio -- we have already introduced at
8 this point, the notion that's there different term --
9 terms for these plans, so we just indicated that this
10 would be a range of somewhere between a year to five (5)
11 years.

12 The majority of Manitoba Hydro customers,
13 56 percent, would support that. Obviously, the marketer
14 -- again, the marketers are -- are potentially more --
15 you know, more familiar with the fixed rate; a higher
16 number of marketers would support Manitoba Hydro offering
17 a -- a fixed rate -- a fixed rate plan.

18 There's -- somewhat less support -- we
19 presented the other -- the other end of -- of the -- of -
20 - of an offering that Manitoba Hydro could provide, which
21 would be basically a variable rate plan with no -- with
22 no term -- term setting incorporated; basically just the
23 monthly spot -- monthly price. Less -- somewhat less
24 support but interesting, you know, divided on almost all
25 -- all populations in terms of the -- the support and

1 opposition to that -- to that -- that approach.

2 The -- the -- we asked again another
3 question, in terms of just a -- just a point blank
4 question: Should -- should Manitoba Hydro provide more
5 than one (1) option or -- or only one (1) option to its
6 customers, to its natural gas customers?

7 Almost two-thirds (2/3s) of their
8 customers, or their residential customers, 64 percent,
9 wanted to see more than one (1) option. Three-quarters
10 (3/4s) of marketer residential customers would like to
11 see Manitoba Hydro offer more than one (1) option.

12 This is the table that I indicated where
13 we had adjusted the "N" size, the following table, 21(b),
14 were then -- were people who -- who said they would like
15 to see Manitoba Hydro offer more than one (1) option.

16 We presented the scenario that would they
17 still support this if it meant -- if one of the
18 consequences, it meant that there would be less
19 competition, potentially less competition, in the -- in
20 the marketplace, in the Manitoba marketplace.

21 And again, of that -- of that group that
22 wanted that more than one (1) option, a significant
23 percent, a fairly large percent, almost 70 percent,
24 across all three (3) populations if you look at table
25 21(b) would still -- still indicated that they would

1 support Manitoba Hydro offering more than one (1) -- more
2 than one (1) option.

3 The -- the only other -- the other -- the
4 other question that I would -- would -- would note that
5 indicates that there's a -- there's a desire amongst --
6 amongst Manitoba Hydro residential customers for some
7 alternative product, is actually a question that --that
8 we asked -- it was designed more so to look at the effect
9 of a contract on -- on customer attitude.

10 And for that one I'll get you to probably
11 flip back to page 33 of the report. There's a graph on
12 page 33, I'm assuming.

13 And the question was -- there's a couple
14 of options in terms of purchasing natural gas. You can
15 purchase a rate -- you can purchase natural gas without
16 any contract but the rate will -- will vary every three
17 (3) months or you can -- you can purchase natural gas
18 product under a -- under a contract where the -- where
19 the rate is locked in for a -- for a certain period of
20 time, usually three (3) to five (5) years.

21 The interesting finding to -- to me in
22 that -- in that graph is the -- is again the -- the kind
23 of divergence of opinion within the Manitoba residential
24 customer, where 51 percent indicated a preference for not
25 being under any contract but 44 percent said that they

1 would accept going under contract for that fixed rate.

2 An indirect -- indirect way but it doesn't
3 contradict what we've seen -- what I went over earlier in
4 terms of the desire for -- for additional products from
5 Manitoba Hydro.

6 The section of the survey looked at the --
7 I have to get this right -- Manitoba Hydro's price
8 management program. Back in 2003/2004 I was schooled in
9 the fact that it was the derivatives hedging program. I
10 kind of like this name better.

11 The -- it was -- we didn't spend a -- a
12 long time on this. Part of what we wanted to do is we
13 had some -- we had some original data from 2004 survey in
14 terms of the -- the support for this program, and -- and
15 so we wanted to re-ask that question in terms of, you
16 know, had we -- is there any change in that, amongst the
17 -- amongst the Manitoba Hydro population.

18 So we -- and as well we wanted to
19 determine again just general awareness of -- of the
20 program, whether there had been a change in that.

21 The answer to both is there hasn't really
22 been any -- any significant change, and certainly not in
23 awareness.

24 It's still not -- not a well known form --
25 well known program that -- that Manitoba Hydro runs.

1 Less than 5 percent, in any population, mentioned it as -
2 - in terms of being -- being familiar with it and a top
3 of mind. Most programs that -- that people associate, in
4 terms of price management are -- are programs such as the
5 Equal Payment Program or Plan -- EPP or the budget plan
6 what most people refer to -- or just general conservation
7 activities. Those are -- those are the more frequent
8 mentions.

9 The -- we provided a definition to -- to
10 respondents. The definition, I believe is located -- it
11 was -- it was page 19, potentially. I won't -- maybe my
12 colleague, Eric, can determine where that is. It was
13 footnoted -- footnoted in the -- in the report.

14 I'll -- I'll just make -- the definition
15 is not -- I'll be the first to admit, the definition is
16 not -- I mean it's -- it's wordy but this was one (1) of
17 the areas where I -- when I indicated earlier in terms of
18 that discussion around why we had focus groups before the
19 survey in 2004 versus after in 2007.

20 This was one of the areas that we did draw
21 upon what we learned and what we -- what we test run in -
22 - in 2004. The focus groups we did in 2004, a large part
23 of those discussions were focussed on the -- on the rate
24 management program, or the derivatives hedging, and I can
25 recall introducing, sort of, one (1) aspect of it and

1 getting blank looks across -- around the table and -- and
2 spending a fair amount of time going through, in terms of
3 here's how it works and -- and understanding -- having
4 people describe it back to me.

5 So in 2004 we felt comfortable, after
6 these focus groups, that we had a definition of this
7 program, that while people were -- you know, we were --
8 we were reading into -- you know, unfamiliar with the
9 program, they could grasp the intent of the program and
10 generally how it was to work. The language tweaked a
11 little bit in 2007 but -- but a good essence of it
12 remained -- remained intact.

13 So that was the definition we provided --
14 we provided respondents, and then asked them several
15 questions in terms of their impression of the program:
16 Did they support the program? A good number of -- a good
17 number of -- of customers support the program; 68 percent
18 of residential customers; slightly less with the
19 commercial customers.

20 We asked them, in their percept -- in
21 their perspective did they feel the program is working
22 well? 71 percent says it is -- in their view it has
23 worked well.

24 We asked a question similar to what we
25 asked in 2004. We presented three (3) scenarios to

1 customers -- we presented three (3) scenarios to
2 customers, in terms of possible changes to the -- to the
3 price management program. We could expand -- expand the
4 program and -- and smooth out prices more; we could leave
5 it as is; or we could eliminate the program.

6 In 2004 we had a -- we -- we didn't have
7 the option of eliminate, we had the option of -- of
8 decrease. In discussions, in those pre-questionnaire
9 discussions, around this point, it was noted that
10 decrease really wasn't an option. In fact, probably a
11 better option to present to customers was that the
12 program be eliminated, and provide that as the third
13 choice.

14 So we -- we presented that to -- to
15 consumers, to -- to Manitoba Hydro customers. The -- the
16 results were fairly -- fairly consistent to what we found
17 in 2004, even with the slight change to the -- to the --
18 to the last answer option.

19 63 percent of Manitoba residential
20 customers felt it should continue in its present form, 17
21 percent thought it could be eliminated all together and -
22 - and 16 percent thought it should -- should increase.

23 From there, we moved to a series of
24 questions on the equal -- equal payment plan, the budget
25 plan. We asked people specifically an aspect of the

1 equal payment plan that there was -- there was in -- in
2 one of the objectives that their -- the need to explore;
3 that was the -- the practice -- the current practice of
4 having a top-up month for consumers on the plan.

5 And there was some discussion whether or
6 not that was presenting a problem, having a -- having
7 top-up or -- or -- or, alternatively, credits, but all
8 of this occurs in one (1) month. Perhaps, there was a --
9 a view that maybe this should be spread over -- over the
10 year. And if -- particularly, if there was a -- top-up
11 required from the consumer, this would ease that -- that
12 burden.

13 First of all, people are -- people are
14 generally aware of that; that's how the equal payment
15 plan currently works; that there is this top-up or credit
16 month that -- that they -- they come across every year.

17 The -- there's not -- there's not huge --
18 in my view, there's not a great deal of desire that
19 probably -- change the way it currently works. 16
20 percent would like the -- the charges spread over -- over
21 a year. 35 percent would like it to keep it the way it
22 is. But the largest number of responses; it really
23 doesn't matter. Like, it's not -- not something, I
24 think, they're -- they're necessarily too -- too taken
25 with, in -- in any way. So it certainly doesn't appear

1 to be a -- an issue for -- for customers.

2 There were a couple of other questions,
3 with respect to the EPP and these -- these were regarding
4 the way people -- again, and there was an objective --
5 there was a way -- way people enrolled in -- in the -- in
6 the system. Again, there was -- there was some
7 discussion that -- that perhaps the -- the equal payment
8 plan should be a -- a default plan and -- and people, if
9 they didn't want to go on it, they could -- they could
10 decide -- they would have to indicate that they didn't
11 want to go on it, but -- but they automatically were
12 enrolled.

13 On the -- on this -- this point, the
14 data's fairly that -- probably not advisable to -- to
15 change the way the EPP currently operates; that is,
16 people indicate that they'd like to be on the plan and
17 enroll as opposed to automatically being on the plan.

18 And a few questions there -- these were on
19 page 45, table 25 -- you'll see that a -- a strong
20 majority would -- would like to remain -- have the system
21 remain as it is. And if you were to change it, you would
22 have some upset consumers.

23 The -- the last section of the -- of the
24 survey, and this will conclude my -- my comments on -- on
25 the -- on this report -- we got into the -- some of the -

1 - the marketers' supply arrangement and then -- and then
2 the -- the experience with -- with the independent
3 marketers and including the door-to-door and other --
4 other experiences, in terms of -- in terms of that
5 process. The marketers are -- are quite satisfied with
6 their situation, marketer customers, and express fairly -
7 - a fairly high degree of satisfaction.

8 These findings start on page 47, if
9 anybody's following along. The other think I fou -- I
10 thought interesting is that there's -- marketers have
11 been with -- or -- or the marketer customers we spoke to,
12 have been with their independent marketer for some period
13 of time. Certainly, you know, more than two (2) years.

14 And -- and a good percent, almost -- over
15 a third have been with their independent marketer for --
16 for more than five (5) years. It's not new.

17 The -- we asked customers, residential
18 marketer customers, why they signed up the marketer and
19 the -- and this is fairly we -- we -- consistent with
20 some -- with some data we've seen earlier in 2004 that
21 they -- they expect that they can perhaps save money, and
22 it'll help smooth out price fluctuations.

23 This was an open-ended -- an open-ended
24 question. We just asked people, in their own words, and
25 then coded -- coded these responses to some codes that we

1 developed -- entire responses.

2 Door-to-door is the primary way that --
3 that customers are entering the relationship with their
4 natural gas marketer. The -- we -- we went a little
5 further on the door-to-door, and we asked the entire --
6 all three (3) populations whether not they'd -- they'd
7 been approached at the door by a natural gas marketer.

8 And fairly -- fairly common occurrence
9 among Manitoba Hydro residential customers, 74 percent,
10 as well as marketer supplied customers. And seventy-
11 seven (77) -- seventy-seven (77) -- that's not surprising
12 -- little less, with the small commercial customer.

13 People who had been approached at the door
14 by a natural gas marketer, we asked them a battery of --
15 of statements and we asked them whether or not they
16 agreed or disagreed with these statements.

17 And the statements were developed
18 basically addressed -- this is on page 50 -- address from
19 my -- again from the -- from the pre -- from the pre-
20 questionnaire discussions that we had with -- with --
21 with Manitoba Hydro and third parties.

22 These were some of the concerns or some of
23 the issues that they had -- they had heard and wanted --
24 wanted to test whether or not what the -- what the
25 incidence -- or how people felt about some of these

1 statements.

2 The -- generally, there were four (4) in
3 total. Generally there were -- there were -- there were
4 two (2) there that I think are of, you know, fairly --
5 fairly positive, in terms of from the natural gas
6 marketer perspective, in terms of the -- they appear to
7 be identified at the door and -- and there's not a
8 confusion between them and -- and not Manitoba Hydro.

9 Almost 80 percent agree in total whether,
10 you know, somewhat or strongly, to that statement. And
11 in addition, there appears to be a -- appears to be a
12 sense that they are aware -- people are aware when
13 they're at the door that the -- the rate they're being
14 offered by the natural gas marketer is different than the
15 rate currently that is -- that is currently being offered
16 by Manitoba Hydro.

17 There was some discussion around that.
18 The findings are -- are more -- more split, more divided
19 on the other to actually these that we tested. Door-to-
20 door representative informed me of the details of the
21 plan, plans being offered including rates. Slight
22 majority feel that that was the case. But certainly not
23 as inten -- not as high as -- as what we saw in the other
24 two (2) attitudes.

25 And then the question with respect to

1 being pressured -- this notion of being pressured to sign
2 up at the -- at the door by the natural gas marketers is
3 about a -- pretty much a 50/50 split amongst the Manitoba
4 Hydro residential customers, but certainly not the -- not
5 the sort of dominant opinion among the natural gas -- the
6 marketer residential customers.

7 The -- we asked people, just in general,
8 irrespective of the -- of the -- those preceding
9 statements, just their general comfort level of being
10 approached at the door by natural gas marketers. And
11 there's -- amongst Manitoba Hydro residential customers,
12 there's certainly not a strong comfort level with this
13 marketing approach.

14 It's more comfortable for -- for the
15 current marketer residential customers, but even with
16 them there's -- it's -- it's a fifty/fifty (50/50)
17 basically that people would -- in terms of their comfort
18 level with this -- this approach, ultimately. People
19 would prefer to -- we -- the last of a couple of
20 questions was -- was people would prefer a direct -- more
21 of a direct mail approach.

22 When we asked them, sort of, what -- what
23 other -- what other, you know, what other sign-up methods
24 would you like available when signing for -- up for
25 natural gas services. Direct mail was the most frequent

1 mentioned. This was a multiple mention; they could
2 select more than one (1) -- one (1) choice.

3 Online was also significantly mentioned,
4 as well as via telephone; 17 percent. But -- but direct
5 mail is -- is certainly the preferred approach. I
6 believe that about does what I've -- I've got for my
7 comments on that.

8

9 CONTINUED BY MS. MARLA MURPHY:

10 MS. MARLA MURPHY: Thank you, Mr. Enns.
11 Turning to the focus group, could you pre -- please, just
12 briefly describe for the Board the role of the focus
13 group in this engagement?

14 MR. ANDREW ENNS: The -- the primary
15 objective of the focus group and this was -- I identified
16 this in the -- in the RFP, as definitely this would be
17 one (1) aspect that we'd want to test in a focus group --
18 was to tes -- there was -- there was a desire to look at
19 some communication materials and test some communication
20 -- communication related questions, I guess, that -- that
21 there was -- there was some printed material, some
22 existing residential -- the residential buyers guide and
23 so that was referenced in the RFP.

24 It was my -- my opinion that -- that that
25 sort of testing would be a -- would be better done in a

1 focus group setting. The -- the buyers guide had been
2 distributed back -- it's probably getting to be almost a
3 year ago now and -- but certainly it was -- it was six
4 (6) months ago at the time of the research, I think. I
5 stand to be corrected.

6 But in any event, I felt the recall of
7 this buyers guide was going to be sufficiently low, that
8 in a survey setting any meaningful -- we wouldn't get any
9 meaningful feedback on the buyers guide, but we'd have
10 much better, much more meaningful, much more helpful
11 feedback on it in a focus group setting.

12 So that -- that was the -- was the primary
13 purpose of the focus groups, was to look at some of these
14 communication materials. In addition, later on I was
15 informed that there two (2) other ad -- advertising
16 inserts that we were going test as well, and get
17 reactions and some feedback on.

18 The -- in -- in addition to the
19 communication materials, the other objectives of the --
20 of the focus group were -- we would -- we would explore
21 in a bit more detail how knowledgeable consumers
22 considered themselves, regarding natural gas purchasing.
23 We were going to determine how -- we were going to
24 explore a bit of detail, just their awareness and
25 understanding of the various components of their natural

1 gas bill.

2 And again, in a focus group setting,
3 that's easily done, in terms of even distributing a mock
4 -- a mock bill and asking them to explain some different
5 things. We were going to explore a -- a bit more, in
6 terms of the -- are customers aware of alternative
7 natural gas purchases sources and a different produce
8 options.

9 And finally, we were going to discuss with
10 them a bit more, in terms of what sort of information
11 would be useful to them when it comes to natural gas
12 purchase options, and how would customers like to receive
13 that. So in the course of that discussion -- purely on
14 the communication materials, we were able to, sort of
15 draw upon, sort of comments about, you know, this -- this
16 is good, but it'd be nice if it was in a different format
17 or came this way. So that was the -- that was sort of
18 the -- the objectives, the focus of the focus group, so
19 to speak.

20 MS. MARLA MURPHY: Could you just briefly
21 describe for the Board how it is that the focus group
22 sessions are conducted?

23 MR. ANDREW ENNS: Well, I think I'll
24 start with sort of the screener, if I -- in terms of how
25 we -- how we -- how we get the people to -- that we want

1 to speak to -- a focus group consists of anywhere between
2 eight (8) to -- eight (8) to twelve (12) people,
3 typically.

4 I mean, it can be larger if you're doing
5 different things and testing materials. But typically in
6 the industry, it's anywhere between eight (8) to twelve
7 (12) people. Usually for that you'll recruit about
8 twelve (12) because not everybody makes it to the
9 session.

10 In order to do that, the first -- one of
11 the first steps is -- apart from -- apart from
12 identifying your objectives and understanding what you're
13 going to try to accomplish in these groups -- the next
14 step is to develop a screening instrument, a recruitment
15 instrument, which is basically just a very -- a very
16 short abbreviated questionnaire. But the questionnaire
17 is -- is -- is important on a number of -- on a number of
18 fronts.

19 One (1) is -- people generally aren't as
20 familiar with focus group or qualitative research as they
21 are to -- to a survey and opinion research when they get
22 a call to do a survey over the phone.

23 So the first part of a -- of a screener
24 and one (1) of the key parts of the screener is to
25 explain to people, in very general terms, what it is a

1 focus group is and -- and what role it plays in -- in
2 market research.

3 So we have some very -- some standard
4 language that we -- that we do that in the -- in the --
5 in the -- in the -- in the upfront part of the -- of the
6 screener.

7 In addition, it's important to -- to -- to
8 describe a little bit of the group itself. That it's a -
9 - it's a group of -- of, you know, eight (8) to ten (10)
10 other individual recruited at random.

11 Some people have issues in terms of their
12 comfort level and that sort in that surrounding, so we
13 like to -- we like to just give them some -- some idea of
14 what it -- what it involves.

15 In addition, it's important that we --
16 that we indicate to people -- in fact it's a requirement,
17 that we indicate to people that the sessions will be
18 recorded for research purposes only.

19 Their -- in the reporting, their anonymity
20 is assured, but they -- they do need to know that a
21 recording is being made of the session.

22 In addition, it doesn't hurt to remind
23 them that they'll be paid for their time. In this case,
24 we -- we paid them fifty -- fifty dollars (\$50) for their
25 -- for the participant's time. And that occurs at the

1 end of the group.

2 The second most important thing about the
3 screener is then flowing from that, providing that
4 information is we want to -- for our groups, we want to
5 ensure that we get the populations we're interested in
6 speaking with in the room.

7 In this case, we had -- there weren't a
8 lot of specific requirements. Generally, the breakout
9 was -- reflected the survey in the sense that we wanted
10 to do two (2) sessions with Manitoba Hydro natural gas
11 customers and two (2) sessions with independent marketer
12 customers.

13 So a key -- a key point in the screener
14 very earlier on was we needed to identify who was a --
15 who was a Manitoba customer, who was a natural gas
16 marketer customer and then recruit -- and then continue
17 to recruit and try to recruit them for the particular
18 groups that we -- that we had -- we had set aside for
19 those two (2) populations.

20 We included a few -- and we typically do a
21 few demographic questions. In this case we included age
22 and we tracked gender. It's not that there's a --
23 there's a -- I mean, focus groups are qualitative
24 research so in -- in a sense you're not -- you're not
25 trying to -- you're not going to end up with a

1 representative sample. I's a small group.

2 But you do want to have, what I like to
3 say, a reflective sample. So in this case, it's nice to
4 get a mix of age. There was a mix of age reflected in
5 our survey, so I felt it was appropriate that we had that
6 -- a mix of age reflected in these focus groups.

7 In addition, the same -- same goes for --
8 for gender; that in our survey we had a -- we had a -- a
9 mix of gender responding to the -- to the survey so --
10 that again that should be -- that should be included.

11 In addition, there are several -- we also
12 include several standard screening questions to eliminate
13 people from -- that either work in industry sensitive
14 occupations.

15 We typically -- other -- other people who
16 are either researchers; we usually don't want them in the
17 focus group or, in this case, we eliminate people who
18 worked for Manitoba Hydro or worked for an independent
19 natural gas marketer.

20 We also -- and -- it's -- it's -- the
21 standard can either be six (6) months or twelve (12)
22 months, but my preference is twelve (12) months. I like
23 to eliminate people who have been to a focus group within
24 the last twelve (12) months, if possible. It just
25 provides a bit of a freshness and -- and I don't,

1 perhaps, get a focus -- a focus group expert in the -- in
2 the group.

3 So that's a screening. Just a note; we --
4 as we did with the survey, the sample -- the -- the
5 sample lists that we called to recruit people were
6 provided by Manitoba Hydro, the same criteria and
7 qualifications as with the survey. Although, these names
8 resided in the Winnipeg area and I just requested that
9 for the recruit. No one's going to come -- come in from
10 Brandon for a -- for a focus group.

11 The -- the sessions themselves, we
12 conducted both -- both evenings of focus groups June 6th
13 and 7th at our -- at eNRG's focus group facility located
14 in the Electric Railway Chambers Building. I'll sort of
15 set the -- the stage on how familiar folks are with focus
16 groups, but the participant room where the participants
17 gather is -- is a very -- your typical meeting room.
18 It's got a -- a somewhat odd-shaped triangular focus
19 group table designed so participants can't try to hide
20 from me. I can always make eye contact because of the
21 setup of the table and, therefore, keep them engaged in
22 the -- in the conversation.

