

1 APPEARANCES

2 R.F. Peters) Board Counsel

3

4 Marla Murphy) Centra Gas

5 Brent Czarnecki

6

7 Paul Kerr (np)) Coral Energy

8

9 Sandy Boyd (np)) Communications, Energy

10) and Paper Workers

11) Local 681

12

13 Kris Saxberg) CAC/MSOS

14 Ivan Holloway)

15

16 Eric Hoaken) Direct Energy

17 Nola Ruzycki) Marketing Limited

18) & Energy Savings

19) (Manitoba) L.P.

20

21 Dave Hill (np)) Koch Fertilizer

22

23 Nick Gretner (np)) J.R. Simplot

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APPEARANCES (CONT)

William Gange (np))TREE and Resource
)Conservation Manitoba

1	TABLE OF CONTENTS	
2		Page No.
3	Exhibit List	686
4	Undertakings	687
5		
6		
7	CENTRA PANEL, Resumed	
8	Andrew Enns, Resumed	
9		
10	Continued Cross-Examination by Mr. Bob Peters	688
11	Cross-Examination by Mr. Kris Saxberg	709
12	Cross-Examination by Mr. Eric Hoaken	785
13		
14	Certificate of Transcript	931
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

1	LIST OF EXHIBITS		
2	EXHIBIT NO.	DESCRIPTION	PAGE NO.
3	CENTRA-9	A copy of the response by eNRG	
4		Research Group to the Request For	
5		Proposals from the Utility	797
6	CENTRA-10	Response to Undertaking 2	877
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			

1		LIST OF UNDERTAKINGS	
2	NO.	DESCRIPTION	PAGE NO.
3	1	Centra to produce, for CAC/MSOS,	
4		e-mail, dated May 1st, from Mr.	
5		Meder to Mr. Enns	739
6			
7			
8			
9			
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11			
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13			
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1 --- Upon commencing at 9:05 a.m.

2

3 THE CHAIRPERSON: Okay. Good morning,
4 everyone. When we stopped, Mr. Peters, you were summing
5 up I believe or preparing to sum up.

6 MR. BOB PETERS: Wishful thinking. Mr.
7 Chairman, I do have just a few areas that I do want to
8 tidy up with Mr. Enns and I don't expect to be long at
9 all this morning. So good morning, Mr. Enns.

10 MR. ANDREW ENNS: Good morning.

11

12 CENTRA PANEL:

13 ANDREW ENNS, Resumed

14

15 CONTINUED CROSS-EXAMINATION BY MR. BOB PETERS:

16 MR. BOB PETERS: Mr. Enns, yesterday we
17 were talking about the focus group report that -- eNRG
18 prepared for Manitoba Hydro and Centra Gas, correct?

19 MR. ANDREW ENNS: Correct.

20 MR. BOB PETERS: And one of the things
21 you told the Board is that when they're looking through
22 this focus group report, they ought not to give it
23 statistically validity but rather use it as a document
24 that has directional indications.

25 MR. ANDREW ENNS: Correct.

1 MR. BOB PETERS: And you called it
2 exploratory in nature, would that be correct?

3 MR. ANDREW ENNS: Aspects of it were for
4 sure, yes.

5 MR. BOB PETERS: In hindsight, Mr. Enns,
6 which you now have the benefit of, was it a good idea to
7 do the focus group report after the consumer research
8 survey? Or would it had been beneficial to have done the
9 focus group prior to the survey?

10 MR. ANDREW ENNS: I think it was fine
11 having it after the survey.

12 MR. BOB PETERS: And you used it then,
13 directionally, to see if your answers from the survey
14 appeared valid?

15 MR. ANDREW ENNS: In a few areas it did
16 validate some of the survey results, but again, as I
17 noted, in -- the primary purpose of the focus groups was
18 to get a good chance to look at the communication
19 material.

20 MR. BOB PETERS: On page 13 of the focus
21 group report, you talk about natural gas price
22 fluctuations, and you're telling the Board in this report
23 that of the thirteen (13) Manitoba Hydro customers
24 involved in the focus group studies, most of them
25 believed that the gas price was stable and they weren't

1 aware that it changed on a quarterly basis.

2 MR. ANDREW ENNS: Correct. Whether it
3 was in that -- part of that discussion, but there --
4 there was a very low awareness of when -- when and the
5 actual rates of primary gas changed.

6 MR. BOB PETERS: And what did you take
7 from that?

8 MR. ANDREW ENNS: That there's little
9 under -- little or low understanding amongst consumers
10 about when, and to some degree even how, the -- the rate
11 is changed for their primary gas.

12 MR. BOB PETERS: Can you take from that,
13 or extrapolate from that, or directionally interpret,
14 that if the gas rate changed on a monthly basis, not
15 quarterly, again consumers would have little knowledge of
16 that?

17 MR. ANDREW ENNS: To the point that they
18 don't recognize quarterly changes, I think that's -- you
19 could extrapolate and take that view. I guess I would
20 caution that part of the reason they're -- they're not
21 aware of when the rate changes, is that the bill remains
22 fairly stable, and in their view, it's fairly -- it's
23 fairly -- when it does increase it's in the time of year
24 when it is likely to increase, so there's a certain
25 predictability.

1 And so that's why they're not really
2 paying a lot of attention to, is the rate changing, and
3 when is it changing. I guess the only -- if you started
4 to change the rate every month, and it started to
5 actually move their bill around significantly from May,
6 to June, to July, to August, they might start to take --
7 to take more note, but that's probably extrapolating too
8 far at that point.

9 MR. BOB PETERS: That's not something you
10 specifically tested --

11 MR. ANDREW ENNS: No, it was not.

12 MR. BOB PETERS: On page 15 of your focus
13 group report, or the eNRG focus group report, Mr. Enns,
14 you talk about Manitoba Hydro selling natural gas at
15 cost, do you recall that?

16 MR. ANDREW ENNS: Correct, there was
17 discussion around the profit motive.

18 MR. BOB PETERS: In leading these focus
19 group reports, you're aware that the consumer bill is
20 broken down into four (4) or five (5) parts; four (4) or
21 five (5) different rates that appear on there?

22 MR. ANDREW ENNS: four (4), or five (5)
23 parts of the bill; transportation, basic charge -- yes, I
24 am.

25 MR. BOB PETERS: And, are you aware as to

1 where the utilities, I'll use the profit word, profit or
2 return is -- is recovered in which of those rates?

3 MR. ANDREW ENNS: I'm not.

4 MR. BOB PETERS: Are you aware as to the
5 approximate return on an annual basis that the
6 corporation recovers from it's rates?

7 MS. MARLA MURPHY: Given the recent
8 hearing that we just had, and the evidence that's been
9 put on the record by the company, I'm not sure that
10 that's an appropriate question for the witness. As
11 you're aware, Centra doesn't consider it earns a return,
12 but rather a net income that's added to its reserves.

13

14 CONTINUED BY MR. BOB PETERS:

15 MR. BOB PETERS: Thank you, Ms. Murphy.
16 Mr. Enns, are you aware of what the annual approximate
17 net income is of Centra Gas?

18 MR. ANDREW ENNS: I am not.

19 MR. BOB PETERS: Are you aware, Mr. Enns,
20 on an annual basis, what the approximate amount is of the
21 corporate allocation that is recovered by Centra Gas?

22 MR. ANDREW ENNS: I am not.

23 MR. BOB PETERS: And you're not aware in
24 which of those four (4) or five (5) rates on the bill,
25 that amount is recovered?