23 The -- the room is divided by a one (1)
24 way -- by a large one (1) way mirror. On the other side
25 of that mirror is a much more spacious and well-appointed

1 client room where -- where clients can view, with some
2 anonymity, the discussion in the participant room. It's
3 -- the -- the barrier between the two (2) rooms is
4 soundproof, within reason, so you can have a conversation
5 in terms of what you're hearing and -- and -- and
6 reactions and discussions as -- as things are going on.
7 There's -- video and -- and audio are piped into the
8 client room.

9 In terms of my role as -- as moderator, I
10 have a fairly standard approach. I -- I moderate a -- a
11 large number of focus groups. I was going back this year
12 and -- and I'm over sixty (60) so far, so I intend to
13 sort of work through some -- some standard things to --
14 to help me work through these.

15 I indicate who I am. I introduce myself,
16 the company I work for, and depending on the nature of
17 the research, I identify the sponsor of the research. In
18 this case, I identified Manitoba Hydro as the sponsor. I
19 -- I explain basically the -- the -- the rules of the
20 group which I hasten to mention that there really aren't
21 very many. It's a fairly informal discussion; it's not a
22 classroom.

23 The one (1) -- the one (1) thing I do
24 stress because there is sometimes a tendency in a -- in a
25 small-size meeting -- meeting number like that is a --

1 sometimes you get a tendency the -- the people think
2 there should -- there should be consensus on -- on
3 different questions. And that in -- in my -- in my day-
4 to-day work life I -- you know the quicker you get to
5 consensus, the quicker you can get out but in this --
6 this isn't the point.

7 The point is individual personal opinions
8 and discussion and so I'm really not looking for -- for
9 consensus. Consensus happens at times and that's fine,
10 but -- but what I do like to stress with people is that
11 if -- if there's a -- if there -- if we're discussing a
12 point and there -- there -- there seems to be most around
13 the table are of one (1) -- one (1) view but you have a -
14 - you quite strongly feel different, you shouldn't feel
15 that you'll prolong the discussion by expressing your
16 difference.

17 I manage that and I manage the time but
18 it's important for me to understand, if there is a
19 difference, what it is and -- and how strongly you feel
20 that difference and -- and take that into account.

21 The -- in terms of a few other -- a few
22 other things I -- I remind participants that they are
23 being recorded. We've -- we've -- obviously we told them
24 when we recruited them. We've reminded them when they
25 arrived and I remind them in the room just so there's no

1 -- no surprises in that -- in that regard.

2 And I also indicate that -- that the
3 mirror behind is not to admire oneself; it's actually a
4 one (1) way -- one (1) way glass and that there is --
5 there are -- there are observers in the back room
6 observing. In this case, I didn't identify all the --
7 all the observers. In this case I just indicated there
8 were some observers in the back room.

9 I've prepared in advance of this -- we
10 didn't discuss in detail, but I have a moderator's guide
11 that I work from. This guide, in some respects, is
12 similar to a survey. I'll take a first -- take a first
13 effort and I'll share the guide with -- with the client,
14 in this case, Manitoba Hydro and -- and I believe it --
15 in fact, I know it was shared with -- with other -- other
16 stakeholders some -- for some feedback.

17 It's different in a -- in the sense that
18 it is a guide. It is not a -- it's not a questionnaire
19 and -- and certainly I don't follow and -- and moderators
20 generally don't follow the guide to the letter. It is --
21 it is truly a guide. It -- it does two (2) things for
22 me, it -- it helps me make sure I keep on track in terms
23 of time, so I don't get sidetracked or we spend too long
24 on particulars.

25 It's important; I -- I've got a fair

1 amount of material that I work through things in terms of
2 organize my time, but it also -- it's just reminders for
3 me in terms of the areas I want to cover. I'll write
4 notes in terms of things that I -- that -- that may have
5 come up that I want to -- that I want to probe, if
6 necessary, if it doesn't come up.

7 But the guide -- things don't always
8 unfold as the guide has them spelled out. If -- if the
9 conversation potentially moves into an area that actually
10 we weren't going to cover for -- for a few questions
11 later, I won't typically say, you know what, that's a
12 great -- great comment, but I don't want to talk about
13 that now. I want to -- if it's part of the flow of the
14 conversation, I will -- I will get into that discussion
15 and then pick up -- pick up where I left off.

16 So it's a -- it's a guide, it's not a --
17 it's not a hard questionnaire. I mean, my role as
18 moderator is -- is, quite frankly, to introduce --
19 introduce a few topics via questions and then -- and --
20 and -- and probe and try to elicit any respondents to
21 respond. I endeavour to make respondents feel
22 comfortable.

23 I'm always amazed -- as I said, I've done
24 a large number of these, I'm always amazed that within --
25 within a very short period of time I can put ten (10)

1 strangers in a room and they can be quite -- quite
2 relaxed in conversation around each other. But I've been
3 in offices where that hasn't happened in years, so it's -
4 - it's an interesting dynamic.

5 I -- I -- I typically will not -- not to
6 try engage respondents one on one as opposed to -- if
7 there's a comment made, I may ask another participant
8 what he or she thinks of that comment. And that way I
9 get -- I get that exchange between -- between
10 participants, which is -- which is important.

11 It's not just the answer that's -- that is
12 -- that is important in -- in understanding and -- and
13 drawing -- drawing conclusions from the discussion, but
14 it's the discussion itself. It's how they perhaps
15 compare experiences. That's it.

16 MS. MARLA MURPHY: Thank you. That
17 segues nicely into my question about your -- your
18 findings and your conclusions coming out of the focus
19 group and what's contained in your report.

20 MR. ANDREW ENNS: Okay. Well, I've tried
21 to approach this in terms of just a -- a few sort of --
22 again, sort of high level findings and findings that --
23 that stood out somewhat for me. The -- the -- the issue
24 -- one of the things that -- that -- that I felt fairly
25 early on and -- and -- was that -- that when it comes to

1 price volatility, and we had some initial questions
2 around that; perceptions of their natural gas bill and
3 natural gas in general.

4 It certainly not of a -- of the same --
5 not top of mind, but certainly even when introduced and
6 discussed in -- in greater detail, it's not of the same
7 level of intensity as it was back a few years ago. I
8 mean, I had the -- the pleasure of moderating the groups
9 back in 2000 -- I think they were actually held in 2003,
10 late -- late, very late, 2003 regarding the other natural
11 gas research that we did.

12 And in that, the -- while price
13 fluctuation wasn't -- wasn't an -- an immediate top of
14 mind. When you introduced a topic there was -- there was
15 a great deal of -- of -- of animated discussion around --
16 around the issues, there was -- there was some clear
17 recollection of -- of -- of recent times where prices
18 seemed to jump all over the map in -- in the perception
19 of some -- some customers.

20 And so I had that -- I had that
21 recollection going into these groups and that certainly
22 one -- it's one of the -- one of --one of the things that
23 struck me fairly -- fairly early on; that I certainly
24 wasn't the same kind of environment that it seems our
25 customers -- natural gas customers are sort of having now

1 in that sense.

2 There's a view that prices have been
3 fairly stable. They're going up, but they're not going
4 up in any sense more or less than what they feel most
5 other utilities in general and most everything else is --
6 is going up -- going up around them.

7 The -- they -- a few -- few comments were
8 made specifically saying well, you know, compared to the
9 price of gasoline, it's pretty stable and, you know, in
10 that -- in that environment they felt gasoline is
11 probably the -- more of an issue in this regard.

12 We -- we talked about the -- about the
13 bill. We circulated, as I indicated, and I think it's
14 been provided, a -- a mock -- a mock bill. You ask
15 people to have a look at it. They recognized it and what
16 their -- and then sort of ask them, you know, what --
17 things that they -- they looked at -- at the bill and
18 then we took them through in terms of some of the
19 specific sections of the bill.

20 Again, there's not -- most -- most people
21 are -- are -- are looking at the balance owing on the
22 bill. If they go a bit further, they look at what the
23 division of now because we've got the two (2) on the same
24 bill whether -- how much is electricity? How much is
25 natural gas? What's the total to pay?

1 It's interesting that in -- in some -- and
2 I do some -- some billing-related work for another
3 utility -- that the advent of online bill payment, you
4 get people's -- I often don't look at a bill on a -- on
5 any given month. I don't even get the bill. It comes
6 automatically. I mean they may get it by e-mail but it's
7 not something you look at, so there is some of that that
8 does occur.

9 The -- when you -- when asked people if
10 the rate changes where would you find that information,
11 people are -- are not particularly educated in terms of
12 where they would look for that information if they were
13 informed. You know, if the -- if the price -- if the
14 actual rate for natural gas changed, where would you find
15 that information? It's not -- it's not very -- it's not
16 very clear to them. It's not something they certainly
17 look at.

18 The -- probably the most consistently
19 confusing aspect of the bill is the line "Supplemental
20 Gas". Really not a very strong understanding of what
21 this is and -- and even at times when presented with the
22 definition of what it is, it's not entirely clear even at
23 that point what this line item is.

24 The -- the other interesting to me that I
25 -- that I identified in my report was this -- this

1 pertained specifically to the -- to the -- the customers
2 of the independent marketers -- was the -- there was not
3 a very clear sense that -- or clear understanding of
4 where they -- where on -- on their bill, they would find
5 reference to the fact that they were purchasing gas from
6 someone other than Manitoba Hydro. It -- some people
7 suggested that there is a separate section that detailed
8 all these costs, and that was highlighted by -- this was
9 from your marketer.

10 It -- it -- very few -- very few people
11 and -- and very few marketer customers understood that
12 it's a -- there's a bracketed reference in the primary
13 gas -- primary gas item. I thought that was interesting.

14 The -- there was -- there was -- as we saw
15 in the -- in the survey, there was fairly high awareness
16 of the -- of the fact that there's different options,
17 product options, that you're able to purchase from a --
18 from an independent marketer. There was high awareness
19 of the fact that there is competition in -- in -- in
20 Manitoba in this regard, and there was high awareness
21 that you could -- you could -- there's some different
22 products.

23 And the products people were fairly clear
24 tended to turn on the issue of the term length, that if -
25 - that the marketers offered a longer term natural gas

1 product.

2 We introduced the -- the -- the phrase
3 "profit motive" and -- to understand whether or not there
4 were -- again, as it related to independent marketers,
5 whether or not there any -- any underlying concerns about
6 -- about the -- the -- the profit motive of these
7 companies. And, interestingly, there's -- there was no -
8 - no strong -- no strong concerns voiced, kind of not
9 verbatim but, you know, I mean their companies -- they
10 have to make a -- they have to make a living like other
11 companies.

12 It is interesting that the notion that
13 Manitoba Hydro does not make profit from the sale of
14 natural gas is not a -- is not a well understood fact.
15 People are not -- people are under the impression that
16 Manitoba Hydro makes money from selling -- from selling
17 natural gas.

18 And so, in -- in a sense, they -- if -- if
19 -- if Manitoba Hydro -- if they -- in their view, if
20 Manitoba Hydro makes money from selling natural gas,
21 there's nothing wrong with the independent marketer for
22 making money selling natural gas.

23 I -- I -- after that discussion went on, I
24 explained to them that, in fact, Manitoba Hydro doesn't -
25 - doesn't make a profit from -- from the actual sale of

1 natural gas. They pass on the cost of the gas directly.

2 Participants have a hard time believing
3 that in -- in the discussion. And it didn't -- again, it
4 didn't perceptually change their impression of the profit
5 motive of independent marketers.

6 If Hydro wasn't -- I mean, there were a
7 couple of comments to the fact that, well, if Manitoba
8 Hydro wasn't making money off the actual sale of the gas,
9 they must be making somewhere.

10 The -- the discussion on this -- this
11 notion of the -- the independent marketers and -- and
12 Manitoba Hydro raised another, I -- I thought, somewhat
13 interesting point in that there certainly is a
14 discernible trust factor among customers when -- as it
15 relates to Manitoba Hydro.

16 And -- and particularly among their
17 residential customers. I mean, there's just a -- a
18 comfort level with -- with Manitoba Hydro in terms of
19 knowing them. They're -- they're certainly a familiar
20 company.

21 There's a perception that they're a public
22 company and the perception they'll be around -- around
23 forever. So -- so I made note of that in my report.

24 The -- before moving into the
25 communication, we -- we spent a little time talking to

1 the marketer groups specifically in terms of just
2 understanding their experience with -- with their
3 supplier, their natural gas supplier.

4 And as we saw in the -- in the survey,
5 generally in the -- in the focus groups the -- the
6 experience had been good. They -- they've had no -- no -
7 - no -- no issues that were raised strongly in the
8 groups.

9 And -- and to me, through the course of
10 the conversation that we have over the course of the
11 session, one (1) of the things that -- and I made of this
12 -- is it was apparent that a large number of the marketer
13 customers had renewed at least once, and if not several
14 times, with their supplier which in -- in my perception
15 is a -- is a fairly good indicator that they're happy
16 with the -- with the service they're -- they've been
17 getting.

18 We moved to the information piece. This
19 is the last section of the -- of the discussion although
20 it was -- we spent a fair amount of time on this. As I
21 noted earlier we had -- we had three (3) pieces that we
22 were primarily interested in testing.

23 They're -- the one was the -- the
24 Residential Buyers Guide. I don't have -- you probably
25 have one there, Eric, in hand. But I'm assuming you've

1 seen this document. It's a part of the -- part of the
2 paper here.

3 We -- we tested that -- we started off by
4 just sort of the top of my -- you know, have you received
5 any -- noticed any material. People reference the bill
6 inserts that they -- that they got in their -- in their
7 bill -- thanks, Eric -- that they got in their bill.

8 The -- then I distributed this. We had
9 copies, this was the format and we -- we distributed it
10 to participants and gave them about ten (10) minutes just
11 to work on their own and go through it and -- and -- and
12 spend some time reading it.

13 As they were doing so we asked them -- we
14 -- we had provided them with -- with coloured
15 highlighters; pink and blue, I think we had. And pink
16 was to -- for them to circle, highlight, underline,
17 identify anything that they felt was either confusing,
18 they didn't agree with or struck them in some way as
19 negative, and blue was a more of a -- was a positive; was
20 the opposite. Good information, helpful information, a
21 very clear -- a clear statement or clear -- clear
22 paragraph. And we just asked them as they were reading
23 through to make note of different things as they -- as it
24 struck them and any other comments.

25 I mean, it was really just a chance to

1 sort of -- to put those comments -- get those comments on
2 there independently and then -- and then we would -- we
3 discussed that as a group. I won't go into -- into
4 detail on -- on all the specific areas, but I mean gen --
5 generally I mean the -- the reaction to the piece in --
6 in all sessions was -- was -- was quite positive in the
7 sense of the information it provided, the layout, the
8 format, the clarity of the language.

9 There was -- there were some specific
10 areas where there was still some confusion or some
11 questions about the wording, but -- but overall, I mean,
12 people thought this was a very -- a very good piece.
13 When we asked -- before I got into discussion, I asked
14 people, so do you remember getting this, 'cause I think
15 that most residences in Manitoba were to have received
16 that and -- if I had one (1) or two (2) in -- in any one
17 (1) group, that was about it.

18 There was not a strong recall. Now, the -
19 - the hand -- the piece that was distributed was in a
20 slightly different format, which I did show them the --
21 the different format, but still not a strong recall. And
22 that -- that is the -- that highlights the -- the big
23 problem that people identified in -- in -- is that it's -
24 -it's great information it's just a little too long for
25 people to spend the time to -- to go through.

1 So that was -- one of the key problems
2 with that is -- is there -- there -- and we identified
3 this in report, there is some tweaking of -- of language
4 here and there and -- but by and large, they were quite
5 happy with the layout and the language in -- in the
6 information provided, but -- but it -- but there just
7 needs to be -- people suggested breaking it into -- into
8 different postcards or into smaller brochure, two (2)
9 page type things, or other just more digestible.

10 One (1) suggestion that -- that I thought
11 was interesting was to -- to -- to tie this to when --
12 when there's natural gas prices actually in the news;
13 like, when there's actually some dis -- some stories
14 about that. I can think back to, I guess maybe a couple
15 years ago now, when Hurricane Katrina was going through,
16 there were some follow up stories about the impact and pe
17 -- one person suggested that when there was more media
18 coverage, it might spur them on to -- to actually take
19 note of this when they saw it.

20 The other -- the other issue with this
21 piece and -- and it -- this was a much more subtle --
22 subtle finding, was that -- and it came up initially in a
23 -- in -- in -- spontaneously in one of the Hydro groups
24 that there -- one person commented there was a perception
25 of bias in the document.

1 That -- that somehow this document was
2 more favourable to Manitoba Hydro and less favourable to
3 -- to independent marketers. It was subtle and it wasn't
4 certainly a -- a particularly strong or adamant kind of
5 suggestion, it certainly didn't deflect from the fact
6 that they felt the information was good.

7 It was a comment that was made and I
8 thought it was important to pursue that and -- and I
9 pursued it and -- and I then -- in subsequent groups, the
10 two (2) marketer groups, if it -- if it didn't come up on
11 its own, this -- this notion of potential favourability
12 to Manitoba Hydro, I -- I would -- I would add that into
13 the discussion because I thought it was important to see
14 whether or not there was any sort of further to it.

15 It's a pretty -- it's a subtle -- my view
16 would be, a subtle perception and with -- and I think
17 there's a distinction to be made with a -- with a
18 Manitoba Hydro customer, like a -- say a non-marketer
19 customer -- that if -- if an individual has some -- some
20 already predetermined negative opinions or -- or certain
21 negative opinions about what -- an aspect of a marketer
22 service, so they already have a preconceived bias
23 potentially going in on some aspect, I mean, not an
24 overall thing; this might -- they might latch on to
25 certain things in here to sort of confirm that.

1 Marketers, on the other hand, were --
2 again, they -- they -- they were equally supportive of
3 the document, but there were a couple of references that
4 they sort identified, particularly the notion of
5 specifying the no contract versus contract. They felt it
6 sort of made it sound like this was a bit more favourable
7 to -- to Manitoba Hydro.

8 The other point was on the back. A
9 number of people commented that -- the fact that it says
10 on the back, 'Manitoba Hydro developed the -- the
11 brochure' led them to -- to also believe that, you know,
12 there -- that this was, you know potentially a document
13 more favourable to hydro.

14 Again, I -- I made the point because I
15 thought it was important to -- to indicate that there is
16 that subtle -- subtle current opinion, but I also made
17 the point that it wasn't certainly a dominating or a very
18 -- or a particularly strong opinion, and certain didn't
19 deflect from the fact that -- that people, by and large,
20 viewed this as a very helpful document and then provided
21 good information.

22 The -- the final two (2) print inserts
23 that we tested were -- were developed in the format of
24 maybe for a newspaper advertising insert. They were --
25 they were certainly not near as wordy as -- as this.

1 Again, we did similar thing --
2 independently, we distributed this to people and had --
3 independently, they -- they allowed them to sort of
4 digest and read through and -- and make a few comments to
5 themselves. Written comments in terms of their -- what
6 they felt about it, what they liked or they didn't like
7 and then we discussed it as a group.

8 The two (2) inserts -- again, I'm sure you
9 have -- you have both in your -- in your files, but
10 generally kind of mixed reactions to -- to both. Neither
11 one sort of hit a home run in terms of this is a really
12 good piece, you should do it.

13 The -- the -- the one (1) insert that
14 provided price comparison was overall the more preferred
15 advertising insert than the other one that just provided
16 very general information.

17 The -- the view was the one that provided
18 sort of general contact information about the -- about
19 the -- about how to find out more information about
20 products and provide the web site was good, but it was
21 pretty basic.

22 And if you're interested and people felt
23 you could -- you could find this out more on your own.
24 The -- the price comparison certainly generated a fair
25 amount of discussion. They liked seeing the compar -- I

1 mean that -- that was an issue for -- for them that sort
2 of came up; the ability to compare the -- the price of
3 the products.

4 The problem was that -- it was fairly
5 quick in the discussion -- that you weren't comparing
6 apples to apples and -- and people picked up on that
7 saying it's not -- you know, the terms were different and
8 so, you know, they would like to see some -- some more
9 comparable pricing if possible.

10 So -- so they liked the notion of pricing
11 but they -- this wasn't quite it. It's -- it's not quite
12 there. We introduced, after the first set of groups, and
13 -- and we got some discussion on -- especially on the
14 pricing ad insert, there was discussion on the fact that,
15 you know, what people wanted in the groups.

16 They -- they want to see some historical,
17 like, you know, show me over a longer term how the
18 different products perform. I mean, give us -- give me
19 some context. So Manitoba Hydro had -- had a graph that
20 plotted their three (3) month rate against the Alberta
21 natural gas spot market rate and just plotted that in
22 over a -- I think it was over a one (1) year -- one (1)
23 year and eighteen (18) month time frame.

24 And we didn't spend time discussing the
25 actual specific information on that, but -- but rather

1 after we'd talked about the ad inserts and -- and had
2 this discussion, we just as an -- as a possible approach
3 to providing some historical context or some -- to -- for
4 -- for consumers to make these decisions, would something
5 along these lines be helpful?

6 And -- and there certainly was interest in
7 that kind of -- that kind of approach. Like the ability
8 to go back -- obviously they appreciated it's not
9 possible to sort of predict about the future, but to be
10 able to look back over the last period of time and
11 understand where -- where different products and
12 different pricing sort of netted out was -- is of
13 interest -- is -- is of interest -- is of interest to
14 them.

15 THE CHAIRPERSON: Mr. Enns, Ms. Murphy, I
16 think we'll take a short break now, if you don't mind.
17 Give you a little bit of a rest.

18 MS. MARLA MURPHY: Sure, thank you.

19 THE CHAIRPERSON: We should be back about
20 five to 11:00, we'll let you wind up then.

21

22 --- Upon recessing at 10:42 a.m.

23 --- Upon resuming at 11:01 a.m.

24

25 THE CHAIRPERSON: Okay, Ms. Murphy.

1 MS. MARLA MURPHY: Actually, Mr.
2 Chairman, your timing was very good and Mr. Enns has
3 completed his direct. He's available for cross-
4 examination.

5 THE CHAIRPERSON: Thank you. So Mr.
6 Peters...?

7 MR. BOB PETERS: Thank you, Mr. Chairman.

8

9 CROSS-EXAMINATION BY MR. BOB PETERS:

10 MR. BOB PETERS: Good morning, Mr. Enns.

11 MR. ANDREW ENNS: Good morning.

12 MR. BOB PETERS: Mr. Enns, you've been
13 with Western Opinion Research which morphed into eNRG
14 Research Group for seven (7) years now.