1 MR. ANDREW ENNS: No.

2 MR. BOB PETERS: I'm not sure if this is
3 splitting hairs or not, but are you also aware that on
4 the primary gas component of the bill to Centra System
5 customers, there is a primary gas overhead rate included
6 in that amount?

7 MR. ANDREW ENNS: I'm not aware.

8 MR. BOB PETERS: And then you're not
9 aware that in that primary gas overhead rate there is a
10 portion of net income and corporate allocation recovered,
11 in the primary gas overhead rate, that is charged to
12 System Supply customers in their primary gas rate?

13 MR. ANDREW ENNS: I'm not aware.

14 MR. BOB PETERS: All right. Mr. Enns, on
15 page 17 of the focus group report, there is some
16 subjective comments relative to satisfaction of consumers
17 in their arrangements with marketers.

18 You're aware of that?

19 MR. ANDREW ENNS: Yes.

20 MR. BOB PETERS: And, when I look at the
21 -- the first sentence under the "satisfaction with
22 arrangement," the general mood appeared to be that it has
23 not been a bad experience. Those are your words?

24 MR. ANDREW ENNS: Yes.

25 MR. BOB PETERS: Were those words

1 directly from consumers, or were those your
2 interpretations of what the consumers were saying?

3 MR. ANDREW ENNS: My interpretation.

4 MR. BOB PETERS: And on page 5 of the
5 focus group report, in your executive summary, top of the
6 page on page 5 under Marketer Customer Experience, you
7 say, and I quote:

8 "The customer experience with marketers
9 has been good." Closed quotes.

10 Would that be to reflect the same comment
11 that's on page 17?

12 MR. ANDREW ENNS: Summarize the comments
13 of marketers that were made, and the comment -- similar
14 to the comment made in 17, just a little different.

15 MR. BOB PETERS: Were the consumers --
16 the marketer's customers are saying it's been a good
17 experience, and you're interpreting that to say that it
18 hasn't been a bad experience.

19 MR. ANDREW ENNS: Correct.

20 MR. BOB PETERS: Is there any distinction
21 to be made between those two (2) comments, or are they
22 intended to be the same?

23 MR. ANDREW ENNS: They should be taken to
24 be the same.

25 MR. BOB PETERS: Mr. Enns, I took from

1 your evidence to Ms. Murphy yesterday, that one (1) of
2 the major reasons for the focus group report was to test
3 certain information pieces on a live audience?

4 MR. ANDREW ENNS: Correct.

5 MR. BOB PETERS: And the information
6 pieces was the Appendix B found at page 31 and 32 of the
7 focus group document which was a residential guide to
8 buying natural gas?

9 MR. ANDREW ENNS: Correct.

10 MR. BOB PETERS: And your understanding
11 is that that residential guide to buying natural gas is
12 distributed to home owners when they are approached at
13 the door, let's say, by marketers?

14 MR. ANDREW ENNS: No. That was not my
15 understanding.

16 MR. BOB PETERS: What's your
17 understanding as to how that guide would get in the hands
18 of consumers?

19 MR. ANDREW ENNS: My understanding was it
20 was provided in a -- in a mailing -- a mail-out in the
21 fall of '06 it would have been -- direct mail piece.

22 MR. BOB PETERS: And in addition to the
23 residential guide to buying natural gas you've told the
24 Board that you also tested the two (2) advertisements
25 that are found at Appendix C of your focus group report

1 on page 33?

2 MR. ANDREW ENNS: Correct.

3 MR. BOB PETERS: All right. In dealing
4 with the -- the residential guide to buying natural gas,
5 do we take the sum and substance of it is people thought
6 it was too long; that was their primary complaint?

7 MR. ANDREW ENNS: The primary concern was
8 it was -- it was too long for them to probably ever read
9 if they received it in the -- in the mail or in their
10 bill.

11 MR. BOB PETERS: And if other witnesses
12 have suggested that as much information as possible
13 should be provided to consumers, and you're telling the
14 Board that they're finding this pamphlet too long to
15 read, what length of information would be appropriate to
16 provide?

17 MR. ANDREW ENNS: Well, based on this
18 research and some other experiences I've had there's --
19 you have to understand that when people ask for a lot of
20 information or want more information -- more detailed
21 information -- you have to find a way to meet that
22 request, but potentially you don't try to do it in one
23 (1) fell swoop -- in one (1) -- in one (1) entire
24 document.

25 And -- and the -- one (1) of the takeaways

1 from this was that there was a lot of good information,
2 there were a lot of good paragraphs identified, and
3 perhaps these could be parcelled and provided in more
4 digestible pieces for the people to read.

5 Based on this and comments in the group
6 and in other experiences I've had in other -- testing
7 other marketing materials, people are prepared to devote
8 a minute or two (2) to look at a -- an insert, and if it
9 catches their attention, they may keep it and put it
10 somewhere accessible, but if it's too long, too many
11 words, it likely won't take -- catch the time for them to
12 -- to absorb it.

13 MR. BOB PETERS: I take from your answer
14 it should be less information at a time but more often
15 provided?

16 MR. ANDREW ENNS: Yes.

17 MR. BOB PETERS: And is that -- is that
18 practical or feasible when doing door-to-door marketing?

19 MR. ANDREW ENNS: Honestly, I've never
20 really -- we never really discussed this piece in terms
21 of an actual leave-behind in a door-to-door environment.
22 It was sort of as a -- as a sort of a direct mail or as a
23 -- as a piece.

24 I would suggest, again drawing on
25 experiences, that this might be a piece that could be

1 useable in a door-to-door contact, because obviously
2 you're not going to be able to go back and forth to the
3 door more often. But I would also suggest that there's
4 -- there might be more, again digestible, smaller pieces,
5 that people would be -- more readily hold onto and maybe
6 put somewhere.

7

8 (BRIEF PAUSE)

9

10 MR. BOB PETERS: From that answer, Mr.
11 Enns, it's your suggestion to the Board that a document
12 such as the one found at Appendix B of your focus group
13 report, would be inappropriate or not a proper document
14 to leave behind at a door-to-door campaign?

15 MR. ANDREW ENNS: Sorry, no, I don't. I
16 mean, I don't think it would be inappropriate to leave
17 behind this piece of material in a door-to-door contact.
18 In the form of the focus groups, the discussion was more
19 of -- of a direct mail sort of piece, this was the
20 environment that this was discussed in. And in that
21 setting this is an inappropriate length of size and
22 length of document.

23 As a leave behind piece, I don't think it
24 would be a bad piece in the absence of anything else.
25 Although I would suggest, based again on experience and

1 some of the feedback from the focus groups, that there
2 might also be a -- a another piece that maybe summarizes
3 or takes some very salient points out of this that's --
4 that's more digestible for people.

5 MR. BOB PETERS: Mr. Enns, one of the
6 things you also mentioned in your prior testimony, was
7 that some of the thirty (30) people you've met with in
8 your focus group thought they would benefit from a --
9 from an historical comparison of current compared to what
10 the marketer was offering?

11 MR. ANDREW ENNS: In the con -- yes, in -
12 - in the context of -- particularly in the context when
13 we displayed the line graph, there was some desire for --
14 for being able to compare over time, where the rates
15 were.

16 MR. BOB PETERS: Yet you had some people
17 in the customer survey group tell you that the Centra
18 offering, compared to the retailers offerings really
19 wasn't a comparison of apples to apples, if I can use
20 that?

21 MR. ANDREW ENNS: I'm not sure I follow
22 you in terms of -- that -- that phrase that I used,
23 comparison, actually came up in the focus groups when we
24 were looking at the -- one (1) of the inserts that -- an
25 append -- the second set of material. And there was one

1 (1) insert that compared, I believe, three (3) rates,
2 including the Centra rate plus two (2) fixed-terms rates.

3 And that -- that was where the actual
4 comment was made with respect to -- people raised the
5 concern that it was nice to see rate information, but it
6 was difficult to know whether one was better than the
7 other because the terms were different and people were
8 indicating they'd -- they'd like to see a more easily
9 comparable -- information.

10 MR. BOB PETERS: While I have you then,
11 Mr. Enns, if Ms. Murphy could provide you with an
12 opportunity to look at Tab 9 of the book of documents
13 that I -- that I prepared.

14 In -- in Tab 9, Mr. Enns, there is
15 Centra's response to PUB Information Request 35, and
16 there are some attachments to -- to it. Attachment 1,
17 for example -- have you found that -- is a graph.

18 MR. ANDREW ENNS: I -- I think so. Okay.

19 MR. BOB PETERS: What you're looking at
20 there is a graphical depiction of a comparison between
21 Centra's billed rates, compared to a fixed-price
22 offering. Is that the kind of information that consumers
23 were saying would be of more value to them?

24 MR. ANDREW ENNS: I believe along --
25 along these lines. Certainly, I mean, anything that can

1 provide them some context for making the decision.

2 MR. BOB PETERS: Then how do we deal with
3 the -- the fact that the Centra offering is, as your
4 focus group told you when looking at those two (2)
5 advertisements, that you're not comparing apples to
6 apples when you're looking at a graph like this?

7 MR. ANDREW ENNS: There -- on its own,
8 the rates, just the -- just the numbers on their own, for
9 I think the -- you know, I think it was the month of May
10 1st, that was the concern consumers expressed to say;
11 this tells me what that rate is for -- for three (3)
12 months four (4) -- this is the rate for four (4) or five
13 (5) years out. So that was where the concern was.

14 In that discussion, people came back and
15 said, what -- what would be interesting to know is
16 historically how has the -- how have these terms
17 compared over time, and so -- and people in -- in the
18 discussion, my recollection, appreciated -- you couldn't
19 plot out accurately forward, but that having some
20 historical information would be helpful going backwards,
21 in terms of just understanding.

22 So this is -- this is better information,
23 based on the discussions in the focus groups, to have
24 this kind of historical going-back information, as
25 opposed to just saying, Here's three (3) rates and make

1 your choice. And I think that was the point of -- and
2 that why the line graph was -- was sort of -- even though
3 it was -- wasn't -- we didn't show this line graph but
4 the one that we did show wasn't directly -- wasn't
5 directly relevant to -- to these -- to these rates
6 depicted in the chart.

7 But people said, Yeah, at least it gives
8 me some idea of how things have worked and I can make a
9 decision if -- if I feel comfortable or if I want to
10 stay. That was the more -- the information they were
11 interested in.

12 MR. BOB PETERS: Mr. Enns, I'll certainly
13 admit I may have missed it in the materials, but I
14 didn't see a line graph that was used at the focus group
15 report.

16 Was that -- was that --

17 MR. ANDREW ENNS: Is it not -- I thought
18 I did see one in the materials. I -- I -- if it's not
19 included it's an over -- what -- to just go back and
20 explain what happened in the June 6th evening groups with
21 the hydro customers; we -- we introduced the -- the two
22 (2) ad inserts with -- and particularly the one with the
23 rate comparisons. We had a good discussion, but it was
24 clear from the discussion that one of the concerns about
25 the rate comparisons, as I said, people couldn't compare.

1 And there was an interest in saying, you
2 know, it would be helpful as to see how these things
3 compared in the past five (5) years. And at the end of
4 the discussion when we were -- when we were in the back
5 room, after the groups were done, one of the hydro folks
6 produced -- had -- had a graph that depicted the Centra
7 rate and then the Alberta market price.

8 And -- and the discussion was, well maybe
9 in the next set of groups with the marketers on the 7th,
10 we'll introduce -- we'll go through the same process but
11 at the end of that discussion maybe we'll just show them
12 this line graph to see; is something along these lines,
13 would this help you -- is this better information. And
14 that's what we did.

15 And -- and I apologize for not having
16 that. I -- I'm sure I've got it somewhere.

17 MR. BOB PETERS: Well, it may be that I
18 missed it, but I'm just going to ask that when the --
19 maybe when you're off the microphone, you and Ms. Murphy
20 could just provide me with the reference as to where I'll
21 find it in the materials. And if for some reason it's
22 not there, she will -- I will ask you to undertake to
23 provide a copy to the Board. Is that --

24 MR. ANDREW ENNS: We'll do that.

25 MR. BOB PETERS: Thank you, Mr. Enns.

1 Mr. Enns, just before I leave that, and recognizing I'm
2 not looking at this line graph, you were showing one (1)
3 set of customers the line graph, and that was the Centra
4 customers?

5 MR. ANDREW ENNS: The marketer customers.

6 MR. BOB PETERS: One (1) -- one (1) group
7 of the 17?

8 MR. ANDREW ENNS: Two (2) groups --

9 MR. BOB PETERS: Okay. Seventeen (17)
10 marketer customers saw the line graph?

11 MR. ANDREW ENNS: Correct.

12 MR. BOB PETERS: Did you explain to the
13 customers that the Alberta market price that was graphed
14 on that sheet was not available to them?

15 MR. ANDREW ENNS: I don't recollect. I -
16 - I know I did explain to them that the lines on this did
17 not -- was not -- was not reflective of -- of the three
18 (3) rates that -- that we had just finished discussing in
19 the ad invert -- the ad insert.

20 What -- I explained to them that what I'm
21 interested in their feedback in, is not sort of the
22 reaction to sort of the specific lines as much as --
23 would something like this that depicted rates in this
24 manner going back over time, would that be helpful
25 information or would it be more confusing; that kind of

1 discussion.

2 So -- we never actually discussed the --
3 the abili -- I -- I don't think I ever sort of noted the
4 fact that the Alberta spot price is not available to
5 them.

6 MR. BOB PETERS: Well -- and would you
7 agree with me that if -- if you were going to show
8 consumers information, you probably wouldn't want to show
9 them information about prices that weren't available to
10 them, even if they wanted them?

11 MR. ANDREW ENNS: If -- if you were -- if
12 this was going to the real -- for real in terms of saying
13 I want to inform consumers or -- or are you suggesting
14 this was inappropriate to test in a focus group?

15 MR. BOB PETERS: No, I'm suggesting that
16 if you were -- if consumers wanted some material about
17 historical prices, what type of historical material
18 should be provided?

19 MR. ANDREW ENNS: I would -- I would
20 agree with your point, that I think it's -- you -- you
21 wouldn't muddy the waters with -- with lines that -- with
22 pricing that isn't available. I think it would be
23 probably a clearer -- clearer piece of information if you
24 showed products that -- that they had a choice for. And
25 again without having tested, you know, different --

1 different graphs with different lines, but that would be
2 my -- my opinion.

3

4 (BRIEF PAUSE)

5

6 MR. BOB PETERS: Mr. Enns, the
7 residential guide to buying natural gas at Appendix B,
8 page 31, of your focus group report, contained
9 information that some of the consumers felt was biased;
10 is that your evidence?

11 MR. ANDREW ENNS: Yes. And it was not a
12 strong current but there was a -- there was a mention
13 that a few -- from a few people that they -- that felt
14 there might have -- there may have been a bias to the
15 document.

16 MR. BOB PETERS: And the bias was in
17 favour of the Utility and against the marketers and
18 retailers?

19 MR. ANDREW ENNS: Correct.

20 MR. BOB PETERS: And did you have any
21 recommendations that you can pass to the Board as to how
22 you would remove that bias from the document?