15 MR. ANDREW ENNS: Yes, correct.

16 MR. BOB PETERS: And you had no
17 involvement in Nordic Research, is that correct?

18 MR. ANDREW ENNS: No, I did not.

19 MR. BOB PETERS: And you've told us in
20 some of the Information requests that you've answered
21 that Western Opinion Research had four (4) assignments,
22 or contract, or studies done for Manitoba Hydro between
23 February of '03 and April of '05, do you re -- do you
24 recall that?

25 MR. ANDREW ENNS: Yes, we are sub-

1 referenced to that.

2 MR. BOB PETERS: Did you pers -- did you
3 personally have involvement in all four (4) of those
4 studies?

5 MR. ANDREW ENNS: Yes, I did.

6 MR. BOB PETERS: And when you talked and
7 gave your evidence to Ms. Murphy this morning, would you
8 -- I wonder if you would agree with me that I could sum
9 up what you did in these various studies and in the
10 current ones into five (5) steps: you design the survey,
11 you choose the sample, you ask the questions, you
12 interpret the data, and you write the report.

13 Have I left anything out?

14 MR. ANDREW ENNS: I would add some
15 consideration with just the overall research design; is
16 it a survey that we need to do or should we do focus
17 groups or do we do a combination. So probably one (1)
18 step prefacing your design in the survey. You make that
19 decision and then you move forward from there.

20 MR. BOB PETERS: So you design the survey
21 and or design a focus group report. You have to decide
22 which way you want to go.

23 MR. ANDREW ENNS: Yeah, well, we go --
24 we'd -- we sort of look at the -- we -- we look at the
25 research problem or challenge and look at the methodology

1 that we think will best meet that. And that could be a
2 survey, it could be a focus group, it could be a
3 combination; and then when we make that determination,
4 we'll move forward and say, okay, we need to design a
5 questionnaire and then we move forward with those as the
6 steps that you've outlined.

7 MR. BOB PETERS: And you told us you had
8 involvement in the -- you call it the 2003 and sometimes
9 the 2004 report, but that's the one that spanned to two
10 (2) calendar years for Centra Gas.

11 MR. ANDREW ENNS: Correct.

12 MR. BOB PETERS: When you said you had
13 four (4) studies and -- and did involvement for Manitoba
14 Hydro, did you mean Manitoba Hydro, the electric side of
15 the business, or Centra Gas on the gas side of the
16 business?

17 MR. ANDREW ENNS: The studies -- I'll
18 just look at them here. I've got them -- Cole's notes
19 version. Tended to involve both of Manitoba Hydro's
20 customers; electric and natural gas. The -- obviously
21 the large study and -- and that span the calendar year
22 '03/'04, were -- was exclusively with natural gas
23 customers.

24 I did some work in '04 on the combined --
25 combined billing concepts. We looked at some different

1 ways that the combined billing could be presented. That
2 involved both customer types; electric and natural gas.
3 We -- I did some work with respect to perceptions and
4 attitudes toward the EPP, the Equal Payment Plan, and
5 that in -- and that involved both natural gas and
6 electric customers.

7 The one (1) -- to be honest, I'm not sure
8 about was I did some -- some interviews, a small survey,
9 a couple of times with respect to the credit and
10 collections processes. And I can't recall if that was
11 exclusively electric or if that involved both customers
12 as well.

13 MR. BOB PETERS: The reports that are
14 presently before the Public Utilities Board are the first
15 studies and reports done by eNRG Research Group for
16 Centra Gas?

17 MR. ANDREW ENNS: Yes.

18 MR. BOB PETERS: And this morning you
19 corrected some pre-filed evidence through your answers to
20 Ms. Murphy and in total, eNRG has done, you say now, nine
21 (9) -- thirteen (13) studies in the past three (3) years
22 on natural gas matters; did I get that right?

23 MR. ANDREW ENNS: Yes.

24 MR. BOB PETERS: And when you say that
25 energy has done thirteen (13) studies in the past three

1 (3) years on natural gas matters, what you're telling the
2 Board is that at least twelve (12) of those were for
3 utilities other than Centra or Manitoba Hydro.

4 MR. ANDREW ENNS: No. I -- I included
5 the -- the ones that we discussed that involved either
6 natural -- natural gas exclusively or a combination of --
7 of customers. So, in essence, there's eight (8) -- eight
8 (8) other studies that I could look at.

9 MR. BOB PETERS: And on those eight (8)
10 other studies, was the -- was at -- were at -- was the
11 focus of any of them specifically on marketing options of
12 primary gas?

13 MR. ANDREW ENNS: We did a series of
14 studies for Terasen Gas in British Columbia; three (3) in
15 -- three (3) in total and those were primarily focussed
16 on what they termed unbundling in that marketplace.

17 MR. BOB PETERS: Did it have anything to
18 do with Terasen and wanting to offer a fixed-price
19 contract to their customers?

20 MR. ANDREW ENNS: Yes, it did.

21 MR. BOB PETERS: And do you the status
22 of -- of that fixed-priced opportunity to Terasen?

23 MR. ANDREW ENNS: The current status?

24 MR. BOB PETERS: Yes.

25 MR. ANDREW ENNS: My understanding was

1 that they were moving away from that, but I can't be 100
2 percent sure.

3 MR. BOB PETERS: Mr. Enns, you've
4 indicated that you were the main project coordinator the
5 2004 focus group and quantitative phase of the research
6 you -- for Centra Gas in the -- in the report that was
7 filed?

8 MR. ANDREW ENNS: Yes.

9 MR. BOB PETERS: And again, it would have
10 those -- what you now tell me would be probably
11 considered six (6) steps?

12 MR. ANDREW ENNS: Yes, that -- that
13 would've involved a research design phase and then as you
14 --

15 MR. BOB PETERS: Would -- is there
16 anybody else at eNRG who worked with you on the 2003 or
17 '04 report?

18 MR. ANDREW ENNS: No, the other principal
19 who worked on the -- on the quantitative side of the
20 report is no longer with eNRG.

21 MR. BOB PETERS: And if I'm correct, and
22 Ms. Murphy will correct me if I'm wrong, the 2004 report
23 that you prepared and authored is located as an answer to
24 an Information Request posed by Direct Energy and Energy
25 Savings of Centra and I believe it's at number 13?

1 MR. ANDREW ENNS: I believe that's
2 correct, yes.

3 MR. BOB PETERS: And in -- in reviewing
4 the 2004 report, am I correct that the sample size was a
5 total of two thousand (2,000) Centra customers, at that
6 time?

7 MR. ANDREW ENNS: Yes, it was. There was
8 a -- a different sample frame at that time.

9 MR. BOB PETERS: And when there's a
10 dim -- a different sample frame, as you've called it, you
11 focussed on the EPP customers and the non-EPP customers?

12 MR. ANDREW ENNS: Yes, we did. That was
13 one (1) of the requirements in 200 -- in that particular
14 study request by Manitoba Hydro.

15 MR. BOB PETERS: And you didn't draw
16 distinction between the customers of retailers or
17 marketers who were on EPP or non-EPP?

18 MR. ANDREW ENNS: In this?

19 MR. BOB PETERS: No, in 2004?

20 MR. ANDREW ENNS: No, I don't -- I don't
21 believe we did. I think we just -- we -- we had the
22 Manitoba Hydro residential customer and then we had them
23 divided into two (2) groups -- EPP and non-EPP -- and
24 then we had a group of marketer residential customers.
25 And we didn't -- we didn't distinguish in terms of a

1 quota on -- on whether they were with EPP or not.

2 MR. BOB PETERS: And in total, you had
3 five hundred (500) in each of the four (4) sample groups,
4 in 2004?

5 MR. ANDREW ENNS: That's correct. That's
6 correct.

7 MR. BOB PETERS: And in -- in addition to
8 that, the results in 2004 were weighted. Do you recall
9 that?

10 MR. ANDREW ENNS: Yes.

11 MR. BOB PETERS: Can you explain to the
12 Board why those results were weighted?

13 MR. ANDREW ENNS: There was a -- a desire
14 to look at the overall natural gas residential
15 population. In order to do that accurately, we ha -- we
16 then had to take into account the actual percentage of
17 the overall population that the different subgroups, be
18 it within Manitoba Hydro customers, non-EPP or EPP, as
19 well and very importantly, at that time independent
20 marketers didn't make up one-third (1/3) of the
21 residential market.

22 And so we were overstating -- there -- if
23 we were to combine those three (3) populations into one
24 sort of overall natural gas customer result, we would be
25 overstating the -- the results of the independent

1 marketers.

2 So to take that into account, we weighted
3 that -- that back into what we were told were more
4 accurate reflections of the actual residential population
5 -- population base. The -- we -- I'll stop there.

6 MR. BOB PETERS: In the 2007 sample, the
7 sample size was smaller, correct?

8 MR. ANDREW ENNS: Correct.

9 MR. BOB PETERS: And in total there were
10 sixteen hundred (1,600) customers?

11 MR. ANDREW ENNS: That's correct.

12 MR. BOB PETERS: And whether I wrote it
13 down wrong when you were testifying earlier today or not,
14 there were, in essence, eight hundred (800) Manitoba
15 Hydro residential customers who had their primary natural
16 gas from the utility?

17 MR. ANDREW ENNS: That's correct.

18 MR. BOB PETERS: And there were four
19 hundred (400) residential customers who sourced their gas
20 from retailers or marketers?

21 MR. ANDREW ENNS: Correct.

22 MR. BOB PETERS: And I may use the words
23 interchangeably, retailers, marketers, brokers -- and I--

24 MR. ANDREW ENNS: That's fine.

25 MR. BOB PETERS: -- would like you to

1 understand that.

2 MR. ANDREW ENNS: I started off with
3 brokers, and had to change it so...

4 MR. BOB PETERS: All right, and in
5 addition to the residential customers in the 2007 survey,
6 you also surveyed four hundred (400) Manitoba Hydro small
7 commercial customers?

8 MR. ANDREW ENNS: Yes.

9 MR. BOB PETERS: Why did you do that?

10 MR. ANDREW ENNS: Why did we survey the
11 com -- there was a desire in the RFP to include the -- a
12 commercial sample in the -- in the study. I believe it
13 was similar in the 2004 study as well, we had a
14 commercial sampling.

15 MR. BOB PETERS: In 2004 you had five
16 hundred (500) small commercial system supplied customers?

17 MR. ANDREW ENNS: Yes.

18 MR. BOB PETERS: And in this sample you
19 had four hundred (400) Manitoba Hydro system supplied com
20 -- small commercial customers.

21 MR. ANDREW ENNS: Right. So is the
22 question why is it four hundred (400) instead of five
23 hundred (500)?

24 MR. BOB PETERS: No, what -- why you
25 included it, and I think your answer was, That's how you

1 interpreted the RFP?

2 MR. ANDREW ENNS: That's right.

3 MR. BOB PETERS: All right. And why did
4 you not include a sample of small commercial customers
5 who purchased their primary gas from retailers or
6 marketers?

7 MR. ANDREW ENNS: They -- that -- there
8 is a small sample of commer -- of that commercial
9 customer that is made up of retailer supplied -- 5
10 percent of that four hundred (400) sample is made up of
11 retailer supplied customers or -- or marketer supplied
12 customers.

13 MR. BOB PETERS: Did you break out your
14 responses and your answers to reflect that demographic?

15 MR. ANDREW ENNS: We looked at that, but
16 did not break it out specifically, because the sample of
17 the independent marketer is quite -- was quite small.

18 MR. BOB PETERS: It wouldn't be
19 statistically valid, is that the...

20 MR. ANDREW ENNS: That was our concern,
21 and I mean, we looked at -- we looked at the results in -
22 - in that way.

23 MR. BOB PETERS: Did you use the same
24 weightings in 2007 as you did in 2004?

25 MR. ANDREW ENNS: No, we did not. We --

1 there wasn't the -- there wasn't a request or a desire to
2 look at this in -- as a natural gas customer, so we
3 weren't combining the two populations.

4 We're looking at the two populations in --
5 in my earlier remarks, when I went through the report, I
6 took pains to sort of indicate what residential hydro
7 customers were responding to, and what natural -- and
8 what marketer residential customers were responding to.

9 So in that sense because we didn't combine
10 and report on the aggregates, wasn't necessary to weight.

11 MR. BOB PETERS: Why didn't you do a 2007
12 equal payment plan subset?

13 MR. ANDREW ENNS: Again, that -- I raised
14 the point. Manitoba Hydro didn't feel it was necessary
15 this go-around. The -- we looked at the equal payment
16 plan customer, but it wasn't necessary to break out a
17 separate quota or a separate set of completions
18 specifically, because my understanding was that the equal
19 payment plan penetration in the market has roughly got to
20 about close to half, if not slightly more, of the
21 residential customer.

22 So that would have fallen out
23 approximately about what we would have set as a quota
24 anyways. So we decided to let that proceed just in the -
25 - within the main sample.

1 We did set -- using a question in the
2 survey, we did break out a Manitoba Hydro EPP customer
3 versus a non-EPP customer and, in some cases in the
4 report, they are reported upon.

5 MR. BOB PETERS: An answer you gave me
6 previously, Mr. Enns, you indicated you did not use
7 weighting in the 2007 report, correct?

8 MR. ANDREW ENNS: Correct.

9 MR. BOB PETERS: And that was because you
10 weren't trying to -- to study what you would consider the
11 prototypical residential customer, but here you wanted to
12 survey and canvass the distinct segments of the
13 residential market. Would that also be correct?

14 MR. ANDREW ENNS: Correct.

15 MR. BOB PETERS: Does the fact that you
16 didn't use weightings in the 2007 sampling and research
17 report have any impact on the statistical validity of the
18 report?

19 MR. ANDREW ENNS: No, it does not.

20 MR. BOB PETERS: And speaking of
21 statistical validity, you told the Board that when the
22 Board looks at the answers in these reports and the
23 questions, that they should -- they should have a -- a --
24 they contain an error margin of plus or minus 3.46
25 percent for Manitoba Hydro customers nineteen (19) times

1 out of twenty (20). Is that right?

2 MR. ANDREW ENNS: Correct.

3 MR. BOB PETERS: And for the direct
4 purchase residential customers, those supplied by
5 retailers and brokers, the error margin is greater. It's
6 4.9 percent also nineteen (19) times out of twenty (20).

7 MR. ANDREW ENNS: Correct.

8 MR. BOB PETERS: Could you explain to the
9 Board why the error margins differ?

10 MR. ANDREW ENNS: Confidence interval or
11 error margins are determined using two (2) -- two (2)
12 elements. One (1) is the size of your -- your -- the
13 number of completed interviews, your survey -- the size
14 of your survey within -- within the context of the
15 overall size of that population.

16 So in -- in this case, Manitoba Hydro
17 residential customers represented a bigger part of the
18 survey; eight hundred (800) completed interviews, and
19 that primarily would have the impact on -- on the margin
20 of error.

21 MR. BOB PETERS: Let me ask this question
22 that I've always wanted to ask somebody in your position
23 is: How does the Board know this isn't the twentieth
24 (20th) out of twenty (20) times where this report is not
25 -- where they should have no confidence or statistical

1 comfort in the -- in the answers?

2 MR. ANDREW ENNS: The -- well -- the --
3 the results -- you can look at some findings that you've
4 seen in the past in 2004 and see some -- you see some
5 similarity, so that should give you some confidence that
6 -- that this isn't wildly different.

7 If you see wildly different findings, then
8 you start to raise questions and -- and look at things in
9 that sense. In addition, you look at your -- your
10 demographics and -- and you look for anything that looks
11 un -- un -- unbelievable or very unusual and that might
12 give you an indication.

13 So, in my opinion, that this isn't a
14 twentieth (20th) report out of twenty (20).

15 MR. BOB PETERS: In any event, this
16 nineteen (19) out of twenty (20) times is the -- gives
17 the confidence interval or the significance interval
18 based on your ninety-fifth (95th) percentile of -- of
19 assessment.

20 MR. ANDREW ENNS: There's -- there's --
21 the ninety-fifth (95th) percentile actually deals more
22 with the -- some of the individual results in this
23 significance. The -- the nineteen (19) out -- out of
24 twenty (20) is that confidence that -- that over all the
25 data is -- data is accurate within that plus or minus

1 margin.

2 MR. BOB PETERS: To -- to get the error
3 margin for the direct purchase customers, those are the
4 ones served by the retailers or the marketers, to a
5 smaller error margin, you would have had to increase the
6 sample size.

7 Is that what I take from the previous
8 answer?

9 MR. ANDREW ENNS: That's correct.

10 MR. BOB PETERS: And why didn't you do
11 that?

12 MR. ANDREW ENNS: The -- primarily of --
13 of -- to some degree, budget considerations. The -- the
14 contract was let and -- and tendered and -- and we
15 proposed within a certain -- certain budget.

16 I think in addition, professionally, I
17 felt it was acceptable in terms of trying to balance your
18 objectives and your desires. I thought this was an
19 acceptable -- acceptable balance.

20 MR. BOB PETERS: When you say "budget," I
21 believe in the answers to the Information Requests, eNRG
22 was the successful bidder on the contract and this --
23 both reports were prepared for the sum of -- was it
24 forty-three thousand dollars (\$43,000)?

25 MR. ANDREW ENNS: I -- it sounds about

1 right but I don't have those numbers right at my finger
2 tips.

3 MR. BOB PETERS: All right.

4 MR. ANDREW ENNS: It sounds low actually
5 but -- just for the record.

6 MR. BOB PETERS: In your answers to Ms.
7 Murphy and also to me this morning, Mr. Enns, you're
8 talking about focussing your analysis on Manitoba Hydro
9 customers.

10 Can I take from those answers that what
11 you're really saying is those customer who are customers
12 of Centra Gas as well as Manitoba Hydro?

13 MR. ANDREW ENNS: Yes.

14 MR. BOB PETERS: You'd be aware that
15 there are customers that Manitoba Hydro has that are not
16 Centra Gas customers?

17 MR. ANDREW ENNS: I would not be aware.
18 Oh, yeah, maybe you can explain?

19 MR. BOB PETERS: All right. For example,
20 some customers may not have gas --

21 MR. ANDREW ENNS: Okay.

22 MR. BOB PETERS: -- at their home and, --

23 MR. ANDREW ENNS: Correct.

24 MR. BOB PETERS: -- therefore, they would
25 be using electricity or other sources of energy?

1 MR. ANDREW ENNS: I -- I didn't -- I --
2 in -- in my -- my report and -- and the way it was
3 written, I didn't -- I didn't distinguish between --
4 these are natural gas customers of Manitoba Hydro and I
5 guess I probably should've distinguished Centra.

6 MR. BOB PETERS: Okay. And you say in
7 your report, Mr. Enns, that the 2004 customer survey
8 provided a foundation for the 2007 customer survey, you'd
9 recall words to that effect?

10 MR. ANDREW ENNS: In -- yes, in certain -
11 - certain areas, yes, it did.

12 MR. BOB PETERS: And you did give some
13 evidence to Ms. Murphy this morning -- through Ms. Murphy
14 this morning that -- but I didn't sense that you used any
15 of the specific questions from 2004 and repeat them
16 verbatim in 2007. Would I be correct?

17 MR. ANDREW ENNS: I don't think that is
18 correct. I believe the -- the -- no, we changed the name
19 of the -- of the dire -- the -- the -- Price Management
20 Program from a -- I think we referred to it as a
21 derivative hedgings -- hedging program in -- in 2004 or a
22 hedging program in '04 and they had the name of -- the --
23 the Rate Management Program in -- in '07. Other than
24 that, the question was identical, the support/oppose
25 question.

1 I bel -- I -- I'd want to go back to a
2 couple of the original -- some early questions with
3 respect to the -- the awareness of what causes price
4 fluctuations. I believe those were -- were very similar,
5 if not identical, to the '04. There may be one (1) or
6 two (2), Mr. Peters.

7 MR. BOB PETERS: All right. Well, we may
8 come to some of those as we move forward. In 2004, when
9 you did your report and that report was filed with this
10 Board, the objectives in 2004 were primarily to measure
11 customer tolerance for primary gas volatility?

12 MR. ANDREW ENNS: Correct.

13 MR. BOB PETERS: And also you wanted to
14 examine in -- in a minor the customer preferences for the
15 equal payment plan?

16 MR. ANDREW ENNS: That's correct.

17 MR. BOB PETERS: And you also wanted to
18 find out why consumers chose marketers or retailers to
19 purchase primary gas?

20 MR. ANDREW ENNS: That's correct.

21 MR. BOB PETERS: And if we -- are you
22 familiar today with some of those 2004 results, Mr. Enns?

23 MR. ANDREW ENNS: Not -- not inti --
24 intimately, but I did review them in preparation for
25 this.

1 MR. BOB PETERS: All right. That's
2 probably sufficient for my purposes, but again the -- the
3 document itself is located in response by Centra to a
4 question from Direct Energy and Energy Savings number 13.

5 MR. ERIC HOAKEN: I'm sorry. Could I
6 interrupt, this may be helpful. I prepared a brief of
7 some documents that I was planning to use in
8 cross-examination and it includes the 2004 survey, and I
9 was going to circulate it. If it would be helpful to do
10 it now so it's available to the witness and to the panel,
11 I'd be happy to do that.

12 MR. BOB PETERS: Always appreciative of
13 the help, Mr. Hoaken, and that might -- this might be a
14 good time to do That.

15 MR. ERIC HOAKEN: I was actually planning
16 to do it at the break and I forgot, so I apologize.

17 THE CHAIRPERSON: Mr. Barron, could you
18 help Mr. Hoaken?

19

20 (BRIEF PAUSE)

21

22 THE CHAIRPERSON: Mr. Hoaken, perhaps you
23 could identify the various sections to us?

24 MR. ERIC HOAKEN: I can. I think all of
25 them but one (1) are going to be known and are already in

1 let's provisionally give it an exhibit number. Mr.
2 Barron -- we'll get a number and we'll confirm that
3 later. Okay Mr. Peters, do you want to continue again?