23 MR. ANDREW ENNS: There are a few --
24 there are a few particular phrases that I -- that I
25 believe we identified in the report, that could be --

1 could be examined and -- and perhaps wordsmithed without
2 taking away the -- the intent.

3 I think as well there was reference to the
4 back page where this -- it's noted that this document's
5 produced by Manitoba Hydro. I'm not sure if there would
6 be a way to perhaps have this come from a more perceived
7 -- maybe a third party, or I mean maybe the -- you know -
8 - I could be in trouble if I say this Board or something
9 like that, but -- but something along those lines. That
10 might -- because again a number of people sort of looked
11 at that and said well, you know, they -- they did put it
12 out.

13 And you know, even -- and I'm not -- I
14 didn't pursue this, and perhaps I -- perhaps I should
15 have, but there is also a view that even the -- the look
16 and the colour sort of left them thinking it was a Hydro
17 document. And I'll be honest I'm not particular familiar
18 with what Hydro documents look like, or I haven't seen a
19 whole -- a whole lot apart from these briefs and stuff.

20 So -- but -- but those would be a couple
21 of recommendations I could leave with the -- with the
22 Board, in terms of maybe taking that off.

23 MR. BOB PETERS: From that answer would
24 the Board take that if the Board was to vet and approve a
25 document, consumers would give it more weight than as

1 coming straight from the Utility or the marketer?

2 MR. ANDREW ENNS: I -- I don't think I
3 can really answer that. I mean, I think -- I mean, let's
4 understand that this wasn't -- you know, I'll repeat it
5 wasn't a strong and overwhelming feeling that this was a
6 -- not a good document because it was clearly biased.
7 In fact, the initial impression was it was a very good
8 document, a strong document of information.

9 I think, if -- if people are -- are
10 sensitive to any or -- or trying to diminish or -- or try
11 to eliminate as best you can any sense of bias, then I
12 think -- I think having that would be a benefit -- would
13 be a benefit for some people.

14 MR. BOB PETERS: And testing it through
15 or vetting it through a focus group again might even be a
16 further benefit?

17 MR. ANDREW ENNS: Absolutely.

18 MR. BOB PETERS: Mr. Chairman, I'd like
19 to thank Mr. Enns for his answers to my questions. Those
20 conclude my questions, and I believe it's Mr. Saxberg's
21 turn at the mic.

22 THE CHAIRPERSON: Thank you, Mr. Peters.
23 I hope I didn't rush you with my opening comments.

24 Okay, we're over to Mr. Saxberg, for
25 CAC/MSOS.

1 MR. KRIS SAXBERG: Thank you, Mr.
2 Chairman. Good morning to you, and good morning Board
3 members, ladies and gentlemen.

4 I have a grouping of documents all
5 selected from the -- virtually all selected -- from the
6 DEML/CENTRA-60 compilation. And I have provided it to
7 Centra. Mr. Barron, I put it on your desk for the Board.
8 And I have provided toward Board counsels, so if we could
9 -- could provide it to the board members.

10 MS. MARLA MURPHY: Could I just ask you
11 to clarify the, "virtually all" reference? To being
12 virtually all drawn from that IR?

13 MR. KRIS SAXBERG: Yeah, one of them was
14 from an information request. Document 24, the very last
15 one, is DEML/CENTRA-13.

16 MS. MARLA MURPHY: So everything in here
17 is already in the materials?

18 MR. KRIS SAXBERG: Absolutely, yeah.

19 THE CHAIRPERSON: So this is CAC/MSOS-5,
20 just for ease of reference.

21

22 CROSS-EXAMINATION BY MR. KRIS SAXBERG:

23 MR. KRIS SAXBERG: Thank you. Mr. Enns,
24 let me begin on the subject of volatility, and your
25 findings in that regard. Would you agree that what you

1 have determined from your work, is that customers can
2 tolerate between 15 percent and 18 percent changes,
3 either up or down, to their annual bill?

4 MR. ANDREW ENNS: Based on the results of
5 -- of this survey, that was the case with the residential
6 -- that was the case with the residential customers. I
7 think in discussion we -- and not in the report -- but in
8 the discussion we did mention the, or did note -- I think
9 the discussion with Mr. Peters -- it did note that there
10 was a significant, "don't know" response right to that
11 question, which doesn't invalidate those findings, but
12 it's worth noting that, considering.

13 MR. KRIS SAXBERG: In your view the
14 finding though, has statistical importance or that it's--

15 MR. ANDREW ENNS: Yes.

16 MR. KRIS SAXBERG: -- appropriate?

17 MR. ANDREW ENNS: Yes.

18 MR. KRIS SAXBERG: And you'd agree that
19 that is a larger tolerance level than previous studies on
20 the subject?

21 MR. ANDREW ENNS: I believe it was -- I
22 believe it was larger than what we experienced in 2004,
23 although we had -- we've -- we altered the question and
24 the approach to that, from the 2004.

25 So, I'd be a little careful to suggest

1 that -- that that's all attributed to -- that just people
2 are much more tolerant over time. Some of that may be
3 due to the way we -- we altered the quest -- the format
4 of the question.

5 MR. KRIS SAXBERG: You'd agree though,
6 that 18 percent is a fairly large range, up or down,
7 correct?

8 MR. ANDREW ENNS: Possibly.

9 MR. KRIS SAXBERG: And you'd also agree
10 that bill volatility was not a top of mind issue, for the
11 focus group participants?

12 MR. ANDREW ENNS: That's correct. It
13 didn't come up in a top of mind, and it wasn't, even when
14 probed, it wasn't a particularly notable issue for -- for
15 consumers in the foc -- during the focus group
16 discussion.

17 MR. KRIS SAXBERG: And intuitively, that
18 correlates to this 18 percent volatility range, would you
19 agree?

20 MR. ANDREW ENNS: In -- in what -- in
21 what sense? I'm not sure I'm following the question?

22 MR. KRIS SAXBERG: Well, that the fact
23 that the tolerance is fairly large, between 15 and 18
24 percent, does that in your mind at all correlate to the
25 fact that bill volatility itself isn't a major issue for

1 customers?

2 MR. ANDREW ENNS: I'm not sure I would --
3 I would create a strong link between the two (2). I
4 mean, I -- I think that at -- at the moment, or at the
5 moment of doing the survey, concerns about the ups and
6 downs, the volatility of -- of natural gas rates, is not
7 a concern.

8 In that moment, in -- in doing the survey,
9 there's a tolerance amongst residential customers to --
10 if confronted with some ups and downs -- to tolerate a 15
11 percent to a 18 percent up or down in their annual
12 natural gas total, billing total.

13 MR. KRIS SAXBERG: Now, I -- I think I
14 heard you correctly saying, that this time around it was
15 apparent that the volatility issue wasn't top of mind and
16 there's a suggestion that it -- in the materials, that it
17 was a concern in 2004.

18 MR. ANDREW ENNS: In 2004, it wasn't a --
19 it wasn't an immediate top of mind in 2004, although it
20 was mentioned in my -- in my recollection of doing those
21 focus groups, it was mentioned a few times in the groups.
22 It was different though when we introduced the notion of
23 fluctuations and -- and volatility of natural gas.

24 There was -- there was much more animated
25 and involved discussion about those concerns about

1 natural gas, and what you got in 2004 -- were some very
2 vivid recollections of consumers of a period in time, not
3 that far removed from the focus groups, of when they
4 thought pricing was going through the roof and then the
5 next month it was down.

6 So that was -- that was -- and -- and
7 that's sort of the context that it was pretty apparent in
8 these focus group sessions, that there was none of that
9 animation or concern or recollection about the -- about
10 pricing.