4

5 --- EXHIBIT NO. DEML/ESMLP-6:

6 Bundle of material supplied by Mr. Eric
7 Hoaken

8

9 MR. BOB PETERS: Yes, and I can also
10 assist with that exhibit number later, Mr. Chairman.

11

12 CONTINUED BY MR. BOB PETERS:

13 MR. BOB PETERS: Mr. Enns, you now have
14 closer at hand a copy of the 2004 study that you did,
15 correct?

16 MR. ANDREW ENNS: Correct.

17 MR. BOB PETERS: And --

18 MR. ANDREW ENNS: Correct.

19 MR. BOB PETERS: Am I correct that in
20 2004 when you asked customers if they were aware of the
21 price fluctuation smoothing measures used by the Utility,
22 only 19 percent of the customers were even aware of
23 those, and I'm now looking on Page 13 of the 2004 report.

24

25 (BRIEF PAUSE)

1 MR. BOB PETERS: And Mr. Enns, I'll give
2 you more time if you need it. I just wanted to make sure
3 that the Board will be clear in understanding how they
4 should interpret this material going forward, so I --

5 MR. ANDREW ENNS: Right.

6 MR. BOB PETERS: -- I want you to help us
7 do that.

8 MR. ANDREW ENNS: Okay.

9 MR. BOB PETERS: And -- and my -- my
10 question was: Can you confirm that from your 2004 report
11 only 19 percent of residential natural gas customers were
12 even aware that Centra took steps to smooth out
13 fluctuations in the pricing?

14 MR. ANDREW ENNS: That's correct.

15 MR. BOB PETERS: Now, we also see and the
16 -- the pie chart helps us on page 13 of the 2004 report,
17 that of that awareness, 36 percent were aware that there
18 was an equal payment plan to help smooth out the
19 fluctuations?

20 MR. ANDREW ENNS: Right. Correct.

21 MR. BOB PETERS: Now, I don't do math in
22 public as others have asked me not to, but would the
23 Board be correct in saying that that 36 percent number is
24 36 percent of nineteen (19)?

25 MR. ANDREW ENNS: Correct.

1 MR. BOB PETERS: And if one did the math
2 on that correctly, you'd be approximately 7 percent of
3 all Manitoba residential customers are even aware that
4 there were smoothing measures?

5 MR. ANDREW ENNS: Well, I think the
6 question is the 19 percent of those asked in 2004 feel
7 that Manitoba Hydro is taking steps to smooth out the
8 price fluctuations of natural gas. Of that 19 percent,
9 we asked them, so what are those that you're aware of,
10 and then that's how it's broken out.

11 And so, of the overall sample, you're
12 about -- I think you're about right, 7 percent of the
13 overall sample, feel EPP is one of the things that
14 Manitoba Hydro does to smooth out price fluctuations.

15 MR. BOB PETERS: And again, there will be
16 some error margin and con -- confidence interval to take
17 into account, but...

18 MR. ANDREW ENNS: Correct.

19 MR. BOB PETERS: The error -- the error
20 margin and confidence interval back in 2004, I don't
21 recall, do you?

22 MR. ANDREW ENNS: It would be in the
23 report.

24 MR. BOB PETERS: That's all right, we'll
25 -- we'll locate that further --

1 MR. ANDREW ENNS: Okay.

2 MR. BOB PETERS: -- if it becomes
3 important. But now, while we're also on what these 19
4 percent of customers who were aware that there were price
5 smoothing and fluctu -- smoothing of -- efforts made by
6 the Utility, we go down to hedging --

7 MR. ANDREW ENNS: Right.

8 MR. BOB PETERS: -- and 7 percent of the
9 19 percent or, in my math, approximately 1.4 percent
10 overall were aware that Centra even did hedging.

11 MR. ANDREW ENNS: Correct.

12 MR. BOB PETERS: All right. If we fast
13 forward to 2007, from your study report, the awareness
14 has gone up from 19 percent of those residential
15 customers surveyed to 32 percent for Manitoba Hydro
16 customers.

17 MR. ANDREW ENNS: It's not -- be careful
18 making the direct comparison from that pie chart in '04
19 to the table I'm assuming you're referring to in -- on
20 page 37, table 16A in -- in -- in the report.

21 MR. BOB PETERS: And why should we be
22 cautious about that?

23 MR. ANDREW ENNS: Because I -- because I
24 believe -- I'm just reading here -- the pie chart would
25 represent that -- that -- that global number of

1 residential customers, as apposed to the table on 16A
2 where it -- it breaks out, the customers by a residential
3 -- a Manitoba Hydro customer, natural gas customer, by a
4 marketer's supplied natural gas customer. Do you follow?

5 MR. BOB PETERS: Not yet, but I'm sure
6 you'll explain to me that, if -- if there was waiting
7 included, would that impact the results?

8 MR. ANDREW ENNS: It would, to so -- to
9 some degree.

10 MR. BOB PETERS: And you didn't do that
11 in your 2007 report for the reasons you've explained to
12 us already.

13 MR. ANDREW ENNS: Exactly.

14 MR. BOB PETERS: Now, would that change
15 the 2007 number up or down if you were trying to -- to
16 weight it?

17 MR. ANDREW ENNS: Well, it wouldn't -- it
18 -- not to be taken as gospel, but it wouldn't be higher
19 than thirty-two (32), guaranteed. Because if you were to
20 take residential customers and combine those results and
21 then weighed it -- weighed it properly, it's probably
22 somewhere around the high twenties (20s); probably, but
23 you'd have to do that.

24 But you'd blend it and then you'd -- you'd
25 -- you'd scale back the impact of the marketer customer

1 because they're -- they're overstated in -- in -- in that
2 if you were just to do a combe -- direct combination.

3 MR. BOB PETERS: What you'd have to do, I
4 hear you telling the Board, Mr. Enns, is you'd have to
5 convert your 2007 sample into a per -- a statistically
6 supported demographic of the total Centra customers in
7 2007.

8 MR. ANDREW ENNS: Exactly, exactly.
9 You'd have to make it a representative sample.

10 MR. BOB PETERS: And that's not what
11 you've done.

12 MR. ANDREW ENNS: I haven't combined the
13 samples in '07, I have not done that. Like -- like in
14 terms of -- like the -- not just the Centra mar -- but
15 the marketplace itself, I mean, combi -- taking into
16 account the number of retailers and taking into account
17 the number of -- of Manitoba Hydro or Centra customers.

18 MR. BOB PETERS: Well, if -- and let me
19 see if I can understand how -- how that might be done and
20 if Manitoba Hydro has, in their residential customer
21 base, let's say 80 percent of the market, and the broker
22 or retailer has 20 percent of the market, you would have
23 to apply those weightings to the numbers that you've
24 calculated in your 2007 report.

25 MR. ANDREW ENNS: Generally, that's how

1 it would work.

2 MR. BOB PETERS: All right. Is that a
3 significant undertaking, Mr. Enns, to weight the 2007
4 results so they would be a more direct, I'll call it
5 apples-to-apples comparison, with the 2004 study?

6 MR. ANDREW ENNS: No, it can be done. I
7 -- I can't do it. I'm not responsible for the -- for the
8 weighting in terms of my office. I'd have to have
9 somebody back in my office do that.

10 MR. BOB PETERS: Well, let me get back to
11 you if I want to pursue that further and --

12 MR. ANDREW ENNS: For sure.

13 MR. BOB PETERS: -- I'm sure if I get
14 back to you, you'll want to get back to Mr. Warren about
15 the retainer so we'll -- we'll think about that further.

16 But let's now keep our eyes on the 2007
17 study in terms of the awareness and you've -- you've
18 drawn the Board's attention to Table 16A on page 37.

19 What you're telling the Board in 2007 is
20 that of the typical Manitoba Hydro residential customers,
21 only 32 percent are aware that Manitoba Hydro takes steps
22 to smooth out the fluctuations in gas prices.

23 MR. ANDREW ENNS: Correct.

24 MR. BOB PETERS: And in terms of the
25 broker-supplied customers or the retailer-supplied

1 customers, only 24 percent of those customers are aware
2 that Manitoba Hydro has measures to smooth out the
3 fluctuations?

4 MR. ANDREW ENNS: Correct.

5 MR. BOB PETERS: All Right. And again we
6 can go down to see the various methodologies and let's
7 just focus on the same two (2) - EPP and hedging.

8 For the Manitoba Hydro residential
9 customers supplied under system supply, 52 percent of the
10 32, percent or approximately 17 percent in total, are
11 even aware that Manitoba Hydro offers an equal payment
12 program?

13 MR. ANDREW ENNS: Again, I wouldn't -- to
14 be -- to be clear, this question isn't an awareness of
15 the equal payment plan question. This question is: Do
16 people interpret the Equal Payment Plan as one (1) -- one
17 (1) approach that Manitoba Hydro smooth -- attempts to
18 smooth out the fluctuation of natural gas?

19 So it's quite conceivable people responded
20 to this question knowing full well that EPP is in
21 existence, but don't interpret that as actually helping
22 smooth out the volatility of the -- of a natural gas
23 rate.

24 MR. BOB PETERS: And that might explain
25 why 17 percent, according to this 2007 report, of the

1 total Manitoba Hydro system-supplied customers mention
2 EPP when, in fact, you've already told the Board that
3 it's factually closer to 50 percent who are on EPP?

4 MR. ANDREW ENNS: Correct.

5 MR. BOB PETERS: It just may be that they
6 did not understand your question to be targeting EPP as a
7 -- as a smoothing mechanism?

8 MR. ANDREW ENNS: Well, the -- the
9 question -- I wouldn't -- I wouldn't agree with that.
10 The question wasn't about whether or not EPP is a
11 smoothing; it's -- it's - the question was: Are you
12 aware of efforts that Manitoba Hydro undertakes to smooth
13 out the fluctuations of natural gas? And then we asked
14 them in an open-ended fashion, and what do you think
15 those measures are?

16 I'm not trying to assume that -- or -- or
17 portray EPP as one (1) of those measures. I'm asking
18 customers to tell me when -- when -- if they say they
19 think Manitoba Hydro undertakes things, what is it they
20 think they're doing?

21 MR. BOB PETERS: All right. I apologize
22 if my question suggested it was your question that wasn't
23 properly understood.

24 It's rather the customer may not have
25 interpreted the question to be eliciting their view as

1 EPP being a rate-smoothing or price-smoothing mechanism.

2 MR. ANDREW ENNS: Okay.

3 MR. BOB PETERS: And if we go down to
4 Manitoba Hydro system-supplied customers for primary gas
5 in the residential customer group who are aware that
6 hedging might be one (1) of those options to smooth them
7 out, again, it would be less than 1 percent of the Hydro
8 customers would have twigged to hedging being available
9 to smooth out the prices?

10 MR. ANDREW ENNS: Correct.

11 MR. BOB PETERS: Even -- even lower
12 amongst the broker customers because there they -- none
13 of the broker customers appeared --

14 MR. ANDREW ENNS: That would --

15 MR. BOB PETERS: -- to consider Centra's
16 hedging as a smoothing technique.

17 MR. ANDREW ENNS: And that would mean no
18 one mentioned --

19 MR. BOB PETERS: Yeah.

20 MR. ANDREW ENNS: -- no one mentioned
21 that.

22 MR. BOB PETERS: All right. Okay. I
23 think we have a better understanding and I thank you for
24 that, Mr. Enns.

25 From what we've just chatted about, you'd

1 agree with me that the way a question is asked can
2 certainly influence the response?

3 MR. ANDREW ENNS: Absolutely.

4 MR. BOB PETERS: And that's your business
5 to try to smith and wordsmith the -- the question to --
6 to make sure the consumer provides the response that will
7 provide the data to you?

8 MR. ANDREW ENNS: I'd probably word it a
9 little differently in the sense my job is to ensure that
10 the question is -- strives to be clear and, in some
11 cases, if you're presenting two (2) points of view,
12 balanced. And the initial part of the job is to ask
13 questions that address the objectives of the -- of the
14 study.

15 MR. BOB PETERS: When you say your
16 questions provide balance, is that meaning you don't want
17 to suggest to them one answer or another? That's what
18 you strive for?

19 MR. ANDREW ENNS: Correct.

20 MR. BOB PETERS: And that's most easily
21 done when you provide and ask open-ended questions as
22 opposed to giving them specific choices? Would that be
23 true?

24 MR. ANDREW ENNS: No. Not necessarily.
25 Open-ended questions tend to -- in often cases, they may

1 flow from preceding questions so you may have prejudiced
2 an open- ended response based on some preceding
3 questions.

4 So you can't assume that an open-ended
5 response is going to be purer. And, likewise, closed-
6 ended questions can absolutely be -- be fair and balanced
7 and provide a range of answer choices that more than
8 provide the respondent a place for their -- to position
9 themselves and their opinion.

10 So I, you know, I would say that you can
11 do both, you know, you can -- you can meet those things
12 with both types of questions.

13 MR. BOB PETERS: Okay, thank you for
14 that. I want to keep with that hedging question and
15 let's follow it through a little bit.

16 In 2004 you asked customers whether they
17 supported the Utility hedging the price of natural gas,
18 correct?

19 MR. ANDREW ENNS: Correct.

20 MR. BOB PETERS: Now, these were
21 customers that may not have even thought about hedging as
22 a price -- as a price-smoothing mechanism.

23 MR. ANDREW ENNS: Correct.

24 MR. BOB PETERS: So you were informing
25 customers that, hey, Manitoba Hydro or Centra does price

1 -- does hedging on their price of natural gas, and then
2 do you think that's a good idea or do you support that --
3 strongly support it, oppose it or strongly oppose it?
4 That's the essence of how you -- you got there?

5 MR. ANDREW ENNS: Yes.

6 MR. BOB PETERS: And in 2004 you had a
7 definition of hedging that you used, and you'd agree with
8 me that you changed that definition for 2007, correct?
9 And I think your colleague was giving you a highlighted
10 version while you were on the --

11 MR. ANDREW ENNS: Yeah. Yes, we did --
12 we did change the -- we did change the wording
13 particularly the bottom -- some -- the last sentence of
14 two (2) in the first paragraph of it and -- and then a
15 few -- a few words in the second paragraph we changed.

16 MR. BOB PETERS: Well in 2000 --

17 MR. ANDREW ENNS: Essentially, the
18 essence stayed fairly -- fairly close to what we -- what
19 we had fielded in 2004.

20 MR. BOB PETERS: Well, in 2004 you were
21 telling people that the cost of this insurance -- and you
22 were analogizing hedging to be insurance back then,
23 correct?

24 MR. ANDREW ENNS: Yes.

25 MR. BOB PETERS: You were telling them

1 that the cost of the insurance is expected to add 1 to 2
2 percent to your overall gas costs over the long term.

3 MR. ANDREW ENNS: Yes.

4 MR. BOB PETERS: And then in the 2007
5 study you tell them over the long term, twenty (20)
6 years, the theory is the cost will be very small; less
7 than 1 percent of your overall gas costs.

8 MR. ANDREW ENNS: Correct.

9 MR. BOB PETERS: And to your way of
10 thinking, is there any difference between asking it in --
11 in those two (2) ways?

12 MR. ANDREW ENNS: 1 to 2 percent versus 1
13 percent on -- on a -- on an opinion on -- on how it will
14 affect someone's response rate.

15 MR. BOB PETERS: Perhaps also using the
16 words "the theory is" as opposed to --

17 MR. ANDREW ENNS: Cost.

18 MR. BOB PETERS: -- what the impact will
19 be?

20 MR. ANDREW ENNS: My view would be -- it
21 would be, if there was an impact, it would be minimal in
22 the sense that we were still -- the primary information
23 was the -- and this is going back to when we discussed
24 this particular program at length in the 2000 -- in the
25 focus groups have preceded the 2004 survey. When people

1 understood the -- the hedging program or the rate
2 management program that Manitoba Hydro was operating, the
3 -- which -- which they -- which, in their words, they
4 likened to along the lines of -- of an insurance policy
5 or -- or somewhat akin. That's sort of some of the
6 language they used in my recollection when they -- when
7 they understood and -- and discussed this amongst
8 themselves.

9 The question of -- of what this cost them
10 as a consumer came up and then the question was, well, is
11 it -- is it -- I mean how -- how significant is this
12 cost? Is it -- is it 10 percent? Is it -- is it a
13 significant portion and then we provided a number of --
14 of 1 to 2 percent.

15 And that certainly diminished any cost
16 concerns that these customers in these focus groups, when
17 we had this detailed discussion on this, expressed. I
18 mean, in their view, that meant a fairly small -- it was
19 a small cost. And the benefit that they perceived that
20 this hedging, as we described it back then, for -- for
21 the -- for the majority of those focus group participants
22 seemed borne out.

23 So have we -- have we changed this -- the
24 2007 by -- by first of all referring to it as less than 1
25 percent as opposed to 1 to 2 percent? I still think

1 we're talking about a very small amount, and -- and I
2 don't think that would have significantly or materially,
3 you know, brought a pile more people on -- on board.

4 The inclusion of the -- the words "the
5 theory is the cost"; I'm not sure what that -- what the
6 impact would have been to be honest.

7 MR. BOB PETERS: Mr. Enns, in some of the
8 earlier drafts of the -- of the market research survey
9 that you did, and particularly Draft 4, there was a
10 reference on the very question that we're now talking
11 about to indicate that -- and I'll use the words here,
12 quote them:

13 "However, on a yearly basis there may
14 be a large -- there may be large
15 additions or decreases to gas costs."

16 Do you have any specific recollection of
17 those words being in a -- in a previous draft that never
18 made it through to the final draft?

19 MR. ANDREW ENNS: I -- I don't to be
20 honest.

21 MR. BOB PETERS: Okay, well, let's --

22 MR. ANDREW ENNS: I'll see what I can
23 find.

24 MR. BOB PETERS: I -- I have a reference
25 for the transcript, Mr. Chairman, and it's

1 DEML/ESMLP/CENTRA-60 Batch 3, Page 3, and those of us who
2 have had our computers crash will know exactly what that
3 means in terms of the volume of material but -- but
4 that's just a reference and I'm sure Mr. Enns and Mr.
5 Sokay (phonetic) may have it in -- in hard copy.

6 MR. ANDREW ENNS: I may try to track down
7 that draft for you.

8 MR. BOB PETERS: And that's fine, and if
9 at any time you want to put the brakes on and -- and take
10 the time, but let me just -- I -- I read you something
11 that I interpreted to be in -- in the working draft and
12 never made it to the final cut.

13 MR. ANDREW ENNS: Okay. Yeah.

14 MR. BOB PETERS: And that's happened in a
15 number of places in these surveys, correct?

16 MR. ANDREW ENNS: Correct.

17 MR. BOB PETERS: And the question -- the
18 part that didn't make it was a sentence to tell people
19 that on a yearly basis there may be large additions or
20 decreases to gas costs.

21 And I'm suggesting that was removed and
22 you can confirm that that didn't make it to the final
23 question, correct?

24 MR. ANDREW ENNS: Correct. Yeah, I -- I
25 can do that.

1 may not fully reflect what the market price is because
2 it's not the market price?

3 MR. ANDREW ENNS: Correct, I understand
4 that much.

5 MR. BOB PETERS: And do you think and can
6 you tell the Board whether if you're asking customers,
7 did you know that in the last fiscal year for the gas
8 utility, your gas costs as applied by Centra were \$73
9 million higher than the market price had they not hedged.

10 Do you think that might have influenced
11 their decision about whether they support hedging or
12 don't support hedging?

13 MR. ANDREW ENNS: It could.

14 MR. BOB PETERS: It's a pretty
15 significant number?

16 MR. ANDREW ENNS: Yes.

17 MR. BOB PETERS: And to the im -- and if
18 it has an impact, that may cause consumers to look more
19 negatively at hedging?

20 MR. ANDREW ENNS: It could, yes.

21 MR. BOB PETERS: And you're saying it
22 could because you have nothing to say "yes" or "no" about
23 that?

24 MR. ANDREW ENNS: That's correct.

25 MR. BOB PETERS: But you are

1 acknowledging that if that type of information had been
2 provided, it may have changed the answers that were
3 provided by the people that you surveyed?

4 MR. ANDREW ENNS: I would say
5 potentially, sure.

6 MR. BOB PETERS: Will you go so far as to
7 say it likely would've changed the answers?

8 MR. ANDREW ENNS: It potentially would,
9 for sure, yeah.

10 MR. BOB PETERS: Nineteen (19) times out
11 of twenty (20)?

12 MS. MARLA MURPHY: I think the witness
13 answered.

14

15 CONTINUED BY MR. BOB PETERS

16 MR. BOB PETERS: I -- I have -- I have
17 his point. Thank you and I apologize. I didn't mean to
18 be rude about that.

19 And, Mr. Enns, when we're looking at the
20 2007 report on the issue of support for hedging, the
21 Board would also have to remember on the issue weighting
22 that the 2007 report isn't weighted to come up with a
23 demographic of the residential customer base. It's
24 simply in each of the segments that you surveyed, here's
25 what they told you?

1 MR. ANDREW ENNS: Correct.

2 MR. BOB PETERS: And whatever percentage
3 those segments are of the actual demographic supplied by
4 the company, you'd have to weight them accordingly?

5 MR. ANDREW ENNS: If you wanted to report
6 on a overall -- overall result for your entire
7 population, yes, you'd have to weight that.

8 MR. BOB PETERS: Mr. Enns, staying with
9 hedging and in 2004, in 2004 you asked customers whether
10 they wanted to have the Utility increase, decrease or
11 continue their hedging -- continue the hedging as the
12 utility was doing it? Are you generally familiar with
13 that?

14 MR. ANDREW ENNS: Yes.

15 MR. BOB PETERS: And, at that time,
16 consumers gave you some answers as to what they thought
17 the Utility should do in terms of increasing or
18 decreasing or maintaining, correct?

19 MR. ANDREW ENNS: Correct.

20 MR. BOB PETERS: In 2007, you changed the
21 options that were available to consumers, would that be
22 correct?

23 MR. ANDREW ENNS: Yes, I changed one (1)
24 of the -- we changed one (1) of the options.

25 MR. BOB PETERS: You changed the option

1 from asking whether they wanted -- or suggesting that
2 they -- that Utility should decrease the amount of
3 hedging and you replaced the word "decrease" with
4 "eliminate"?

5 MR. ANDREW ENNS: Correct.

6 MR. BOB PETERS: Why did you do that?

7 MR. ANDREW ENNS: My recollection of the
8 conversation was that as part of the objectives and the
9 discussion that went into the objectives regarding the
10 different options open -- or being under -- under
11 consideration regarding the Rate Management Program,
12 decreasing wasn't -- wasn't an option under
13 consideration; that the option under consideration was
14 really elimination.