11 MR. KRIS SAXBERG: Could I take you to
12 CAC-5, the collection of documents, and page 24, which is
13 the second last page?

14 MR. ANDREW ENNS: Okay.

15 MR. KRIS SAXBERG: You agree that this is
16 a summary of your key findings and impl -- implications
17 from the focus group study that -- that you were just
18 mentioning in 2004, correct?

19 MR. ANDREW ENNS: Right.

20 MR. KRIS SAXBERG: And I note that the
21 very first bullet --

22 MR. ANDREW ENNS: Right.

23 MR. KRIS SAXBERG: -- under this key
24 findings -- and let me just stop there. I mean, are
25 these ranked in order of importance?

1 MR. ANDREW ENNS: No. Likely ranked in
2 terms of how they flowed from the moderator's guide.

3 MR. KRIS SAXBERG: And the first bullet
4 says that, quote:

5 "The ups and downs did not appear to be
6 a top of mind concern among
7 participants." End quote.

8 Do you see that?

9 MR. ANDREW ENNS: Mm-hm.

10 MR. KRIS SAXBERG: So what you're
11 suggesting is that at the outset of the focus group in
12 2004, the issue of volatility was not top of mind, but
13 after some prodding, some issues were raised?

14 MR. ANDREW ENNS: When I introduced the
15 question with respect to what's your impression about the
16 natural gas rates and any fluctuations, and then we got
17 into a discussion about that.

18 MR. KRIS SAXBERG: And I'm looking at
19 this summary of key findings and implications; where is
20 it in this summary here that -- that reflects what you've
21 just told us?

22 MR. ANDREW ENNS: I don't -- I don't
23 believe it's here in this -- this particular summary that
24 was appended to the report.

25 MR. KRIS SAXBERG: Now, switching --

1 moving forward to the 2007 focus group report. One (1)
2 of the things you learned from that focus group was that
3 the customers primarily are concerned with the bottom
4 line number on their bill, correct?

5 MR. ANDREW ENNS: Correct, that's what
6 they look to, initially.

7 MR. KRIS SAXBERG: And you also learned
8 that people are not that interested in paying money to
9 achieve bill stability; and I'm referencing table 14 of
10 your market survey. It's perhaps worth turning up. It's
11 on page 36.

12 MR. ANDREW ENNS: Correct, I've got it,
13 thank you.

14 MR. KRIS SAXBERG: Would you agree with
15 my characterization of table 14 being that people are
16 really not that interested in paying much for bill
17 stability?

18

19 (BRIEF PAUSE)

20

21 MR. ANDREW ENNS: I think that would be
22 correct.

23 MR. KRIS SAXBERG: And in fact if you
24 look at the rate changing every three (3) month category,
25 you see that 80 percent of people do not want to pay any

1 premium, is that correct?

2 MR. ANDREW ENNS: 79 percent would be the
3 number you're -- you're referencing, yeah.

4 MR. KRIS SAXBERG: Yes, sorry.

5 MR. ANDREW ENNS: Yeah, 79 percent of the
6 hundred and twenty-five (125) people who preferred that
7 as their natural gas product -- their favourite natural
8 gas product. 79 percent of those people felt -- said
9 they did not want to pay a premium for that.

10 MR. KRIS SAXBERG: Didn't want to pay
11 anything for -- to eliminate the ups and downs in price
12 on a three (3) month rate.

13 MR. ANDREW ENNS: On a three (3) month,
14 correct.

15 MR. KRIS SAXBERG: So I take from -- from
16 that sort of quick summary of some of your findings that,
17 just to recapitulate it, that the importance of
18 volatility is fairly -- fairly low, at this point in
19 time, to -- to customers, correct?

20 MR. ANDREW ENNS: From the focus groups
21 the -- the concerns about volatility are low, yes, based
22 on that.

23 MR. KRIS SAXBERG: And would you agree
24 that the reason why that there may be a correlation as to
25 why the appetite of consumers to pay money to reduce

1 volatility, is linked to the -- the minimal concern for
2 the issue of volatility?

3 MR. ANDREW ENNS: I don't think I can
4 answer that based on the -- on the questions we've got
5 here, or on the data we've got. It probably requires
6 some additional data to go back and --

7 MR. KRIS SAXBERG: Okay. Thank you, sir.
8 I want to turn now to the hedging question, that you and
9 Mr. Peters discussed yesterday.

10 And that -- the question is found in the
11 materials, in the market survey report, the appendix, at
12 page 61, correct? Do you have that in front of you?

13 MR. ANDREW ENNS: I do.

14 MR. KRIS SAXBERG: And just to focus on
15 the last two (2) lines, there's a statement:

16 "Like all insurance products there is a
17 cost. Over the long term, twenty (20)
18 years, the theory is the cost will be
19 very small. Less than 1 percent to
20 your overall gas costs." End quote.

21 Do you see that line?

22 MR. ANDREW ENNS: Yes.

23 MR. KRIS SAXBERG: You'd agree that in
24 terms of this definition of the hedging program, it's
25 those last two (2) lines that communicate to the surveyed

1 respondent what the costs of the program are?

2 MR. ANDREW ENNS: Yes.

3 MR. KRIS SAXBERG: And you'd agree that
4 what's being communicated is that the costs are very
5 small?

6 MR. ANDREW ENNS: Yes.

7 MR. KRIS SAXBERG: Who picked that final
8 wording?

9 MR. ANDREW ENNS: There's lots of words
10 missing on that question. The -- a great deal of time
11 was spent on -- on discussing that question and the
12 wording around it, in several meetings reviewing draft 3
13 of this questionnaire, with input from Manitoba Hydro and
14 -- and, I believe, the representatives from the Consumer
15 Association.

16 I -- I can't really recall ultimately who
17 -- if there was one (1) person that arrived at the final
18 wording. I know there were some comments raised after, I
19 think it was draft 4 or at draft 4, for some additional
20 wording. But at that point, I think the wording that
21 we'd arrived at in draft -- in draft 3 -- although, I can
22 go back and check or you'll probably take me back, to
23 look if there was a -- a revision of the wording at draft
24 4. And then ultimately, I think the final wording
25 would've been approved when the final survey was

1 approved.

2 MR. KRIS SAXBERG: But ultimately you'd
3 agree that the survey -- the ultimate survey product is
4 your responsibility, the questions? Or it's your job to
5 --

6 MR. ANDREW ENNS: To draft them and
7 present them and the final sign off is -- is the ultimate
8 -- with the client.

9 MR. KRIS SAXBERG: But what if the client
10 wants to put forward some wording that -- that wouldn't
11 accomplish what your objective is, or that would -- that
12 would muddy the waters? Isn't it your job to step in?

13 MR. ANDREW ENNS: If that was the case --
14 absolutely, yes.

15 MR. KRIS SAXBERG: So ultimately, though
16 -- where -- the bucks stops with you, is it -- that fair
17 to say, in terms of what the final wording's going to be?

18 MR. ANDREW ENNS: The buck stops with me
19 if there's a suggestion that -- that I -- I think we're
20 adding wording that may res -- may result in bias
21 questioning, or a problematic -- in my opinion, I feel is
22 -- is ov -- has become too complicated or -- you know, to
23 ensure that the questions are a proper format. So in
24 that sense, yes.

25 MR. KRIS SAXBERG: Yeah. You wouldn't

1 let a biased question through, is what you're saying,
2 correct?

3 MR. ANDREW ENNS: Correct.

4 MR. KRIS SAXBERG: And -- but you're
5 suggesting that in some ways then the client -- and who's
6 the client here? Manitoba Hydro, alone?