15 That, in essence, to -- to consider
16 decreasing meant primarily just foregoing it. And so
17 that was what was explained to me by -- by Hydro. And
18 then the discussion revolved around, do we have four (4)
19 options or do we have three (3) options and make --
20 eliminate the third and -- and I recommended not -- not
21 introducing a fourth option. It -- it is already a -- a
22 long question and -- and so we went with three (3).

23 MR. BOB PETERS: Do you understand the --
24 the technical methodologies used by Centra in their
25 hedging program?

1 MR. ANDREW ENNS: At one point, I had a
2 better understanding, but not -- it wasn't critical for
3 this particular study to. But I'm familiar with some of
4 terminology in terms of the collar, the cashless collar
5 and that sort of thing.

6 MR. BOB PETERS: And then you're familiar
7 with the ability to widen the collar?

8 MR. ANDREW ENNS: Yes.

9 MR. BOB PETERS: Would you consider that
10 decreasing hedging?

11 MR. ANDREW ENNS: Decreasing?

12 MR. BOB PETERS: The -- the hedging by
13 widening the collar?

14 MR. ANDREW ENNS: Yes. I mean that would
15 allow more -- more fluctuation and then if you an
16 narrower collar you would -- you would limit that, yes.

17 MR. BOB PETERS: And do you think in 2007
18 if you were to have told the Manitoba Hydro residential
19 customers that -- that Centra's hedging program that
20 ended in fiscal '07 had a \$73 million additional cost for
21 primary gas, that may have influenced how many wanted to
22 eliminate hedging or keep it?

23 MR. ANDREW ENNS: Could you repeat that
24 in terms of bringing in the 73 --

25 MR. BOB PETERS: Yeah. Let -- let me, if

1 you look back to the Book of Documents, Tab 11 --

2 MR. ANDREW ENNS: Right.

3 MR. BOB PETERS: -- what Centra, I
4 understand them to be putting on this page, is they're
5 showing the Board what the financial results have been
6 for their hedging program from '02 to '07.

7 And in some years -- those years with the
8 brackets around them -- consumers paid less for their
9 primary gas than they would have had there been no
10 hedging. And in the years without the brackets,
11 consumers paid more for their primary gas as a result of
12 hedging compared to no hedging.

13 And because it's the most recent complete
14 fiscal year ending March of '07 when the Utility had a
15 hedging program that added \$73 million to primary gas
16 costs, I'm asking whether you think that would have
17 influenced the consumer's responses as to whether they
18 wanted to eliminate or keep hedging?

19 MR. ANDREW ENNS: Right. I -- as I'm
20 starting to get more comfortable with -- with that --
21 that table, I mean I appreciate -- I appreciate the
22 significance of the \$73 million. I honestly think that --
23 -- that what would have been better would have been to,
24 you know, probably approach some additional questions.

25 Because there's not a -- in -- in our --

1 in our hedging discussion, we indicate the purpose of the
2 hedging program was to smooth out and that was the
3 terminology that customers themselves tended to use in --
4 in discussion of this in 2004, we don't present -- and
5 then we -- we present that cost that -- that 1 to 2
6 percent or less than 1 percent of the cost of operating
7 this -- this program to smooth out, we don't get into a
8 series of questions about the successfulness of -- of
9 those efforts in terms of -- at the end of the day.

10 And -- and I think, I mean, Mr. Peters,
11 you can -- you can correct me too if I'm misinterpreting
12 this table, but -- but the table would suggest that this
13 is almost where sort of how -- is there success --
14 successfulness of how -- how Centra did in terms of these
15 different years or -- or just what it -- what the
16 consumer, in terms of the average rate they would have
17 paid, on -- on or off the program.

18 MR. BOB PETERS: For the purposes of my
19 questions, Mr. Enns, I just want you to use these numbers
20 as to how much more the consumer would have paid for
21 primary gas on --

22 MR. ANDREW ENNS: Right.

23 MR. BOB PETERS: -- systems supply --

24 MR. ANDREW ENNS: I guess -- yeah, okay,
25 perfect. I mean, I guess I would've -- had we wanted to

1 go down there, we would've -- we should've presented
2 questions along those lines.

3 If we had -- I didn't have this
4 information, but if you -- if you -- if we could present
5 that information to -- to indicate -- and you might be
6 able to even average out over the last five (5) or six
7 (6) years where you netted out.

8 And then you would've -- may have been
9 able to get consumers a better -- you would have
10 presented additional facts to them regarding the success
11 -- or the -- the merits, I'll -- I'll put it that way,
12 the merits of the -- of the program in their -- from one
13 -- one of their perspectives.

14 In our discussions in the focus group, the
15 other -- the other merit of this that -- that we tended
16 to focus was the smoothing-out function. We didn't -- we
17 didn't -- in the -- in the focus group's discussion in --
18 in -- the last survey, I mean, we took pains to suggest,
19 this isn't a way of avoiding cost or -- or -- or sav --
20 it was -- it was a smoothing out, and -- and we had -- we
21 had to discuss that point. Because this isn't a way of -
22 - of trying to -- of -- you know, some people use the
23 phrase, you know, kind of beat the market. I mean, you -
24 - in that sense so, I don't know if that clarified or
25 muddied the waters.

1 MR. BOB PETERS: You didn't have any
2 access to the financial performance of the hedging
3 program for the focus group either though, did you?

4 MR. ANDREW ENNS: I did not.

5 MR. BOB PETERS: All right. With that
6 answer, Mr. Chairman, and the -- recognizing the hour,
7 this might be an appropriate time for the lunch recess,
8 and I'll pick it up after we return.

9 MR. CHAIRPERSON: Okay. Perhaps since
10 we're going to be closing a littler earlier today, we'll
11 come back at 1:00. See you all at 1:00. Thank you.

12

13 --- Upon Recessing at 12:04 p.m.

14 --- Upon Resuming at 1:02 p.m.

15

16 THE CHAIRPERSON: Okay, Mr. Peters,
17 before we start, the new Exhibit would be DEML/ESMLP-6.
18 Okay, Mr. Peters.

19 MR. BOB PETERS: Thank you, Mr. Chairman.

20

21 CONTINUED BY MR. BOB PETERS:

22 MR. BOB PETERS: Mr. Enns, I still want
23 to compare a couple of aspects of the 2004 survey results
24 with the 2007 results with you. And the next area I want
25 to talk about is the tolerance for bill fluctuations.

1 And that was one of the questions that you asked in -- in
2 essence in both years, correct?

3 MR. ANDREW ENNS: Correct.

4 MR. BOB PETERS: But the question was
5 asked a bit differently because instead of monthly bill
6 changes, you were talking about maximum annual bill
7 changes, would that be --

8 MR. ANDREW ENNS: Quite --

9 MR. BOB PETERS: -- correct?

10 MR. ANDREW ENNS: Quite a bit
11 differently, yes, correct.

12 MR. BOB PETERS: Yes. And when you're
13 talking about bill changes, was there any explanation or
14 information provided as to what would cause these
15 tolerances?

16 Was it related to any activities, or what was it related
17 to?

18 MR. ANDREW ENNS: Excuse me, what would
19 cause the tolerances, or the fluctuations?

20 MR. BOB PETERS: I'm sorry; what would
21 cause the fluctuations in the actual bill to the
22 consumer?

23 MR. ANDREW ENNS: There -- there wasn't
24 one directly prefaced before that question, although
25 there was a question, I believe, following -- I'm just

1 going to get my survey open -- where we asked customers
2 what they thought -- why they thought the rate for
3 natural gas fluctuated.

4 That followed the line of questioning on
5 the -- the household bill. If you looked at -- if you
6 look at the '07 questionnaire, question 4 is one (1) that
7 talks to the issue of customer perceptions regarding rate
8 fluctuations; primary gas rate fluctuations.

9 MR. BOB PETERS: Was the survey in 2004
10 to find out their preference, or their tolerance I should
11 say, their tolerance for bill fluctuations related to any
12 of the matters that -- that they raised, or was there a
13 specific cause and effect given?

14 MR. ANDREW ENNS: Just, if I could have
15 one (1) -- one (1) minute to look at the '04
16 questionnaire, to refresh my memory.

17

18 (BRIEF PAUSE)

19

20 MR. ANDREW ENNS: There was no -- there -
21 - there was no -- in terms of the rate fluctuation
22 questions posed in '04, there was no specific direction
23 to the respondent to sort of suggest that the -- the rate
24 was fluctuating for a particular reason.

25 We tried to -- we just indicated that it

1 was -- we wanted to get their sense of the market price,
2 recognizing the market price would fluctuate up and down.
3 We didn't attach a reason for that.

4 MR. BOB PETERS: All right. And -- and
5 we have the results from '04, and then we look at the '07
6 results.

7 Can you tell the Board how comparable the
8 results are from '04 to '07 in terms of the tolerance for
9 bill fluctuations by gas customers?

10 MR. ANDREW ENNS: I looked at this a
11 while back when the results first came. We changed the --
12 - the wording of the question to go from a month to a --
13 to an annual. And we did that in part based on the
14 experience in '04, in the results that we got. And also
15 some experience that we gained from conducting a similar
16 survey in British Columbia in '05 where we used the --
17 the annual wording and found that we got a bit more -- we
18 felt it was -- it seemed to be a little bit easier for
19 respondents to -- to provide a number.

20 The problem we came up in -- in the pr --
21 in the month was that we had -- and if you looked at the
22 '04 results, we got a significant number that said they
23 wouldn't want any tolerance in a month. And we -- when
24 we ran the study in -- in British Columbia, we looked at
25 that and -- and discussed whether or not there was a

1 different way.

2 It's a -- it's a -- it's a -- and you can
3 appreciate that it's not a -- it's not a -- it's a
4 difficult question to ask people to sort of -- just to
5 work through, and I'm sure you'll -- you'll get to that
6 later, but -- so we were looking at different ways.

7 Is there -- was there a better way to ask
8 that question? And so in -- in BC we looked at it and --
9 and -- and developed an annual approach. And I would
10 argue neither one is -- is absolutely perfect, but I
11 looked at the two (2) for this '07 survey and -- and I
12 personally liked the annual approach, myself, in terms of
13 getting people to respond to provide a -- to provide a --
14 to give more -- to provide some -- some response to this
15 question on an annual basis.

16 And we -- we were able to provide sort of
17 an annual -- ask them about their annual natural gas rate
18 for the year and then we -- we used the formulation of
19 the average to just try to place other people who weren't
20 quite sure, we put a number in front of them.

21 In terms of comparability, I would be
22 reluctant to sort of make some -- draw any hard
23 comparisons between what we -- what we've got in '04 and
24 in '07, in terms of sort of tracking whether or not the
25 attitudes in this regard have changed measurably.

1 Does that answer your question?

2 MR. BOB PETERS: All right, and how do
3 you explain, you know, 41 percent of Hydro customers,
4 residential customers, and 47 percent of the broker
5 supplied customers not providing a response or refusing a
6 response?

7 MR. ANDREW ENNS: The "don't knows" for
8 that question are -- are higher than I would have --
9 would have expected, based on the experience in Terasen.
10 We -- we did have a -- probably a higher than normal
11 "don't know" response in the -- in the -- in the BC
12 study, but it wasn't as high as this.

13 I considered that, in terms of looking at
14 the data there, does -- does the high "don't know" mean
15 that the -- this question is unreliable or the responses
16 are unreliable. In my opinion, there -- it is not;
17 there's still -- there's still -- a -- a good proportion
18 of customers responded to this.

19 It suggests to me that -- that we probably
20 still need to look at how we -- how we get at this
21 question and get at this information from customers.
22 Based on the -- in some of the -- in some of the focus
23 groups' discussions, and this is back in '04, people who
24 are responding "don't know" are more that likely made up
25 of -- of two (2) -- two (2) types of people.

1 areas that I'd like you to provide some more information
2 to the Board about is over the awareness that brokers are
3 the -- brokers, or retailers, or marketers are the
4 supplier of primary gas to customers, and as I reviewed
5 the 2004 report, there was a significant percentage of
6 the -- of the consumers indicating that they weren't
7 aware that they were supplied by an independent broker
8 when in fact they were.

9 Do you recall that?

10 MR. ANDREW ENNS: I do.

11 MR. BOB PETERS: And -- sorry, did you
12 have a -- I don't want to cut you off if you --

13 MR. ANDREW ENNS: No, no, I do. I do
14 recall that -- that -- that issue arising in the '04 --
15 the '04 study.

16 MR. BOB PETERS: And it also arose again
17 in the 2007 study, correct?

18 MR. ANDREW ENNS: Well, in fact I -- I --
19 I actually raised that early on in the process, and
20 reminded Manitoba Hydro that we had that situation arise.
21 And understand in '04, and this goes back to kind of a --
22 this goes back to how the sample was constructed, but
23 we're provided a list of sample that includes Manitoba --
24 is said to include Manitoba Hydro, Centra Gas customers,
25 and then a second list that is said to include customers

1 who are -- who are getting their -- being supplied their
2 primary gas from an independent marketer.

3 In '04, we took those two (2) lists and
4 conducted surveys. We conducted five hundred (500)
5 surveys from the one (1) list, and a thousand (1,000)
6 surveys from the other list. After the fact, when we got
7 -- when we started looking at the data and going into the
8 data, people who were, according to Manitoba Hydro,
9 customers of retailers were indicating that they were, in
10 fact, a customer of Manitoba Hydro.

11 And from our perspective, well that
12 presented a challenge when looking at the data because
13 whether factually you are a customer with a retailer, or
14 perceptually you think you're not, you're answering
15 questions with that in the back of your mind.

16 So if -- if you look at some of the data
17 that we looked at in '04, we -- we broke that out. It
18 had the effect of reducing our sample size of what --
19 what -- with -- with -- "true" is not the right word,
20 probably, but -- but the self-identified marketer
21 customer. We wanted to look at their attitudes
22 particularly, and I think our sample reduced down to, I'm
23 not sure the -- the actual number, but it's probably just
24 over a couple hundred in '04.

25 So I raised that concern in -- in '07

1 early on, and said for this one, we'll -- a sample will
2 come to me in the same format, but I want to construct
3 the -- design the survey to ensure that I have self-
4 identified, acknowledged customers of brokers responding
5 to -- to the survey, as well as acknowledge customers of
6 Manitoba Hydro knowing in the survey.

7 So early on in -- in the beginning of the
8 survey, there's a question there that's -- that screen --
9 there's a terminate written in, if you read through the
10 instructions, that we ended the -- the survey with people
11 who -- I mean -- I guess from the list perspective, they
12 -- they incorrectly identified being a customer with
13 either Manitoba Hydro or Centra Gas, or they didn't know.
14 They didn't know, so.

15 MR. BOB PETERS: On -- on that point, I -
16 - in the 2007 study, it appears to me that of the broker
17 supplied residential customers, fifty-six (56) were
18 unaware that they were, in fact, supplied by a retailer
19 or a marketer.

20 MR. ANDREW ENNS: Where would -- where
21 would you see that in the report? Is this in the
22 awareness -- second paragraph, Awareness and Support?
23 Second paragraph?

24 MR. BOB PETERS: Yes.

25 MR. ANDREW ENNS: Okay.

1 MR. BOB PETERS: You've located it
2 quicker than I did.

3 MR. ERIC HOAKEN: I'm sorry. Could we
4 just get the page reference?

5 MR. BOB PETERS: It's on Page 6 of the --

6 MR. ANDREW ENNS: June 12 report, second
7 -- second paragraph.

8 MR. ERIC HOAKEN: Thank you.

9 MR. ANDREW ENNS: That -- and I didn't
10 mean to confuse but potentially I did. That discussion
11 is -- does -- does not reflect the actual four hundred
12 (400) sample that I have.

13 What I did was I can track how many calls
14 I place and how many people I've spoke to; cooperative
15 respondents. And of those, I -- I terminated the
16 interview out of that global number with -- with more
17 than half.

18 Forty (40) -- and of that 56 percent, 45
19 percent identified Manitoba Hydro as their supplier, and
20 11 percent just didn't know -- didn't -- didn't offer any
21 response. So the four hundred (400), the 'N' of four
22 hundred (400) that's in -- that's reported on this
23 report, these are people who said, "I'm with a retailer."
24 Every last one of them.

25

1 CONTINUED BY MR. BOB PETERS:

2 MR. BOB PETERS: All right. And -- and
3 what you're telling me then is that in trying to collect
4 your survey and sample size, if somebody had incorrectly
5 understood on the phone, you'd terminate them and you
6 wouldn't include them in the -- in the final survey?

7 MR. ANDREW ENNS: That's right, yes, if
8 they -- if they...

9 MR. BOB PETERS: Thanks for that
10 clarification. Mr. Enns, turning to the 2007 research
11 report, the Board will find on page 53 of that report
12 some demographics.

13 And that's something you compiled, is it?

14 MR. ANDREW ENNS: At the end of the
15 survey there were a series of questions -- not a lot of
16 them, but a series of questions that were demographic in
17 nature, yes.

18 MR. BOB PETERS: And this information
19 that you have on the demographics; there was no quota
20 system used to try to get people in different age
21 categories or genders or education or income, was there?

22 MR. ANDREW ENNS: No, there was not.

23 MR. BOB PETERS: This is just how it
24 happened to come out from your phone calls from those you
25 didn't terminate, but those that you stayed with?

1 MR. ANDREW ENNS: That's correct.

2 MR. BOB PETERS: As a result of the
3 demographics, have you developed any kind of a customer
4 profile; that is, a customer that is more likely to want
5 system-supplied gas from the Utility, or those that may
6 be more likely to want fixed-price contracts?

7 MR. ANDREW ENNS: The -- because of the --
8 -- the length of the survey in just meeting the
9 objectives, and the -- and the fact that it wasn't a
10 primary -- we didn't have a lot of demographic questions.
11 We had a -- a -- I'd consider a handful.

12 So it's not one (1) that I would suggest
13 you can -- if you were to -- if you wanted to profile, I
14 would suggest a lot more questions to put together the
15 picture. But based on the questions we had in there,
16 there's a couple of things that -- that contrast the
17 residential -- Manitoba residential Hydro customer versus
18 the residential marketer customer.

19 The Manitoba Hydro residential customer
20 are more likely to come from higher household incomes;
21 that is, household incomes of sixty thousand dollars
22 (\$60,000) or higher, compared to looking at that
23 equivalent income bracket -- household income bracket for
24 marketers. In addition, individuals with Manitoba Hydro
25 tend to have a somewhat higher level of education; that

1 is, a college or university degree, compared to -- to
2 that of the same -- the same -- the same category with --
3 with marketers.

4 Age wise, there's no significantly
5 difference. We did detect another, I thought,
6 interesting difference when it came to the -- the
7 propensity to pay either the average natural gas amount
8 for a year; the average being a number supplied to me
9 from Manitoba Hydro, that twelve (12) -- twelve hundred
10 and sixty dollars (\$1,260) figure. Based on using that
11 average, just over half of Manitoba Hydro residential
12 customers, 54 percent, appeared to pay -- pay the average
13 amount or less; 43 percent pay more.

14 For marketers, that number is 48 percent
15 pay the average or less, and 51 percent pay an amount
16 higher than the average. So, slight variation there.

17 MR. BOB PETERS: What conclusions do you
18 reach from that?

19 MR. ANDREW ENNS: I honestly haven't
20 given it a lot of -- a lot of thought in terms of what
21 -- for profiling in -- in that it's nice to have a few
22 additional to help -- to help build that.

23 MR. BOB PETERS: So from your answers, I
24 can assume that that wasn't one (1) of the objectives or
25 purposes for your study is to try to develop that

1 demographic?

2 MR. ANDREW ENNS: Not as I understood
3 them, no.

4 MR. BOB PETERS: In looking at some of
5 the tables, I'd like to go through them, not all of them,
6 but some of the ones you mentioned when you were giving
7 your direct evidence through Ms. Murphy. And I want to
8 start, I think, on page 30 of your report with table 8.

9 You mentioned this in your -- in your
10 direct evidence, but the majority, and a strong majority,
11 in both the residential hydro consumer and the marketer
12 residential consumer had a belief that they benefited
13 from competition?

14 MR. ANDREW ENNS: Yes.

15 MR. BOB PETERS: And the reasons they
16 benefited from competition were up to them to suggest
17 what they thought they were, not -- not that they were
18 prompted into any of those?

19 MR. ANDREW ENNS: That is correct, it was
20 an open-ended follow-up question.

21 MR. BOB PETERS: In some of your
22 findings, Mr. Enns, including that underneath that table
23 8 on page 30, you go even further -- and I suppose with
24 the benefit of the computer analysis you're able to do,
25 you determined that Manitoba Hydro residential customers

1 of a certain age group are more likely than older such
2 customers to indicate they -- they believe there's a
3 benefit to competition?

4 MR. ANDREW ENNS: Correct.

5 MR. BOB PETERS: And why did you make
6 that observation?

7 MR. ANDREW ENNS: Part of our approach to
8 preparing a report for clients and it's -- it's not --
9 wasn't specific to this client, but it's just a general
10 approach where we -- we look at some subgroup data and
11 try to provide that, typically underneath the table.

12 When interpreting the report or going
13 through the report there may be different -- different
14 questions you're trying to answer and sometimes that
15 significant -- that subgroup data can be helpful. Also,
16 pulling the subgroup data in like that as you're writing,
17 if there is a -- a consistent pattern that you start to
18 note as you're going through, it will help you -- alert
19 you to that fact and -- and perhaps bring that out in a
20 more -- in a more fulsome sort of key finding.

21 So it -- it's there, it's -- it's a
22 noteworthy difference within -- within an age group that
23 -- that -- from a -- from a statistical perc --
24 perspective and we thought is useful to -- to Manitoba
25 Hydro to -- to at least have -- have within the report.

1 MR. BOB PETERS: And you acknowledge then
2 that in these answers as to how do you benefit or why do
3 you benefit, even consumers who were not signed onto
4 fixed-price contracts with a marketer were saying that
5 choice is good; in some cases, even though I don't even
6 use the choice, I think that's a good reason to have
7 competition?

8 MR. ANDREW ENNS: Correct. That was the
9 -- that -- that was one (1) of the more popular responses
10 to that question; "Why do you benefit?" And I should --
11 I'll explain how we -- how we code this if -- if it might
12 be helpful. That we take the verbatim responses; in this
13 case the responses of over five hundred (500) residential
14 Hydro customers and -- and we'll read through them and
15 try to identify common -- common responses to such a
16 degree that it's -- it's worthy of a code of its own --
17 of its own code.

18 And we'll code them in that way and then
19 we can run the data to show the percentage of people who
20 responded in a similar fashion within that code. The
21 actual -- the actual verbatim may have been somewhat
22 different or they're all somewhat unique, but they all
23 generally relate to that particular comment.

24 MR. BOB PETERS: So there was some
25 amalgamation of -- of codes --

1 MR. ANDREW ENNS: Yeah.

2 MR. BOB PETERS: -- to give you that --
3 that data grouping?

4 MR. ANDREW ENNS: There'll be some, but
5 not -- not a great deal. I mean, they'd all be fairly
6 consistent with just this notion of competition is --
7 competition is good, choice is good, which we felt were
8 similar enough to combine.

9 MR. BOB PETERS: On Table 9(b), Mr. Enns,
10 you also had some reasons as to why those who disagreed
11 with the sys -- with the belief that there was a benefit
12 from competition, as to some of the reasonings that they
13 provided you with. Much the same way, it was not
14 prompted, it was just coded?

15 MR. ANDREW ENNS: Open-ended, yes.

16 MR. BOB PETERS: Open-ended questions,
17 and your operators would interpret the answers and give
18 them a code, and that's how this came out?

19 MR. ANDREW ENNS: The -- the interviewer
20 would not interpret. The interviewer would take down the
21 verbatim, and the verbatim would make its way back to the
22 data -- our data analyst staff. They would in -- they
23 would then interpret the data. The operator, all they're
24 doing is -- is capturing the verbatim response, typing it
25 out.

1 MR. BOB PETERS: When I look at the
2 residential hydro customers' reasons for not believing
3 they benefit from competition, you raised it in your
4 evidence as well, the issue of the preference for the --
5 for the monopoly utility, and you -- you equated that to
6 be a trust issue for many.

7 MR. ANDREW ENNS: Yeah, yes, that would
8 have been referenced in -- in their comments to this
9 question, and I raised it to the context, I believe, in
10 the focus group findings that I -- that I gave evidence
11 on, that -- that it -- that it came up in that sense as
12 well. A familiarity and a comfort with Manitoba Hydro.

13 MR. BOB PETERS: And just so that I make
14 sure the Board is aware of how these numbers are going to
15 work when they're reviewing it in further detail, your
16 'N' size here was two hundred and twenty-six (226)
17 customers, of which twenty-one (21) of those --

18 MR. ANDREW ENNS: 21 percent.

19 MR. BOB PETERS: 21 percent of those --

20 MR. ANDREW ENNS: Yes.

21 MR. BOB PETERS: -- preferred Hydro. And
22 if we do the math, we have approximately forty-eight (48)
23 people in number out of a total of eight hundred (800)
24 indicated that they preferred Hydro because it was
25 publicly owned or a higher trust level.

1 MR. ANDREW ENNS: If you were to
2 extrapolate to the entire sample, the -- those percents
3 are reflective of the two hundred and twenty-six (226)
4 who were actually asked that question -- who were asked
5 to -- to comment as to why they feel they don't benefit.

6 I -- I think it's -- I wouldn't -- I
7 wouldn't rush or be that comfortable if you'd extrapolate
8 this to the larger sample, because the lar -- the entire
9 sample wasn't asked, "Why don't you benefit from
10 competition?"

11 The only sample that was asked, was the
12 two hundred and twenty-six (226) people who indicated
13 earlier they felt they didn't -- they -- they didn't
14 agree with the statement that they benefited.

15 So I think you should be careful there
16 about...

17 MR. BOB PETERS: Well in terms of
18 extrapolating it to -- to the percentage of hydro
19 supplied system customers who don't believe there's
20 benefits to competition, is the percentage 21?

21 MR. ANDREW ENNS: Twenty-one percent of
22 the people who feel they do not benefit from having
23 competing choices said so because they prefer Hydro.

24 MR. BOB PETERS: And how should the Board
25 extrapolate that, if at all?

1 MR. ANDREW ENNS: Well, I guess it's
2 important to go back to the question in Table 8 in terms
3 of -- that's where you can ex -- you can draw a broad
4 conclusion about the preference about the Manitoba Hydro
5 residential customer base and the marketer customer base,
6 and you can -- that's -- that's the first important
7 funnel to be appreciative of.

8 And then from there you can understand of
9 that 30 percent who disagree that they benefit by having
10 a competing choice, you can make the case that 21 percent
11 of those people are -- are saying -- are doing so because
12 of -- because of a -- a trust issue.

13 MR. BOB PETERS: That's 21 percent of 30
14 percent?

15 MR. ANDREW ENNS: Correct.

16 MR. BOB PETERS: All right. I think
17 we've got the -- the math. There's one (1) -- there's
18 one (1) anomaly on this schedule 9(b) that you might be
19 able to assist the Board with, and that is where the
20 answer was, "Why don't customers benefit from
21 competition?" And then one of the coded responses is,
22 "Competition/choice is good, don't like monopolies."

23 MR. ANDREW ENNS: That's -- sometimes
24 will -- will occur in an open-ended question. I mean,
25 you don't -- we had a discussion earlier about the value

1 -- the perceived value of open-ended questions as if, are
2 they the best way to go. This is a case of sometimes why
3 -- why you don't want to go entirely with an open-ended
4 question.

5 This respondent, and I can -- I can
6 probably verify, but some people said that they somewhat
7 disagree with the statement that they benefit from
8 competing choices. They're -- we asked them then, "Why
9 do you -- why do you say that, why do you somewhat
10 disagree that you benefit?"

11 They don't strongly disagree, and in their
12 response to us they may have ended up feeling, well, it's
13 -- it's not bad. They don't -- they don't strongly
14 disagree with that. And in their response, they may --
15 they may have actually provided a somewhat positive
16 reflection on why they feel they bene -- why in fact they
17 feel they -- they probably do benefit from competing
18 choices.

19 It's -- it's not a question -- I mean,
20 it's an open-ended question. We accept the responses no
21 matter -- we don't sort of go back and correct them on --
22 on that you said, but when you look at a response like
23 that, you will find that it's somewhere in the -- in the
24 mid scale, the somewhat, so they don't ho -- they don't
25 firmly hold that view and that's where you run into --

1 sometimes there a tendency for that to happen.

2 MR. BOB PETERS: Are there other examples
3 of what would be included in the mid scale that you
4 referred to?

5 MR. ANDREW ENNS: None -- when looking at
6 this, probably -- I don't think we examined it directly
7 by -- by -- by separating out the very -- very strongly
8 agree versus the somewhat agree versus the stro --
9 somewhat disagree versus the strongly disagree, so I
10 can't answer that.

11 We -- we could go back and look if it was
12 of interest. My sense would be, I don't -- looking at
13 these, I don't believe that there's any that -- that
14 immediately jump out as being good candidates for -- for
15 a somewhat -- a somewhat response.

16 MR. BOB PETERS: Mr. Enns, on table 10
17 when asked consumers what amount they were willing to pay
18 on their monthly gas bill to ensure there's a choice in
19 the market, did you explain to them why their monthly gas
20 bill might be higher than it otherwise would be in this
21 example?

22 MR. ANDREW ENNS: We did preface that
23 question with a statement. It's -- I believe it's at
24 page 57 of -- of your document, which is the
25 questionnaire, at the top of the page, question 9.

1 Sorry, we -- 59, yeah, page 59 of your documents. Sorry,
2 Mr. Peters.

3 There are administrative -- we prefaced it
4 with the sentence,

5 "There are administrative and
6 regulatory costs associated with
7 ensuring custom -- consumers have a
8 choice of companies to purchase natural
9 gas from. In your opinion, what is an
10 acceptable amount?"

11 MR. BOB PETERS: And when you -- when you
12 -- did you quantify for them what the administrative
13 costs were or what the regulatory costs were to ensure
14 they had a choice?

15 MR. ANDREW ENNS: We did not.

16 MR. BOB PETERS: As you sit here, do you
17 know what those costs are or what is being referenced in
18 the question?

19 MR. ANDREW ENNS: I can't recall being
20 told that. I may -- this was a new que -- one of the new
21 questions, and I may have asked for some clarification,
22 but I can't recall.

23 MR. BOB PETERS: And I'm not saying this
24 is germane to the Winnipeg market, but when you ask if
25 somebody's willing to pay for that, most of them don't

1 want to pay any more money to have -- to have the -- the
2 choice.

3 MR. ANDREW ENNS: That would -- correct.

4 MR. BOB PETERS: Is that unexpected?

5 MR. ANDREW ENNS: I -- I wasn't -- I
6 wasn't surprised by -- you know, by these findings;
7 although it does -- I hadn't -- we hadn't asked questions
8 sort of following up on the -- on the -- on the value of
9 competition before, so -- but, no, I wasn't overly
10 surprised by these.

11 MR. BOB PETERS: Was there any -- there
12 was no indication as to whether the costs of the
13 marketers were higher or lower than the utility costs?

14 MR. ANDREW ENNS: Nothing beyond what was
15 -- what was -- what was read to them, as we read earlier.

16 MR. BOB PETERS: And in your entire
17 survey and focus group report, did you on occasions try
18 to draw comparisons as between the -- the -- the Centra
19 present default offering and that fixed price offering by
20 marketers?

21 MR. ANDREW ENNS: In what sense, does --
22 draw distinctions between the --

23 MR. BOB PETERS: Well, you -- you did
24 show the Board -- one (1) of the advertisements was a pr
25 -- a price comparison. And there's one (1) example where

1 you tried to compare together.

2 MR. ANDREW ENNS: Yeah, and I would --
3 yes, correct, we -- we discussed -- discussed the rates.
4 In a sense, we -- when we -- later on in the -- in the
5 survey, we -- in particular, the -- the table on -- on
6 page 34, table 13, where we introduced the five (5)
7 different product offerings, would that -- would that --
8 I mean again, we -- we had the -- we had the Centra Gas
9 offering of -- where the rate changes every three (3)
10 months along with a -- a variable monthly plan along with
11 several different term -- term plans.

12 So in a sense we were getting some
13 distinct -- some comparison between the -- impressions
14 between the three (3) there or between the two (2) -- two
15 (2) offerings.

16 MR. BOB PETERS: But even on table 13 you
17 didn't tell the consumers which option was available from
18 which provider.

19 MR. ANDREW ENNS: No, correct.

20 MR. BOB PETERS: And on table 13, some of
21 those offerings aren't available from any provider, at
22 this time?

23 MR. ANDREW ENNS: Correct.

24 MR. BOB PETERS: All right. We'll --
25 we'll come to that. Was there any explanation as to how

1 the dollar amount of what consumers are prepared to pay
2 for choice was developed by the customers?

3 Do you have any understanding as to how
4 they determined how much they're prepared to pay more on
5 their gas bills as a result of a choice in the market?

6 MR. ANDREW ENNS: We didn't follow up on
7 that question with respect to the focus research --
8 would've -- which would've been the only opportunity.

9 MR. BOB PETERS: All right. And in terms
10 of contracting preferences over on graph 12 on page 33,
11 on graph 12, you asked consumers about their preference
12 for purchasing primary gas.

13 And Manitoba Hydro residential customers,
14 44 percent of them, according to this, wanted a locked-in
15 rate; is that how you interpret that?

16 MR. ANDREW ENNS: I think it's important
17 to keep the reference to contract in that question, as
18 that was -- an important aspect of that question. The
19 question was,

20 "Thinking about how you purchase
21 natural gas, which of the two options
22 would you prefer: Not being under
23 contract, but the natural gas rate can
24 change every three (3) months. Under a
25 contract, but the natural gas rate is

1 locked in and won't change for a set
2 period of time, usually three (3) to
3 five (5) years."

4 With that in mind, the -- the presents
5 there are -- are accurate that half -- just over half the
6 Manitoba Hydro customers prefer not being under a
7 contract and having a three (3) month variable rate and -
8 - and 44 percent, it would appear, to prefer being under
9 a contract for under a longer term.

10 MR. BOB PETERS: Of those 44 percent that
11 prefer to be under a long-term contract, were they made
12 aware, in your questioning, that that option was
13 available to them?

14 MR. ANDREW ENNS: No.

15 MR. BOB PETERS: And so they might not
16 have been aware that it presently was available from a --
17 from a marketer?

18 MR. ANDREW ENNS: They might not.

19 MR. BOB PETERS: And if we turn over to
20 the marketer customers who were surveyed, even those who
21 had already entered into a contract, there were some who
22 preferred not to be under a contract, that is, 16 percent
23 of them?

24 MR. ANDREW ENNS: Correct.

25 MR. BOB PETERS: Well, how do you

1 interpret that result recognizing that they already are
2 under a contract?

3 MR. ANDREW ENNS: It could -- it could be
4 they're having second thoughts.

5 MR. BOB PETERS: Was that asked of them?

6 MR. ANDREW ENNS: No. I mean, you would
7 have to look at the satisfaction of -- of -- there was a
8 question there with respect to the satisfaction with the
9 -- with your marketer, your -- your current arrangement
10 and about 20 percent indicated that they weren't -- they
11 weren't satisfied.

12 MR. BOB PETERS: That cross-referencing
13 isn't available on this -- on the face of the report;
14 that would be something that would be in the data that
15 you would have back at your office, correct?

16 MR. ANDREW ENNS: Right. That would be
17 something we could look at specifically on its own if we
18 wanted to look at that question and see if there was a --
19 was a correlation between that 16 percent and the 20 odd
20 percent who weren't satisfied.

21 MR. BOB PETERS: You also in the
22 significant findings, you break out some things including
23 the third bullet point down being,

24 "Manitoba Hydro's male residential
25 customers are more likely than female

1 Manitoba Hydro customers to prefer the
2 three (3) month variable rate."

3 MR. ANDREW ENNS: Correct.

4 MR. BOB PETERS: And, the word
5 "significant" is what you told the Board before, that has
6 a special meaning in your line of work?

7 MR. ANDREW ENNS: Right.

8 MR. BOB PETERS: And that this is a
9 statistically valid --

10 MR. ANDREW ENNS: Difference.

11 MR. BOB PETERS: -- conclusion and
12 difference that you can make as between them.

13 MR. ANDREW ENNS: Correct.

14 MR. BOB PETERS: You didn't note all of
15 the statistical differences, but this is one of the ones
16 that you selected?

17 MR. ANDREW ENNS: Correct.

18 MR. BOB PETERS: And, have you any
19 explanation for that to the Board as to why that would be
20 the case? Why the males who are Hydro residential
21 customers are more likely than the female Hydro customers
22 to prefer the three (3) month variable rate?

23 MR. ANDREW ENNS: I haven't looked at
24 that, no.

25 MR. BOB PETERS: All right. In terms of

1 the product preferences on Tab -- on Tab -- sorry, Table
2 13 on Page 34 of the report, you introduced to the Board
3 here, and you did in your evidence through Ms. Murphy
4 that there's a Top Box explanation due here and, that is,
5 customers could have picked their preference for all of
6 these at different -- at different levels on the scale;
7 would that be correct?

8 MR. ANDREW ENNS: In fact -- in fact,
9 they did. They were -- every -- every respondent was
10 asked to rate each of these individual products.

11 MR. BOB PETERS: And just so the Board
12 can have a better understanding here of the Hydro
13 residential customers, 10 -- is it 10 percent...

14 MR. ANDREW ENNS: Ten percent, yes.

15 MR. BOB PETERS: Were saying their top
16 choice would have been a monthly -- a monthly change --
17 change rate?

18 MR. ANDREW ENNS: No, that isn't how --
19 10 percent of Manitoba residential customers rated that --
20 -- that au -- that product either a seven (7), eight (8),
21 nine (9) or ten (10).

22 It's not to suggest that they didn't rate
23 the subsequent one a seven (7), eight (8), nine (9) or
24 ten (10) either. For a -- for a finding of your -- of
25 your -- for your favourite product, would be better to

1 look at Table 13, or pardon me, sorry, Table 14, on Page
2 36.

3 And I'll just caution again, we didn't
4 prov -- I didn't provide a -- a percent, and if it's
5 required, I can certainly do that, a percent of what
6 percent of residential customers picked X product as
7 their favourite. What percent of residential customers
8 picked Y product as their favourite.

9 You can -- you can see how it breaks out
10 by looking at the 'N' sizes, Mr. Peters, on Table 14. An
11 'N' of 125 selected the natural gas rate that changes
12 every three (3) months as their favourite.

13 And so that 125 taken to a percent would
14 give you that -- that figure.

15 MR. BOB PETERS: All right, and I was
16 going to go there. Those 'N' sizes will add up to eight
17 hundred (800) for the Hydro residential?

18 MR. ANDREW ENNS: It may be if -- it may
19 be a bit short if someone responded a "don't know" or
20 "refused" or something but, yeah, it would be very close.

21 MR. BOB PETERS: There's no duplicate
22 answers in there? People weren't allowed --

23 MR. ANDREW ENNS: No.

24 MR. BOB PETERS: -- to give two choices?

25 MR. ANDREW ENNS: No, they -- they were

1 not allowed to have two favourites.

2 MR. BOB PETERS: And in Table 13, they
3 were allowed to have two favourites or more?

4 MR. ANDREW ENNS: In Table 13, they were
5 just asked to rate those products on a scale of zero (0)
6 to ten (10), and they could have given similar ratings to
7 -- to every single one. And then we would have -- we
8 would have asked them to select their favourite.

9 MR. BOB PETERS: Do you agree with me
10 that from Table 13, there's no suggestion from the data
11 provided there, that Centra should offer any of those
12 products?

13 MR. ANDREW ENNS: I don't have enough ado
14 -- other experience with -- with -- with rating these
15 kind of products on -- on -- on some sort of scale to
16 sort of suggest is 41 percent of people who say 7 to 10,
17 is that a poor score for this kind of question when
18 dealing with this kind of product.

19 Do you follow what I'm -- what I'm trying
20 to say?

21 MR. BOB PETERS: Well, I'm -- I'm
22 searching for your answer to my question as to whether
23 there is any suggestion in table 13 that Centra should be
24 offering any of the products listed.

25 There's -- there's no way you can

1 interpret that to mean the Centra should provide those
2 products, is there?

3 MR. ANDREW ENNS: Should they -- should
4 they go out an offer? No, I can't -- I can't interpret
5 that. I think what I would interpret is that there is
6 some interest among customers for these products.

7 MR. BOB PETERS: And to the --

8 MR. ANDREW ENNS: These -- these products
9 weren't -- weren't positioned as being product offerings
10 of Centra, they were just product -- product offerings.

11 MR. BOB PETERS: No, I -- I have your
12 point and you -- they were -- consumers weren't told
13 whether those were or were not available from Centra --

14 MR. ANDREW ENNS: Right.

15 MR. BOB PETERS: -- or were or were not
16 available from marketers.

17 MR. ANDREW ENNS: Correct.

18 MR. BOB PETERS: All right. You drew the
19 Board's attention to table 14 in a previous answer to me
20 a few minutes ago, Mr. Enns, and you interpreted it
21 perhaps differently than I had thought on the face.

22 You interpreted it to say,

23 "this might be a loose proxy for what
24 the preference is by customers for the
25 type of offering they'd like to

1 subscribe for."

2 MR. ANDREW ENNS: No, I mean, what I --
3 what I meant to say, if I -- is that, the -- the -- the --
4 - the data in table 14 will give you a -- an accurate
5 picture of -- of Manitoba Hydro customers or marketer-
6 supplied customers.

7 Of the list of product offer -- offerings
8 that we provided them, what percentage selected that
9 offering as their favourite -- as their -- as their
10 favourite or preferred highest rated product. So that --
11 that's what -- that's what you can get from that table,
12 by looking at the 'N' sizes.

13 MR. BOB PETERS: And your conclusion is
14 that the longer the term of the contract, the higher the
15 premium that consumers are prepared to pay.

16 MR. ANDREW ENNS: The -- the -- the --
17 the -- the -- the amount of the premium is -- is -- is
18 discussed in the -- in the following table, table 15, and
19 there is some pattern that individuals who preferred a
20 five (5) year plan were more apt to provide a higher
21 premium amount in the answer to question -- the question
22 in -- in table 15.

23 MR. BOB PETERS: Let's turn to table 20
24 on page 41, Mr. Enns, and the purpose of the question
25 that gave rise to table 20 was to gauge consumer's

1 reaction to possible new primary gas offerings from
2 Centra or Manitoba Hydro.

3 MR. ANDREW ENNS: Correct.

4 MR. BOB PETERS: And in this question
5 there was no explanation as to whether there would be
6 additional premiums of costs for those offerings, was
7 there?

8 MR. ANDREW ENNS: In -- for table 20,
9 which was -- the question's on page 60 -- 63,
10 potentially, in yours. We -- we provided reference to a
11 premium in the option.

12 "I'm going to read you several new ways
13 Manitoba Hydro could provide natural
14 gas to its customers. After each,
15 please tell me if you support or oppose
16 Manitoba Hydro offering these different
17 plans. Would you support or oppose
18 Manitoba Hydro offering a natural gas
19 at a fixed-rate plan ranging from one
20 (1) to five (5) years which guarantees
21 a set rate usually at a premium."

22 MR. BOB PETERS: The premium wasn't
23 explained or quantified? Just those words were used?

24 MR. ANDREW ENNS: Just those words.
25 Exactly.

1 would be the same answer, although -- I mean, these were
2 new -- we did -- we did preface that these were several
3 new ways Manitoba Hydro could provide. So, I don't think
4 we were trying to lead the -- the customer to suggest
5 that these were already in existence for Manitoba Hydro.

6

7

(BRIEF PAUSE)

8

9 MR. BOB PETERS: On table 21(a) on page
10 42 of your report, Mr. Enns, customers were asked point
11 blank whether or not Hydro should offer more than one
12 natural gas offering.

13 MR. ANDREW ENNS: Correct.

14 MR. BOB PETERS: And the specific
15 offering wasn't provided in the questioning? It was
16 simply --

17 MR. ANDREW ENNS: No, no, not in that
18 question.

19 MR. BOB PETERS: -- whether they thought
20 there should be more than one offer.

21 MR. ANDREW ENNS: It was just more than
22 one -- more than one product offering.

23 MR. BOB PETERS: And there was no
24 inclination in -- in this question that if Hydro did
25 offer more than one product, there may be a premium

1 attached to that?

2 MR. ANDREW ENNS: Not in that question,
3 no, there was not.

4 MR. BOB PETERS: On table 21(b), you had
5 made some revisions this morning in your evidence through
6 Ms. Murphy -- just to correct the 'N' size. What does--
7 what does 'N' stand for?