7 MR. ANDREW ENNS: Correct.

8 MR. KRIS SAXBERG: That in some ways if
9 the client has a -- a favourite wording of a question and
10 you -- you don't think that it's biased, then you will
11 adopt the client's wording; is that what you're saying?

12 MR. ANDREW ENNS: As a general statement,
13 or as -- as specifically to this question?

14 MR. KRIS SAXBERG: Well, let's start with
15 the general.

16 MR. ANDREW ENNS: I don't know if I can
17 answer that in a -- in a sort of, you know, broad sense.
18 There are some -- there is standard question wording that
19 you use. And clients may want to use, you know,
20 something else they're more comfortable with, but from my
21 perspective, from an industry perspective, it's nice to
22 go with -- with an answer choices or -- or approaches
23 that have been used before, so you have that comfort
24 level.

25 So I'm not sure I'd wholeheartedly,

1 categorically, say that always the case. Certainly that
2 may have been the case in some instances.

3 MR. KRIS SAXBERG: Okay. Well, let's go
4 to the specifics then. I want to take you to a document
5 in my collection here and it's at page -- page 12,
6 please; top right-hand corner.

7 Now, I'm looking at an e-mail from Lloyd
8 Kuczek to yourself, among others. Do you see that?

9 MR. ANDREW ENNS: Yes.

10 MR. KRIS SAXBERG: And Mr. Kuczek was one
11 of the -- the instructing officers at Manitoba Hydro,
12 with respect to this project?

13 MR. ANDREW ENNS: He was involved in the
14 study, yes.

15 MR. KRIS SAXBERG: Yeah. Was he the guy
16 that was -- was having the final word at Manitoba Hydro,
17 in terms of giving you instructions?

18 MR. ANDREW ENNS: Could be, I -- you
19 know, I'm not -- I'm not 100 percent sure. I mean --
20 'cause my -- my contact was -- was more through --
21 through one of their research people. So --

22 MR. KRIS SAXBERG: Mr. Meder?

23 MR. ANDREW ENNS: Correct.

24 MR. KRIS SAXBERG: -- who worked with Mr.
25 Kuczek, is that fair?

1 MR. ANDREW ENNS: Correct.

2 MR. KRIS SAXBERG: Now in this e-mail,
3 you'd agree, that Mr. Kuczek's telling you, we're relying
4 on your judgment to finalize these words. Do you see
5 that?

6 MR. ANDREW ENNS: Judgment for finalizing
7 these questions, correct.

8 MR. KRIS SAXBERG: That's right. So --
9 so this -- if we're talking about specifics, this isn't a
10 case where you're just going to go with Manitoba Hydro's
11 preferences, because the client itself has told you to
12 use your judgment? Do you see that?

13 MR. ANDREW ENNS: Is a general account; I
14 think we need to reply on your judgment for finalizing
15 these questions, yes.

16 MR. KRIS SAXBERG: And -- but what you've
17 referenced is that throughout this process of
18 wordsmithing the questions, there were many involved,
19 correct?

20 MR. ANDREW ENNS: Correct.

21 MR. KRIS SAXBERG: And I've got them in
22 two (2) camps, broad camps. The internal consultations
23 is a phrase that's being used to describe your input that
24 you would have received from Manitoba Hydro, is that
25 fair?

1 MR. ANDREW ENNS: Okay, yeah.

2 MR. KRIS SAXBERG: I think I've seen that
3 in the material. And then there's also a description of
4 external consultations, and that would involve my
5 clients, CAC/MSOS and the retailers. Do you agree?

6 MR. ANDREW ENNS: Correct. But at -- at
7 -- at one point the internal and external blurred
8 together.

9 MR. KRIS SAXBERG: Okay. And would you
10 agree -- yesterday you were shown a copy of a Board Order
11 that was talking about the customer research to be done
12 and -- and I can't remember whether you said you'd --
13 you'd read that or not. It's in -- it's in the materials
14 at DEML-60.

15 Had you read that Board Order that was
16 speaking about how the customer research was to be
17 conducted?

18 MR. ANDREW ENNS: I -- I did see the
19 Board Order and I did go through the Board Order, but I
20 don't believe I went through it specifically to determine
21 how the research was to be done.

22 I was interested in some of the -- some of
23 the research questions that were posed in that Order, and
24 -- and so those -- that was my focus. Because in one of
25 the discussions was that it was important that we try to

1 address those questions identified in that Board Order.

2 And so that's what I was looking for. If
3 there was other information with respect to process, I
4 probably didn't pick up on that as strong...

5 MR. KRIS SAXBERG: Okay. There was --
6 that was one aspect of the Board Order, relating to the
7 type of information that -- that this survey was to seek
8 to obtain.

9 But there was another direction from that
10 Order and -- and it was that the research include the
11 views of CAC/MSOS and brokers, it was described.

12 Was that brought to your attention at all,
13 throughout the proceed -- process?

14 MR. ANDREW ENNS: Not pointed out to me
15 in the Board Order. I mean, certainly it was raised with
16 me early on in the -- in our -- in our preliminary
17 discussions with Manitoba Hydro, and in fact I believe
18 there was a -- was a reference to working with the
19 Consumers' Association of Canada and the Manitoba Society
20 of Seniors in the RFP.

21 MR. KRIS SAXBERG: So then you
22 understood, either through that RFP or your discussions
23 with people at Manitoba Hydro that the Board had -- had
24 indicated that it was important to listen to the views of
25 all -- of these other stakeholders, being CAC/MSOS and

1 the --

2 MS. MARLA MURPHY: Are you quoting from
3 that Order?

4 MR. KRIS SAXBERG: No, no.

5 MS. MARLA MURPHY: I -- yeah and I --
6 that's my concern, is I think you're probably
7 characterizing that Order in the way that you find most
8 appealing at this point.

9 So if you want to put those kind of
10 specific questions about the contents to the Ord -- of
11 the Order to the witness, perhaps you should quote the
12 actual Order.

13 MR. KRIS SAXBERG: Well, I'm not going to
14 quote the Order because he said he didn't read it. So
15 I'm asking him about the internal discussions and
16 information he heard from the Manitoba Hydro people.

17 OBJ MS. MARLA MURPHY: My objection remains.
18 If you wish to characterize the Order to the witness, you
19 should refer directly to the Order.

20

21 CONTINUED BY MR. KRIS SAXBERG:

22 MR. KRIS SAXBERG: Oh -- I'm just
23 speaking, Mr. Enns, about the information that gleaned
24 from the RFP or from conversations with Manitoba Hydro
25 personnel.

1 Was it communicated to you through -- that
2 that document or the -- the individuals at Manitoba
3 Hydro, that it was important to take into account the
4 views of my clients?

5 MR. ANDREW ENNS: Yeah, it was
6 characterized to me that in the course of designing the
7 questionnaire, we would be seeking -- I would be
8 providing -- provided input from interested stake --
9 third party stakeholders, and those were identified to me
10 as the independent retailers, and the consumer and
11 senior's associations.

12 MR. KRIS SAXBERG: Okay. So, just to go
13 back for a second, you're the professional, you're the
14 one with the expertise and ultimately it's your job to
15 make sure that the questions are unbiased and fair and
16 balanced, correct?

17 MR. ANDREW ENNS: Correct.

18 MR. KRIS SAXBERG: And -- and we had
19 Manitoba Hydro personnel reaffirming that to you, in the
20 form of Mr. Kuczek's email, correct?