8 MR. ANDREW ENNS: That's a good question.
9 It's a -- it's a number of completes, I believe. But
10 it's a standard industry identification for --

11 MR. BOB PETERS: It's the sample size who
12 responded to the question.

13 MR. ANDREW ENNS: Exactly.

14 MR. BOB PETERS: That's how I've taken it
15 and I wanted to make sure that --

16 MR. ANDREW ENNS: Yeah, that's correct.
17 That's correct. I didn't know if there was some Latin
18 term for something I was missing.

19 MR. BOB PETERS: All right, well -- in
20 this one here, there appears to be a suggestion that
21 Hydro customers would like there to be competition and
22 more choices. But they also would like Manitoba Hydro to
23 offer more than one rate offering. And if that did come
24 to pass, and that reduced the number of choices,
25 consumers would be okay with that.

1 MR. ANDREW ENNS: That -- that is what
2 that question would suggest.

3 MR. BOB PETERS: All right. Help me with
4 the numbers in terms of percentages then, in terms of how
5 -- how we get there.

6 Of the customers who -- who say that
7 they're okay with reduction in competition so long as
8 Centra gets to offer more offerings, what percentage of
9 that -- what is the percentage of that of the total Hydro
10 residential customer base? Is it 69 percent of four
11 hundred and forty-seven (447)?

12 MR. ANDREW ENNS: It is 69 percent of
13 four hundred and forty-seven (447), so --

14 MR. BOB PETERS: Well, then I -- I know
15 somebody who can do the math, so that's okay.

16 MR. ANDREW ENNS: Yeah, and I -- you
17 know, I can -- it's -- it's not that difficult for me to
18 find out those numbers as well, to that -- to the actual
19 respondent numbers to that who said, yes. It's --

20 MR. BOB PETERS: I'm told -- roughly 39
21 percent, I'm told?

22 MR. ANDREW ENNS: That would be because
23 it's -- it's just over half the entire sample, so, that
24 makes sense.

25 MR. BOB PETERS: And of those, you don't

1 know how many of those are aware that there are fixed-
2 price offerings on the market? You haven't broken it
3 down further as to which ones were knowledgeable, which
4 ones weren't?

5 MR. ANDREW ENNS: I haven't, but that's
6 possible because we had a question in there with respect
7 to the awareness of other -- of the ability to purchase
8 natural gas from other sources.

9 MR. BOB PETERS: So you could cross-
10 reference them in your database?

11 MR. ANDREW ENNS: We could. We could.

12 MR. BOB PETERS: In your significant
13 findings, you -- you indicate on the first one that,
14 "Hydro residential customers who
15 believe they do not benefit from
16 competition are more likely than those
17 who do believe they benefit to support
18 Manitoba Hydro offering a fixed-rate
19 plan."

20 MR. ANDREW ENNS: Correct.

21 MR. BOB PETERS: And if I want to do the
22 math on that, that 78 percent number, I'd have to
23 multiply that and maybe go back to table 8 on page 30 and
24 see how many customers felt they did not benefit from
25 competition?

1 MR. ANDREW ENNS: It's -- it's even one
2 step more complicated because you'd have to know --
3 because you still have to tie yourself to the question
4 reflected in 21(b) in that four hundred and forty-seven
5 (447) people. So we'd want to know of the four hundred
6 and forty-seven (447) people, how many of them said they
7 didn't benefit from competition and how many said they
8 did.

9 And then go and -- and work the math from
10 there but, again, that's -- that's pos -- that -- that --
11 I mean, that's certainly possible to do.

12 MR. BOB PETERS: Turning to the table 25,
13 Mr. Enns, and talking about default options, was 20 --
14 was -- was the question on table 25 - and particularly
15 I'm looking at the bottom half of the -- of the table -
16 was that an open-ended question or was that one where the
17 customers were -- were prompted?

18 MR. ANDREW ENNS: The question with
19 respect to, "if you are automatically enrolled, would
20 you...even if you did not ask to be enrolled," that was -
21 - we -- we provided prompted responses.

22 MR. BOB PETERS: And why didn't you leave
23 that open-ended?

24 MR. ANDREW ENNS: I'm not sure how I
25 would phrase that. I mean, our -- what we're trying to

1 determine with that question is the reaction of customers
2 if they're automatically enrolled. I'm not sure the
3 value of leaving that open-ended would be because we're
4 not asking for -- you know, we'd get -- we'd get
5 adjectives in terms of, I'd be mad, I'd be unhappy, I'd
6 be appalled, outraged.

7 That -- that was -- the -- the gist of the
8 question was to find out the reaction.

9 MR. BOB PETERS: Do you recall who
10 suggested this question be put in the survey?

11 MR. ANDREW ENNS: The question came up
12 in, I believe, the discussions at version 3 and I believe
13 we discussed it during a st -- during a meeting with
14 Manitoba Hydro. I believe the Consumers' Association may
15 have been involved; quite frankly, can't determine.

16 Personally, I didn't -- I didn't know if
17 it was an absolutely in -- integral question. I mean, it
18 gives a good -- good feel for what customer reaction is,
19 but I think also, if -- if you just had the top half of
20 that table, Mr. Peters, and -- and you had 80 percent of
21 people saying, leave the situation as it is, you -- are
22 you following me?

23 That may have been enough to help
24 understand the -- the direction you perhaps should have
25 gone. But I think it -- it -- more than likely it was --

1 it was Hydro that -- that wanted to sort of get a little
2 further into that in terms of what the reaction would be
3 if they did change. I'm not 100 percent sure.

4 Some of the -- I got a feeling the drafts
5 aren't going to tell use because I think that was one (1)
6 of the discuss -- one (1) of the -- one (1) of the
7 additions that we had in -- in one (1) of those meetings,
8 one (1) of the -- the two (2) sort of drafting meetings
9 that we had when -- when the -- the Consumers'
10 Association were involved too.

11 MR. BOB PETERS: What if the wording was
12 changed, Mr. Enns, and instead of asking people how upset
13 they would be and give them a scale of -- of that, why
14 not ask them how satisfied they would be or their level
15 of satisfaction?

16 Changing the word "upset" to
17 "satisfaction," would that possibly change the responses?

18 MR. ANDREW ENNS: I don't think so, and I
19 -- I think that would have presented respondents a little
20 bit of trouble to respond to because it's not really what
21 are they satisfied with, the fact that it's been changed,
22 and they didn't want it changed, like.

23 I'd be worried about that, that it's not
24 meshing sort of the mind set of the respondent
25 potentially.

1 MR. BOB PETERS: Mr. Enns, in continuing
2 with the default product on Table 26, you ask consumers
3 to indicate what should be Centra's default product if
4 they don't choose to go with an independent marketer, and
5 60 percent of the Hydro customers -- 62 percent said,
6 "stay with the quarterly rate plan", and 31 percent would
7 say, "go down to a monthly rate plan."

8 Would that be the --

9 MR. ANDREW ENNS: Correct.

10 MR. BOB PETERS: -- correct
11 interpretation?

12 MR. ANDREW ENNS: Yes.

13 MR. BOB PETERS: And in the quarterly
14 rate plan you say that there's a premium of less than 1
15 percent.

16 Do you know how that 1 percent was
17 calculated, or what that refers to?

18 MR. ANDREW ENNS: The number was provided
19 to me by Manitoba Hydro and I believe that was cal -- I
20 don't know how it's calculated.

21 MR. BOB PETERS: There's no reference to
22 specific amounts of hedging results in this answer
23 either, or in this question either?

24 MR. ANDREW ENNS: No, this did not deal
25 with whether over -- over -- over a time period.

1 MR. BOB PETERS: Was the 1 percent
2 additional cost thought to be related to hedging by
3 yourself or do you know?

4 MR. ANDREW ENNS: Could you repeat the --
5 repeat the question please?

6 MR. BOB PETERS: Certainly. In the Table
7 26, under the currently quarterly rate primary gas plan,
8 you're telling consumers that they would pay a premium of
9 less than 1 percent.

10 MR. ANDREW ENNS: Correct.

11 MR. BOB PETERS: And what was your
12 understanding as to what that 1 percent related to?

13 MR. ANDREW ENNS: My understanding, it
14 was related to the -- the cost of operating the hedging
15 program. It was -- it ties back to the discussion that
16 we had before the -- before the lunch break regarding the
17 questions on the hedging -- or the rate management
18 program.

19 MR. BOB PETERS: From the survey in terms
20 of the methods of marketing by the retailers, it appears
21 on Table 28 that most were very satisfied with their
22 arrangement or totally satisfied -- or sorry, the total
23 satisfied was in the 82 percent area --

24 MR. ANDREW ENNS: Correct.

25 MR. BOB PETERS: -- for those customers.

1 And not only were 82 percent satisfied, on Table 30, 82
2 percent were recruited and signed up by way of door-to-
3 door contact, correct?

4 MR. ANDREW ENNS: Correct.

5 MR. BOB PETERS: And there's no way to
6 tell whether there's a direct correlation between those
7 82 percent who were satisfied as to whether or not those
8 related to all of those who were approached at the door?
9 Not from what's presented here?

10 MR. ANDREW ENNS: Not -- not from what's
11 presented there. Correct.

12 MR. BOB PETERS: That's something you
13 could check back in your database?

14 MR. ANDREW ENNS: We could go back and
15 cross -- cross-reference that. I might al -- take the --
16 while I've got the mike, I may have misspoke where I was
17 -- where we had that earlier discussion about the percent
18 of marketers who wanted a contract -- or a no contract
19 three (3) month on that graph 12, Mr. Peters, and I sort
20 of made reference that it may be somewhere to 20 percent
21 of marketers were dissatisfied. Clearly, it's only 12
22 percent.

23 MR. BOB PETERS: On Table 29 when the
24 reasons for customers signing up with a marketer are
25 provided, that was an unprom -- those are unprompted

1 items set out in Table 29, correct?

2 MR. ANDREW ENNS: That is correct.

3 MR. BOB PETERS: And was there any
4 indication as to where the consumer got the information
5 that they shared with you?

6 MR. ANDREW ENNS: In -- in how they
7 formulated their response?

8 MR. BOB PETERS: Yes.

9 MR. ANDREW ENNS: No, there was no --

10 MR. BOB PETERS: So you don't -- you
11 don't know when the customers and you quoted it -- you
12 coded it to show that some of them thought that they --
13 they may save money. You don't know where they got that
14 information?

15 MR. ANDREW ENNS: I do not, no.

16 MR. BOB PETERS: And when it says, "save
17 money," does that tell the Board that these consumers
18 with certainly felt they were going to save money or that
19 there was a prospect that they would save money?

20 MR. ANDREW ENNS: No, I would have to go
21 back into the raw data and make a distinction between
22 that if it was that -- if it's -- if it's of critical
23 importance.

24 MR. BOB PETERS: You'd have to go through
25 each individual response and see verbatim what it was and

1 see if it was coded properly?

2 MR. ANDREW ENNS: And -- and probably
3 create a -- create a separate code to say, saved money, I
4 will save money.

5 MR. BOB PETERS: Or I may save money.

6 MR. ANDREW ENNS: I may save money.
7 Exactly. I mean, if -- I wouldn't -- I couldn't
8 guarantee that I could -- that there are responses
9 distinguishing the two (2), but that would be what we'd
10 have to do upfront.

11 MR. BOB PETERS: In terms of customers
12 who did not sign up at the door, and that would be
13 approximately, I guess, primarily the 10 percent who went
14 by direct -- direct mail?

15 MR. ANDREW ENNS: Primarily, yes.

16 MR. BOB PETERS: And table 31, they
17 likewise had a high satisfaction rate with their
18 experience with the marketers; is that correct?

19 MR. ANDREW ENNS: That's correct,
20 although distinguish table 28 where we're asking -- table
21 28 is a -- a broader question, we're asking about your --
22 your satisfaction with -- with the arrangement -- with
23 your current arrangement between you and the natural gas.

24 We're not -- we're not specifically
25 saying the signing-up process or the -- or the current --

1 or the ongoing -- it's just the -- the current arrangement
2 and it's a -- it's the broad sense. In -- in table 31, I
3 mean, we are specifically drawing their attention to the
4 initial signing-up experience, so -- just so that
5 distinction's clear.

6 MR. BOB PETERS: I have your point and
7 thank you, Mr. Enns. Just concluding on this report, I
8 wanted to turn to table 35 on page 52. When customers
9 were told other than a door-to-door contact from a
10 marketer, what is your preference to being contacted to
11 sign up.

12 You've given some -- some responses that
13 you've -- you've received, primarily direct mail being
14 preferred, correct?

15 MR. ANDREW ENNS: Correct.

16 MR. BOB PETERS: And when you say, other
17 ones like online or internet, as well as telephone, is
18 there any suggestion that -- that those methods aren't --
19 aren't available or have some restrictions attached to
20 them in Manitoba?

21 MR. ANDREW ENNS: No, there was no -- no
22 indication of any restrictions on -- on these. It was ju
23 -- this was a -- this was an open-ended question.

24 MR. BOB PETERS: Thank you, Mr. Enns.

25 Mr. Chairman, I appreciate there's some

1 tough sledding in that and I want to turn to the focus
2 group report and I wonder if just a -- a five (5) or ten
3 (10) minute recess wouldn't be in order, so I can get my
4 notes in order?

5 THE CHAIRPERSON: Very good, sir. Be
6 back in ten (10) minutes.

7

8 --- Upon recessing at 2:11 p.m.

9 --- Upon Resuming at 2:20 p.m.

10

11 THE CHAIRPERSON: Mr. Peters...?

12 MR. BOB PETERS: Yes.

13 THE CHAIRPERSON: I think we are missing
14 Mr. Saxberg still?

15

16 (BRIEF PAUSE)

17

18 THE CHAIRPERSON: Okay. He can catch up
19 on the transcripts. Okay, Mr. Peters.

20 MR. BOB PETERS: All right. We had the
21 best of intentions, I'll try to convince him of that.

22 Mr. Chairman, thank you.

23

24 CONTINUED BY MR. BOB PETERS:

25 MR. BOB PETERS: And, Mr. Enns, we've had

1 a chance to go through the -- the document in a bit more
2 detail. I want to actually go back now to before you
3 even prepared that report and I hope you don't think
4 we're going in wrong direction here.

5 Do you know how it came to pass that
6 Centra sent out an RFP for -- for survey consultants?

7 MR. ANDREW ENNS: I don't know all the --
8 I don't believe I know all the details. I was made aware
9 of some requirements from the PUB in terms of requests
10 and some Information Requests on different -- different
11 aspects of the natural gas market that, I believe, became
12 part of the -- many of which became part of the
13 objectives of the research.

14 I was made aware of -- of -- of a -- I
15 don't -- don't quote me on the order or when it was done,
16 but I was made aware that there was a requirement that --
17 from PUB; apart from that, I -- I -- I am not -- not
18 aware of the other -- if there were other factors that
19 brought this forward.

20 MR. BOB PETERS: Did you have a chance to
21 read PUB Order 175 of '06, did you ever read that order?

22 MR. ANDREW ENNS: I think -- I think that
23 was the Order that was provided -- not the entire, but
24 was -- would there have an ex -- like in abridge -- an
25 executive summary for guys like me to -- to read?

1 MR. BOB PETERS: I'm pretty sure there
2 would have been.

3 MR. ANDREW ENNS: So that -- there --
4 there was so -- and in that there was -- in that I noted
5 similarities to some of the objectives in -- that were
6 contained in the RFP.

7 MR. BOB PETERS: And were you aware that
8 the Board was suggesting that the Utility developed plans
9 to conduct additional research into consumer
10 understandings and preferences, as well as hedging, EPP,
11 fixed term offerings, market competition, and then to
12 file those plans with the Board?

13 Were you aware that was the request made
14 of -- of the Utility?

15 MR. ANDREW ENNS: Before we -- before we
16 started -- before this -- before we got -- got going
17 anywhere, like on -- on terms of drafting questionnaires
18 and --

19 MR. BOB PETERS: Right, once you got the
20 -- selected, did you -- did you have any knowledge of
21 what the Board had actually said and how -- how --

22 MR. ANDREW ENNS: Not knowledge of the
23 Board, but I'm -- I'm trying to think of what the RFP
24 stated and -- and I, for whatever reason, seem to
25 recollect that I think the RFP may have stated some

1 reference to the Public Utility Board requesting Manitoba
2 Hydro to go out and -- and survey customers. I'm not
3 sure of the exact language.

4 MR. BOB PETERS: All right, well we've --
5 my able junior has provided his brief and I think it's at
6 tab 3 of his -- his brief, which is now marked as Direct
7 Energy/ Energy Savings Manitoba Number 6.

8 MR. ANDREW ENNS: Okay.

9 MR. BOB PETERS: And that was the RFP and
10 I -- I'm not going to take you through it.

11 MR. ANDREW ENNS: This part of the RFP.
12 The document that I got was considerably thicker than
13 this, but I -- I take it this is probably the -- a
14 section of it.

15 MR. ERIC HOAKEN: I'll answer, just
16 because the witness is asking me, this is what was
17 provided in response to the Information Request that we
18 made. I had presumed that it was the entire document.

19 MS. MARLA MURPHY: No, I think if you --
20 if you read through the -- the detail of the Information
21 Request, this is the scope of work section. An RFP is
22 actually considerably thicker and has a number, of what I
23 would call, boilerplate sections in it. This is the one
24 that pertains specifically to this work.

25 MR. BOB PETERS: While we're on that, Ms.

1 Murphy, is there a full copy of the RFP available to just
2 be reviewed, perhaps, by counsel this evening, and you
3 can let us know that at the break.

4 MS. MARLA MURPHY: Want to go to the
5 hockey game?

6 MR. BOB PETERS: Not tonight.

7

8 CONTINUED BY MR. BOB PETERS:

9 MR. BOB PETERS: Mr. Enns, did you ever
10 develop a plan with Centra as to how this market research
11 was going to be conducted and carried out?

12 MR. ANDREW ENNS: Prior -- prior to the -
13 - prior to the tender -- prior -- or prior to the RF --
14 RFP?

15 MR. BOB PETERS: No, after the RFP was
16 successfully awarded to your firm.

17 MR. ANDREW ENNS: No, our RFP, as one of
18 the requirements of -- of -- for bidding, we -- we -- we
19 provided a project outline and our recommended plan.
20 There were some alterations along the way, but by and
21 large, the plan that we -- we presented was -- was -- was
22 -- was adhered to.

23 MR. BOB PETERS: You aware, Mr. Enns,
24 that there were multiple interests by stakeholders in
25 this process?

1 MR. ANDREW ENNS: Yes.

2 MR. BOB PETERS: And it wasn't just
3 Centra who had an interest, but there were, as you've
4 mentioned, the Consumers' group, the Manitoba Society of
5 Seniors, Direct Energy, and Energy Savings Manitoba.

6 MR. ANDREW ENNS: Okay, at the time I
7 wasn't familiar with all the individual parties and
8 names, but certainly I was aware that there were -- the
9 independent marketers and the Consumers' Association were
10 -- were also interested.

11 MR. BOB PETERS: Did you understand that
12 there may be competing interests as between them in terms
13 of their business practices?

14 MR. ANDREW ENNS: "Understand" may be a
15 bit strong, but certainly I felt that might be the case.
16 Again, this is -- we're -- prior to the -- reading the
17 RFP, these are some thoughts that you start to develop as
18 you're going forward.

19 MR. BOB PETERS: Mr. Enns, at the 2004
20 report that you did, and that the Board has seen, and
21 it's again in Direct Energy/Energy Savings question of
22 Centra Number 13 in these proceedings; in the 2004
23 survey, the objective of the qualitative phase was to
24 develop preliminary understandings of natural gas
25 customers' views regarding primary gas price

1 fluctuations.

2 You wouldn't disagree with that and you
3 can take that subject to check?

4 MR. ANDREW ENNS: Yeah -- yes, I would,
5 in terms of the -- it sounds -- it sounds right, but I'd
6 like to verify that in terms of the actual '04 document
7 and what we -- what we sort of referenced and worked
8 toward.

9 MR. BOB PETERS: All right, it's on Page
10 52 when you want to check it, of the report.

11 MR. ANDREW ENNS: Okay.

12 MR. BOB PETERS: But the qualitative
13 phase is the focus group study, correct?

14 MR. ANDREW ENNS: Correct.

15 MR. BOB PETERS: And there you're telling
16 the Board that you wanted to do the focus group first to
17 develop some understanding, and then that qualitative
18 research will help the team develop an efficient,
19 reliable, and appropriate survey instrument for
20 qualitative assessment of the subject?

21 MR. ANDREW ENNS: Correct.

22 MR. BOB PETERS: And then the survey
23 itself was supposed to follow along to statistically
24 verify the customers' responses and their tolerances to
25 the various issues that were asked?

1 MR. ANDREW ENNS: Correct.

2 MR. BOB PETERS: When the Board last saw
3 the 2007 market research plan presented at the General
4 Rate Application, there was a suggestion that the focus
5 group report would be done before the customer survey
6 report.

7 Are you aware of that?

8 MR. ANDREW ENNS: No, I was not.

9 MR. BOB PETERS: I'm looking, and maybe
10 for Ms. Murphy's edification, I'm back at the GRA for
11 08/09, and Tab 12, Attachment 6 was a letter from the
12 Utility to the Board, and it had a market research plan
13 attached to it.

14 And in it, I interpreted it to indicate
15 that the focus group testing, or potential focus group
16 testing was going to take place about April the 6th, then
17 a survey was going to be designed by April 20th, and then
18 the survey filled and complete by May the 11th.

19 And you weren't aware that the focus group
20 testing was planned to be before the survey fielding?

21 MR. ANDREW ENNS: When -- when was the
22 date of that? Like when would have that have --

23 MR. BOB PETERS: January 26th, 2006, Mr.
24 Enns, is the date of the letter from the -- from the
25 Utility to the Board.

1 MR. ANDREW ENNS: Okay. No, I was not.

2 MR. BOB PETERS: All right. Did you have
3 any part of that, in the planning, or were you even
4 engaged at that point in time?

5 MR. ANDREW ENNS: No, Energy was not
6 engaged, and I was not engaged.

7 MR. BOB PETERS: All right. In past
8 you've done your focus group testing before the survey
9 much for the reasons that you've indicated in the 2004
10 survey that I read to you?

11 MR. ANDREW ENNS: Yes.

12 MR. BOB PETERS: And you told us in your
13 direct evidence today, that you didn't do it this time
14 around.

15 Would it have been preferential to do it
16 this time around, have the focus group first and then the
17 -- and then the questions under the survey?

18 MR. ANDREW ENNS: I don't believe so for
19 the reasons that I -- I stated in the direct evidence.
20 That -- that when we made the decision -- when we saw the
21 RFP, and internally I sat down and discussed with some of
22 my colleagues internally, what we would recommend, and
23 the research design that we recommend, one of the things
24 that we discussed in -- in some detail was the placement
25 of those focus groups.

1 This wasn't a -- this wasn't a carbon copy
2 study of the one conducted in 2004. And in light of
3 that, it warranted looking a bit with fresh eyes at the
4 approach we were going to take. It didn't really make
5 sense if it was a different study to just duplicate what
6 we did in '04.

7 Now, again, I don't -- my recollection of
8 what the RFP stated and sort of suggested, or they
9 expected, is not -- not 100 percent. There may have been
10 some indication in the RFP that that's what they
11 anticipated happening; that in the past they did focus
12 groups before and, therefore, likely would do that again.

13 But certainly -- internally we came to the
14 decision that we felt that -- in this case, that we could
15 execute a good study by conducting the survey first and
16 focus groups after and I think I gave some of the reasons
17 why that -- that would -- that would work.

18 And I -- I believe in our response to the
19 RFP, I mean, we did -- we did indicate that -- that we'd
20 happy to discuss our recommendation and -- and if there
21 was strong views on the part of -- of others that --
22 that, in fact, it should be the other around, that we
23 would -- we could take that into account.

24 But I think, our -- our recommended
25 approach was to -- to do the survey first and then the

1 focus groups after.

2 MR. BOB PETERS: In terms, Mr. Enns, of
3 the process for the development of the research material
4 that's now before the Board, there was a Information
5 Request filed by Centra, it was PUB/CENTRA-39 and it was
6 one that dealt with the process and the procedures that -
7 - that were followed that lead to the end result that the
8 Board is now seeing.

9 I'm not sure if you -- you're familiar
10 with that. Have you seen that --

11 MR. ANDREW ENNS: It's one I am, yes.

12 MR. BOB PETERS: All right. That one you
13 are? Let's -- let's just talk about some aspects of it.

14 You were provided, after eNRG was selected
15 as a successful bidder, all the originals from the
16 external stakeholders that had been provided by the
17 company, do you recall that?

18 MR. ANDREW ENNS: The -- the originals in
19 terms of the -- some -- some feedback on the -- on what -
20 - what the survey should be or the que -- what the
21 project should -- should entail?

22 MR. BOB PETERS: Yes, the original input
23 from the external stakeholders?

24 MR. ANDREW ENNS: I believe I was. I
25 received, I think it was -- I believe four (4) pieces of

1 correspondence, three (3) from -- from retailers. They
2 either were separate letters or I think one (1) was in
3 the body of an email and then I think there was a -- some
4 representation from the Consumers' Association.

5 MR. BOB PETERS: You took that
6 information and then you drafted up the first draft of
7 the survey, would that be where it next proceeded?

8 MR. ANDREW ENNS: Took that information
9 and then we proceeded to -- some face-to-face and --
10 face-to-face meetings; one (1) with Man -- Manitoba Hydro
11 officials to discuss the objectives contained in the RFP
12 and that we responded to and in addition, we had a second
13 meeting where we conducted -- there were some face-to-
14 face and there were some individuals on a conference
15 call.

16 The -- most of the marketers, I -- I
17 believe, were -- were attended by a con -- by a
18 conference call. Whereagain, before any drafting was
19 done, we -- we discussed particulars about the project,
20 some of the objectives, some of the expectations,
21 questionnaire designs, things li -- things of that
22 nature.

23 And then I proceeded to -- to start
24 drafting.

25 MR. BOB PETERS: All right. I understood

1 from that answer then once you got the original input
2 from all of the stakeholders, the first thing you did is
3 you had a meeting with -- with Manitoba Hydro to go
4 through that?

5 MR. ANDREW ENNS: Not -- not specifically
6 the stakeholder feedback. In fact, I would want to
7 double-check, if you'd give me -- give me one (1) minute,
8 I'd like to just confirm my timelines here.

9

10 (BRIEF PAUSE)

11

12 MR. ANDREW ENNS: I would want to check,
13 if I can, my -- when I received -- because I was emailed
14 this -- the correspondence from the -- from the retailers
15 and from the Association.

16 And, Mr. Peters, it may have actually
17 happened after that initial Hydro meeting or about the
18 same time. Is it possible to --

19 MR. BOB PETERS: I have a document here,
20 an email addressed to you dated March 16th, 2007, which
21 attaches a number of --

22 MR. ANDREW ENNS: So it -- so it --

23 MR. BOB PETERS: -- documents. So that
24 was March 16th and it's found at Direct Energy/Energy
25 Savings, question of Centra, number 60, --

1 MR. ANDREW ENNS: Okay. So --

2 MR. BOB PETERS: -- batch 3, page 216.

3 MR. ANDREW ENNS: So it's just -- it was
4 before then. It was the -- four (4) or five (5) days
5 before that initial meeting with Manitoba Hydro and then
6 we had the discussion.

7 MR. BOB PETERS: All right. And then
8 after you met with Hydro -- during your meeting with
9 Hydro, did you discuss any of the requests or suggestions
10 by any of the other stakeholders?

11 MR. ANDREW ENNS: I believe we discussed
12 --not all of them, but I believe we discussed some just
13 in terms of where there were some, you know, overlap or
14 looking at or of clarification with respect to the
15 different objectives. My recollection is we didn't
16 discuss them all, and we didn't discuss those in great
17 detail.

18 MR. BOB PETERS: Was there an discussion
19 about whether any of those aspects would be rejected
20 summarily, or would they all be -- were all the
21 suggestions still carried forward to the subsequent
22 discussion?

23 MR. ANDREW ENNS: No, I don't believe any
24 were rejected at that point in time.

25 MR. BOB PETERS: And then you say you did

1 have your workshop meetings with the external
2 stakeholders. And I have them -- the external
3 stakeholders, at least the ones present here today would
4 be CAC/MSOS, Direct Energy Marketing Limited and Energy
5 Savings (Manitoba) Limited Partnership, as well as
6 Centra.

7 And there was one other marketer or
8 retailer ECNG that also provided comments. And I note
9 they're not present today, but do you recall them as
10 well?

11 MR. ANDREW ENNS: I recall getting some -
12 - some feedback from them, yes.

13 MR. BOB PETERS: And once you got your
14 workshop meeting out of the way, that was to help you
15 focus on the objectives and provide you with a better
16 understanding, I suppose?

17 MR. ANDREW ENNS: Background, yes.

18 MR. BOB PETERS: That's when you set off
19 and drafted the first draft of the survey?

20 MR. ANDREW ENNS: Yes.

21 MR. BOB PETERS: And was that done by
22 yourself, personally?

23 MR. ANDREW ENNS: Yes, it was.

24 MR. BOB PETERS: And when you did draft
25 the survey, did you take into consideration feedback

1 received from each and every one of the contributors?

2 MR. ANDREW ENNS: I did.

3 MR. BOB PETERS: Was it all accommodated?

4 All their requests accommodated?

5 MR. ANDREW ENNS: No, it was not.

6 MR. BOB PETERS: Any particular reason it
7 wasn't?

8 MR. ANDREW ENNS: Drafting the survey, I
9 went back to the objectives that were contained in the
10 RFP, and attempted to draft a survey that addressed what
11 I felt could be done in a quantitative survey. There
12 were some objectives in that RFP, and we noted them in
13 our response that we recommended not trying to address in
14 a survey, but rather we should pursue those in a
15 qualitative setting.

16 But for the objectives that I identified
17 as being suitable for a survey, I set out in that first
18 draft to try to -- to address those. And looking at the
19 feedback, what I did was I looked at the array of
20 feedback that touched on those objectives and tried to
21 accommodate the points raised within those -- on those
22 points.

23 Some points provided were not -- they
24 didn't fall under one of the objectives that was outlined
25 in the RFP and, therefore, we didn't -- I did -- I would

1 not have concluded that in the first -- in the first
2 draft.

3 MR. BOB PETERS: Well -- and I want to
4 just give a couple of examples, and maybe you can remind
5 the Board or be reminded and explain to the Board why
6 some of those points didn't make it into the research
7 product.

8 But if one of the -- one of the
9 stakeholders thought consumers should be made aware of
10 the costs associated with Centra's hedging program, is
11 that something that you thought should be important and
12 included in the survey? Do you recall that?

13 MR. ANDREW ENNS: That hedging program.
14 We had questions on the hedging program. Could I have
15 one minute just to refer back to my --

16 MR. BOB PETERS: Certainly.

17 MR. ANDREW ENNS: -- original objectives?

18

19 (BRIEF PAUSE)

20

21 MR. ANDREW ENNS: The questions I would
22 have included on the hedging were -- the only one related
23 to -- to costs would be the information that I had at
24 hand with respect to how we defined -- how we described
25 the hedging program, or -- or in this case, the price

1 management program that Manitoba Hydro operates for its
2 customers.

3 It would have been contained in those
4 questions that I -- that I provided that we -- most of
5 those questions, I believe, ultimately stayed in the
6 survey. The support/oppose, the awareness, the -- the
7 scenarios of increasing, eliminating or keeping it the
8 same. Specifically breaking out the cost, I didn't
9 address, and not sure if it was actually raised directly
10 or if not, why it wasn't.

11 MR. BOB PETERS: So you have no specific
12 recollection as to why you wouldn't have included in your
13 -- in your survey information about the costs associated
14 with --

15 MR. ANDREW ENNS: Right.

16 MR. BOB PETERS: -- Centra's hedging, you
17 wouldn't have that recollection?

18 MR. ANDREW ENNS: No, and -- did -- based
19 on our previous disc -- I'm not sure I could provide -- I
20 wouldn't have some of that information at my -- my
21 fingertips as well.

22 MR. BOB PETERS: And if one of the
23 suggestions was to provide the pros and the cons of
24 hedging, that's not something that you investigated
25 further or carried through to the report either?

1 MR. ANDREW ENNS: No, and again, I don't
2 -- my recollection was that wasn't -- I'm not sure
3 specifically spelled out in the RFP that way. And, I
4 would have -- I mean, I think we would have looked at it
5 from the support or oppose the program, and not gone any
6 further.

7 MR. BOB PETERS: All right. Along the
8 way after you did your draft, you sent a copy back to the
9 stakeholders, and you got some more input from them,
10 correct?

11 MR. ANDREW ENNS: Correct.

12 MR. BOB PETERS: And then you ended up
13 meeting with CAC/MSOS as well as with Centra, is that
14 correct?

15 MR. ANDREW ENNS: Correct.

16 MR. BOB PETERS: That was that at one
17 meeting you met with the two (2) of them?

18 MR. ANDREW ENNS: Two (2) meetings.

19 MR. BOB PETERS: I'm sorry, it was -- it
20 was two (2) meetings with both of them at each meeting?

21 MR. ANDREW ENNS: Correct.

22 MR. BOB PETERS: And both meetings lasted
23 approximately five (5) hours you tell us in the
24 materials, or it's told to us in the response to one of
25 the questions?

1 MR. ANDREW ENNS: I believe one of the
2 meetings was shorter, only a couple of hours, and then
3 there was a subsequent meeting that was a long meeting.

4 MR. BOB PETERS: It appears -- it appears
5 from that, Mr. Enns, that some of the stakeholders were
6 not at that meeting?

7 MR. ANDREW ENNS: That's correct. It was
8 just the Consumers' Association.

9 MR. BOB PETERS: Were the other
10 stakeholders -- it was the Consumers' Association, and
11 the Manitoba Society of Seniors?

12 MR. ANDREW ENNS: I'm sorry, yeah, that's
13 correct.

14 MR. BOB PETERS: Yeah, and they were --
15 and Centra?

16 MR. ANDREW ENNS: And Centra, yes.

17 MR. BOB PETERS: Were the other
18 stakeholders invited?

19 MR. ANDREW ENNS: I don't know.

20 MR. BOB PETERS: Who made the decision on
21 who to invite?

22 MR. ANDREW ENNS: I -- I don't know the
23 answer to that.

24 MR. BOB PETERS: And who knows that
25 answer?

1 MS. MARLA MURPHY: I suspect if you ask
2 the Centra panel who arranged the meeting, they'll tell
3 you that they did.

4

5 CONTINUED BY MR. BOB PETERS:

6 MR. BOB PETERS: Well, what I was getting
7 at, Mr. Enns, it was not somebody in NRG who made that
8 decision?

9 MR. ANDREW ENNS: Oh no, no, no, it was
10 not.

11 MR. BOB PETERS: All right.

12 MR. ANDREW ENNS: It was --

13 MR. BOB PETERS: It was somebody at
14 Centra who made the decision?

15 MR. ANDREW ENNS: More than likely
16 somebody at Centra. It wasn't -- wasn't myself or
17 anybody else at eNRG.

18 MR. BOB PETERS: Okay, and I know we're -
19 - more than likely somebody at Centra. Aren't the only
20 two choices, eNRG and Centra and it wasn't eNRG.

21 MR. ANDREW ENNS: Okay.

22 MR. BOB PETERS: So it's Centra?

23 MR. ANDREW ENNS: I guess I'm not sure.
24 I mean, I'm assuming they were invited and not in --
25 didn't decline to come. I'm not sure if they was -- were

1 invited or not.

2 MR. BOB PETERS: All right, that's fine.
3 The fact is that they weren't at the meeting --

4 MR. ANDREW ENNS: Yes.

5 MR. BOB PETERS: -- the meetings that you
6 had with CAC/MSOS and Centra?

7 MR. ANDREW ENNS: That's correct.

8 MR. BOB PETERS: As a result of -- and
9 those meetings with CAC/MSOS and Centra, the stated
10 purpose was for you to go through the survey and to
11 finetune the questions and make edits and revisions,
12 correct?

13 MR. ANDREW ENNS: Correct.

14 MR. BOB PETERS: And in terms of any
15 comments that -- that other stakeholders other than
16 CAC/MSOS and Centra would have, they weren't there to
17 speak to their requests or their revisions or their
18 suggestions?

19 MR. ANDREW ENNS: That's correct.

20 MR. BOB PETERS: And, do I take it then,
21 that any input from the other stakeholders, and I suppose
22 at this point, the other stakeholders are the retailers,
23 Energy Savings (Manitoba) and Direct Energy and ECNG,
24 those were the only other three (3) stakeholders that
25 were involved?

1 MR. ANDREW ENNS: The three (3)
2 retailers?

3 MR. BOB PETERS: Yes.

4 MR. ANDREW ENNS: Yes.

5 MR. BOB PETERS: And am I correct that
6 decisions about the suggestions from the retailers were
7 being made at the meetings that you held with Centra and
8 CAC/MSOS?

9 MR. ANDREW ENNS: Correct.

10 MR. BOB PETERS: Once you finished that
11 meeting you finished a final report and sent it out?

12 MR. ANDREW ENNS: Final draft didn't flow
13 directly from those meetings, there were a few versions -
14 - a version 4 arose, and then a 5 and then finally a 6
15 was -- I believe the final version.

16 MR. BOB PETERS: And versions 4 and 5,
17 those internal ones, those were revisions made as between
18 eNRG and Centra with some involvement with CAC/MSOS;
19 would that be correct?

20 MR. ANDREW ENNS: I believe that's
21 correct.

22 MR. BOB PETERS: And had not involvement
23 from the -- from the retailers or marketers or brokers?

24 MR. ANDREW ENNS: I can't answer that. I
25 -- I don't know that to be -- I -- I didn't have any

1 direct feedback from them, but there -- there may have
2 been some between Man -- Centra and -- on those versions.

3 MR. BOB PETERS: There weren't minutes
4 taken of those meetings to show what was agreed to and
5 who agreed to what?

6 MR. ANDREW ENNS: The -- the two (2)
7 meetings with -- with the Consumers' Association and
8 senior --

9 MR. BOB PETERS: Were there minutes kept
10 at those meetings?

11 MR. ANDREW ENNS: No, there -- there
12 weren't minutes kept.

13 MR. BOB PETERS: No.

14 MR. ANDREW ENNS: We just tried to keep
15 track of the changes we discussed on -- on one (1)
16 version of the questionnaire.

17 MR. BOB PETERS: Okay. Did you have any
18 direct discussion yourself with any of the
19 representatives from the retailers?

20 MR. ANDREW ENNS: No, the only
21 discussions I had were on a conference call, at that
22 initial meeting. After -- after that, I had no direct
23 contact.

24 Apart from the two (2) face-to-face
25 meetings with -- with -- the in-person meetings with the

1 Consumers' Association, the Senior -- Senior Association,
2 I -- I didn't have any contact with the -- with the third
3 party.

4 MR. BOB PETERS: And when you say, "I
5 didn't have any contact with the third parties," you're
6 speaking on behalf on eNRG, that is eNRG didn't have any
7 direct contact with the retailers?

8 MR. ANDREW ENNS: That is correct.

9 MR. BOB PETERS: Okay. And you're not
10 aware of what contact, if any, Centra would have had?

11 MR. ANDREW ENNS: That's correct.

12 MR. BOB PETERS: In your direct evidence
13 to Ms. Murphy this morning when we talked about the focus
14 group --

15 MR. ANDREW ENNS: Excuse -- excuse me,
16 here. I might -- I might just correct that. I mean, I
17 have -- there are some emails that I was provided --
18 forwarded to me by Centra that some may have included
19 some threads and there's some that sort of suggest that I
20 had knowing -- no -- no information at all in terms of
21 contact, not entirely -- not entirely accurate, there may
22 have been some that I was included in.

23 MR. BOB PETERS: All right. I'll accept
24 the clarification.

25 What you're telling the Board is that

1 other than the initial organizational meeting where some
2 may have attended -- some of the retailers may have
3 attended by conference call - and you're not sure
4 specifically who was there by conference call and who was
5 there by person - you didn't have any direct contact with
6 them, but you may have seen some of their information in
7 written form provided to you from Centra or CAC/MSOS?

8 MR. ANDREW ENNS: Correct. At the time,
9 I did note who was on the -- who was on the conference
10 call. The retailers were on and I know the -- the
11 Consumers' Association, one (1) -- one (1) representative
12 attended in person.

13 MR. BOB PETERS: All right. To the focus
14 group report briefly.

15 In your direct evidence to Ms. Murphy this
16 morning, you mentioned that -- how it was conducted and
17 how you -- you went through the -- the process. The
18 focus group report -- this will test a bit of my memory,
19 but I recall there being four (4) groups in the focus
20 group, correct?

21 MR. ANDREW ENNS: Correct.

22 MR. BOB PETERS: And of those four (4)
23 groups, two of them two (2) were Manitoba Hydro
24 residential customers totalling thirteen (13) in number?

25 MR. ANDREW ENNS: Correct. Although,

1 thirteen (13) I should go back and check that number, but
2 there were two (2) Manitoba Hydro groups.

3 MR. BOB PETERS: And then there were two
4 (2) groups with retailer supplied customers and that was
5 approximately seventeen (17) customers?

6 MR. ANDREW ENNS: Correct 'cause it would
7 add up to thirty (30) in total and I do know that number.

8 MR. BOB PETERS: And the fact that it
9 adds up to thirty (30), it's a far cry from the eight
10 hundred (800) plus four hundred (400) plus four hundred
11 (400) that we talked about earlier today, Mr. Enns.

12 Does that mean that there is no
13 statistical validity or reliance that should be placed on
14 the focus group results?

15 MR. ANDREW ENNS: Statistically, yes,
16 that -- that is the case. The foc -- qualitative
17 research is -- is different in that sense, it's -- it's
18 directional; it's exploratory in nature; it's not to be
19 construed in a statistical and you'll find that I tend
20 to, in most cases, avoid giving hard numbers or -- or
21 stuff like that.

22 If I do, I -- there's usually a preface in
23 the beginning of the report - and I think there was in
24 this one - just instructing readers to interpret --
25 interpret the results accordingly.

1 MR. BOB PETERS: Do I take from that --
2 that explanation I thank you for, Mr. Enns, that the --
3 any reference to statistics and percentages in the focus
4 group report should not be given any conclusive weight?
5 They're not statistically valid in other wards?

6 MR. ANDREW ENNS: Correct.

7 MR. BOB PETERS: And in terms of
8 perceptions and the like, the natural gas bill, you tell
9 the Board on Page 12 that most recipients really have no
10 knowledge of their bill, or the contents of it, they just
11 pay it.

12 That's how I interpret the subjective
13 data.

14 MR. ANDREW ENNS: That would be correct
15 in terms of the -- the feedback we got.

16 MR. BOB PETERS: Mr. Chairman, in light
17 of Mr. Enns' answer to my second to the last question, I
18 would suggest maybe we adjourn at this point in the day.

19 I will review the focus group report and
20 see if I have any further questions for Mr. Enns, and let
21 the Board know at nine o'clock tomorrow morning, and if I
22 do, I'm certain I'll be brief.

23 And whether I do or I don't, I'll then be
24 able to hand it off to Mr. Saxburg before he passes the
25 baton to Mr. Hoaken.

1 THE CHAIRPERSON: Okay, thank you, Mr.
2 Peters.

3 MR. ERIC HOAKEN: I'm sorry, could I just
4 raise a quick issue?

5 THE CHAIRPERSON: Sure.

6 MR. ERIC HOAKEN: In the course of the
7 answers this afternoon that Mr. Enns gave, he made
8 reference to what he described as a project outline, and
9 I took that to be something that was submitted by eNRG in
10 response to the RFP.

11 I may be mistaken, because the Information
12 that was provided in response to DE/ES/CENTRA-60 was so
13 voluminous, I may have missed it, but I do not believe
14 that document was included in that bundle.

15 And if it was not, I'd be grateful if I
16 could get it in advance of tomorrow because it will
17 expedite the cross-examination that I'm going to do.

18 MR. BOB PETERS: I'll work with Ms.
19 Murphy, Mr. Chairman, and we'll sort that out directly
20 and attend to it this afternoon if we can.

21 THE CHAIRPERSON: Very good then. Okay,
22 I'll leave it in the capable hands of Mr. Peters and Ms.
23 Murphy. And I want to thank Mr. Enns for the long day
24 that he's put in.

25 We'll see you tomorrow morning at 9:00,

1 thank you.

2

3 --- Upon adjourning at 2:55 p.m.

4

5

6 Certified Correct,

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10 _____

11 Wendy Warnock, Ms.

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