21 MR. ANDREW ENNS: Correct.

22 MR. KRIS SAXBERG: And we've got two (2)
23 groups of consultations: one (1), internal consultations
24 and the other, the external consultations. Would you
25 agree that you have to give equal weight to the external

1 information that's being provided to you, equal with the
2 internal inf -- consultation process?

3 MR. ANDREW ENNS: I wish it would be as
4 easy as that, but it isn't. I mean, designing a
5 questionnaire by committee is -- is not a -- is a doable
6 exercise, and it's proof in point that we designed a good
7 strong survey, but it's not a -- there's not a course or
8 a manual that says this is how you do it, and this is how
9 you -- you give equal weight and go forward.

10 I mean, it's -- it's -- it's a consensus
11 process, and I don't think I'm saying anything out of --
12 that no one else around this tab -- in this room doesn't
13 know that not everybody walks out of there with 50
14 percent.

15 MR. KRIS SAXBERG: Well, when you say
16 consensus process, do you mean that it was important for
17 you to achieve a consensus between the internal
18 consultations and the external consultations?

19 MR. ANDREW ENNS: To the best of my
20 ability, that's what I'm hoping for. I mean, I want a
21 document -- I wanted a document, and quite frankly I'll
22 continue to -- to maintain that -- that we have document
23 and a survey that represents the input of the views of
24 all parties.

25 MR. KRIS SAXBERG: Right. And so at the

1 end of the day it would be important for you not to
2 favour one of the stakeholders over the other? You've
3 got to give them equal opportunity and then ultimately
4 you've got to make a call on your professional judgement,
5 correct?

6 MS. MARLA MURPHY: Mr. Chairman, I'm not
7 sure where this is going. Better to ask the witness what
8 actually was done, as opposed to this weighting. I mean,
9 we could get into arguments about what Order 175 says,
10 and in fact the Board didn't direct that we give equal
11 weight to everybody. The board understood that that
12 might not be the case.

13 It's -- it's quoted in the Order itself.
14 So I'm not sure where this is going.

15 OBJ MR. KRIS SAXBERG: I'm going -- I'm going
16 to strenuously object to her objection, because that was
17 a very important question. A very important question
18 that is absolutely germane to what I'm doing here, and
19 that's just inappropriate interference with the
20 examination.

21 THE CHAIRPERSON: I hear you both. I
22 think Mr. Enns is competent enough to be able to decide
23 whether he's comfortable with the question, or whether he
24 wishes to seek some further clarification.

25 MR. ANDREW ENNS: Thank you, Mr. Chair.

1 You're not going to like this, but I'm going to have to
2 get you to repeat the question.

3

4 CONTINUED BY MR. KRIS SAXBERG:

5 MR. KRIS SAXBERG: You're right, I'm not
6 going to like it, because I thought I did a really good
7 job; that's why I was upset by the objection.

8 Would you agree that it's important to be
9 fair to all of the stakeholders and to give input equal
10 attention?

11 MR. ANDREW ENNS: I don't like the word
12 equal, as pointed. I mean, I don't think it's as simple
13 as that, and it doesn't work that way. But I do believe
14 that it's important to make an honest effort to take into
15 account the views raised by -- by all individuals who are
16 involved in this survey.

17 I'm very confident that I did that. We
18 had several good meetings, which are proof that we did
19 that. At the end of the day I'm appreciative, and I'm
20 sure it'll be -- be discussed later that -- that there
21 will be individuals who felt that they didn't get
22 everything they -- they wanted in the survey.

23 I have to make some calls in terms of what
24 is -- what is beyond the scope in terms of -- in terms of
25 the objective is -- is -- I'm working from. And I

1 appreciate they'll be some discussion whether or not --
2 be a discussion around that point, but that -- but those
3 are some of the things that I need to use when I'm --
4 when I'm called upon to -- as you've quoted to me, rely
5 on my judgment to finalizing these questions and moving
6 forward.

7 But I can tell you that certainly, with
8 respect to the views of the Consumer Association, I feel
9 pers -- you know, from my -- from my persp -- my personal
10 opinion, my professional opinion, that we had very good
11 exchange with respect to suggestions, improvements to the
12 survey, and incorporated a great deal of changes from
13 them, and I suspect I'll have the same conversation later
14 this afternoon with the other third party.

15 MR. KRIS SAXBERG: Do I take your
16 evidence to be then, that it's important -- it was
17 important to you to ensure that there was meaningful
18 input from the external stakeholders, but it wasn't
19 necessary to give equal weight to, for instance, the
20 comments and input of CAC/MSOS ver -- versus, say, Hydro?

21 MR. ANDREW ENNS: No, I don't -- I don't
22 think I approached it saying, I've allotted an hour of my
23 time today with Hydro, so that means I need to spend an
24 hour of my time with everybody else. No, I didn't
25 approach it in that manner. And the other point is -- I

1 mean, it's not for me to determine -- to ensure everybody
2 provides meaningful comment.

3 I mean, they provide their comments, we
4 take them into account and we -- we discuss them.

5 MR. KRIS SAXBERG: Now, yesterday you --
6 you said quite strongly on the record, that the wording
7 of the question is -- is very important because it could
8 influence the result, correct?

9 MR. ANDREW ENNS: Probably take your word
10 for it, but, okay.

11 MR. KRIS SAXBERG: Sounds right though,
12 right?

13 MR. KRIS SAXBERG: And it is right. I
14 mean, you know, in the question -- question, wording is
15 important.

16 MR. KRIS SAXBERG: And the wording you
17 said must be clear and balanced, correct?

18 MR. ANDREW ENNS: You need to look at the
19 questions themselves -- the questions themselves, in terms
20 of what you're asking, but clear -- the questions are
21 important, the wording's important.

22 MR. KRIS SAXBERG: And -- and this is
23 probably trite, but the information you're conveying has
24 to be accurate, correct?

25 MR. ANDREW ENNS: Correct.

1 MR. KRIS SAXBERG: And would you agree
2 that to determine if the information's accurate and if
3 it's conveyed in a clear and balanced way, the person
4 ultimately signing off on the language has to understand
5 the issue?

6 MR. ANDREW ENNS: Has to understand the
7 issue well enough to determine that the question is -- is
8 properly describing what it is being described in the
9 question, what it is being asked in the question.

10 MR. KRIS SAXBERG: And so you've got to -
11 - the person that's making that decision has to have all
12 the information before them then to be able to know if
13 it's a clear and balanced question, correct?

14 MR. ANDREW ENNS: Whether or not the
15 person needs all the information before them, they have
16 to feel comfortable that they have -- they're aware of
17 the information, in terms of pertinent to the specific
18 aspect of the question being raised.

19 MR. KRIS SAXBERG: Okay. And you'll
20 recall I began this whole discussion as -- under the
21 heading of the hedging question and -- and that's where
22 I'm going here. Yesterday you were asked by Mr. Peters
23 if you were aware that consumer who buy their gas from
24 Centra paid 73 million more than they would have had they
25 not purchased gas -- had it not been hedged by Centra,

1 and you said, No, I was not.

2 Do you remember that?

3 MR. ANDREW ENNS: Yes.

4 MR. KRIS SAXBERG: And is that still your
5 -- your evidence?

6 MR. ANDREW ENNS: I'm more aware of it
7 now.

8 MR. KRIS SAXBERG: Okay. But you weren't
9 aware of it at the time, is what you're saying?

10 MR. ANDREW ENNS: No, correct.

11 MR. KRIS SAXBERG: You met with CAC/MSOS
12 on three (3) occasions face-to-face, is that correct?

13 MR. ANDREW ENNS: Yes, although I
14 believe, in the first occasion I don't believe the
15 Manitoba Seniors' individual was at the very first
16 meeting. I think it was just the Consumers' Association.
17

18 MR. KRIS SAXBERG: Okay. And you also
19 received some written information at one (1) point in
20 time, from CAC/MSOS, commenting on a draft of the survey,
21 correct?

22 MR. ANDREW ENNS: Correct.

23 MR. KRIS SAXBERG: And isn't it the case
24 though that on each occasion where you met with CAC/MSOS,
25 that they stressed to you the importance of communicating

1 their view of the costs of hedging?

2 MR. ANDREW ENNS: There -- the -- the
3 clear recollection was there was a suggested wording
4 change at draft 4, about adding some additional language
5 toward the -- at the end of the question. My
6 recollection of the -- of the two (2) -- actually the --
7 the two (2) other meetings where we discussed survey
8 drafts, in particular the last face-to-face meeting,
9 where we spent I think upwards to four (4) hours going
10 through the questionnaire, that we discussed that -- that
11 question at that -- during that discussion. Manitoba
12 Hydro was in attendance in that discussion and -- and
13 involved in the consultation, or in -- in the input -- in
14 the editing of the questions.

15 I believe that question was -- was raised,
16 but I don't recall a \$73 million figure mentioned at that
17 time or anything like that. And honestly I -- I don't
18 recall strong objections to the -- the question at that
19 time. Now, I do recall that in a subsequent e-mail there
20 was suggestions to change the -- or add some additional
21 information to the end of that question.

22 It's not really a -- to be honest, it's
23 not -- it's not so much the question, I think we're
24 talking about the definition of hedging; that -- that's
25 what we're -- or -- or price management.

1 MR. KRIS SAXBERG: You'd agree, though,
2 with that -- the April 24th meeting and the April 26th
3 meeting reviewing drafts, the hedging question was
4 definitely discussed by my clients to you?

5 MR. ANDREW ENNS: Yes, it is part of the
6 group. I mean, this is a -- this is a group discussion,
7 yes.

8 MR. KRIS SAXBERG: And what you're saying
9 is you don't recall them saying anything about the 73
10 million, but you do recall them having some concerns
11 about how that hedging program was being described,
12 correct?

13 MR. ANDREW ENNS: That's fair, correct.

14 MR. KRIS SAXBERG: And then -- then you
15 did receive a memo from the Manitoba Society of Seniors
16 which set out information to you on this very question,
17 correct? And it's in the material that we're looking at.

18 MR. ANDREW ENNS: I -- I received an --
19 I received an e-mail on -- on May -- May 1st, forwarded
20 to me by Mr. Meder, which included, I believe what you're
21 referring to as the memo, or was it a table?

22 MR. KRIS SAXBERG: Right, right.

23 MR. ANDREW ENNS: Yeah.

24 MR. KRIS SAXBERG: It starts at page 12
25 of the material --

1 MR. ANDREW ENNS: Right. And so then
2 flipping through to, I guess, page 14, yeah, I -- I did
3 receive that.

4 MR. KRIS SAXBERG: And --

5 MR. ANDREW ENNS: That was on -- in
6 response to draft 4, after we'd come through the two (2)
7 draft 3 meetings.

8 MR. KRIS SAXBERG: And you understood
9 clearly that this was the information and written
10 recommendations of CAC/MSOS, including explanations as to
11 why the recommendations were being made, correct?

12 MR. ANDREW ENNS: Correct.

13 MR. KRIS SAXBERG: And you -- with
14 respect to the hedging question, which is on page 14 --

15 MR. ANDREW ENNS: Right.

16 MR. KRIS SAXBERG: -- you would note that
17 on -- in the right-hand column, under the explanation,
18 that you were told, quote:

19 "This change is extremely important.
20 The reality of hedging is that there
21 may be large, short-term additions to -
22 - to the cost of gas. As we all know,
23 last year additions were very
24 significant. At one point it looked as
25 though they may be close to \$90

1 million."

2 Did you see that?

3 MR. ANDREW ENNS: I see it now. I
4 suspect read it at the time, yes.

5 MR. KRIS SAXBERG: Okay. So you were
6 then -- you would have been aware then, that there is a
7 potential in any particular year for there to be large
8 additions to gas cost because of hedging?

9 MR. ANDREW ENNS: Correct.

10 MR. KRIS SAXBERG: And now, there's some
11 bolded words below, in that column that began with, "The
12 change is extremely important;" some bolded words.

13 Do you know who wrote those words, that
14 start with, "I don't think I agree..."

15

16 (BRIEF PAUSE)

17

18 MR. ANDREW ENNS: I can't recall if it
19 was Mr. Meder or Mr. Kuczek.

20 MR. KRIS SAXBERG: So this is -- this is
21 Manitoba Hydro commenting and writing on the written
22 submissions of CAC/MSOS about these questions, correct?

23 MR. ANDREW ENNS: I'm just looking in the
24 body of the e-mail if -- and it's hard because a
25 photocopy -- because I think there's some things where

1 they're -- I -- I suspect it is, but you know, I --
2 because I think this was a coloured -- so I'm not sure if
3 the bold is green or if that's -- that's different. So,
4 my suspicion it is Manitoba Hydro comments in the bold,
5 but...

6 MR. KRIS SAXBERG: Yeah, perhaps you
7 could just take --

8 MR. ANDREW ENNS: There's -- on the left
9 hand column, there's comments from Mr. Meder.

10 MR. KRIS SAXBERG: And on -- on the far
11 right, there also appears to be some comments from
12 someone else --

13 MR. ANDREW ENNS: Right, right.

14 MR. KRIS SAXBERG: -- perhaps Mr. Kuczek.
15 But maybe you could just take an undertaking, because
16 there is a reference here to these comments being in
17 colour -- one in green, one in red -- but of course we
18 can't determine that from -- from our materials in front
19 of us.

20 MR. ANDREW ENNS: Right.

21 MR. KRIS SAXBERG: So you'd likely have
22 this e-mail on your computer back at work. You could
23 maybe undertake to tell us who wrote which parts, is that
24 fair?

25 MR. ANDREW ENNS: Fair enough.

1 MS. MARLA MURPHY: Are you asking for
2 that specific question or for the entire document?

3 MR. KRIS SAXBERG: For the document, yes.

4

5 --- UNDERTAKING NO. 1: Centra to produce, for
6 CAC/MSOS, e-mail, dated May
7 1st, from Mr. Meder to Mr.
8 Enns

9

10 CONTINUED BY MR. KRIS SAXBERG:

11 MR. KRIS SAXBERG: And now, you'll agree
12 with me that CAC/MSOS wasn't given an opportunity to
13 respond to the suggestions being raised by Manitoba
14 Hydro, with respect to the wording, right?

15 MR. ANDREW ENNS: I don't know that. I
16 wasn't involved in the exchange, so I don't know whether
17 or not there was any direct feedback from Manitoba Hydro
18 to -- my contact was with -- with -- respect to this,
19 with Manitoba Hydro.

20 MR. KRIS SAXBERG: Okay. Your office
21 didn't provide Manitoba Hydro's recommended wording to
22 CAC, for their comment?

23 MR. ANDREW ENNS: My office?

24 MR. KRIS SAXBERG: Yeah.

25 MR. ANDREW ENNS: No. My -- I -- I had

1 very little sort of dir -- very -- if any direct contact
2 with any of the third parties.

3 MR. KRIS SAXBERG: Okay. Now on page 14,
4 in that column that we're looking at on the far right,
5 the author is saying, "This program has..." this is near
6 the very bottom.

7 MR. ANDREW ENNS: Right.

8 MR. KRIS SAXBERG: About five (5) or six
9 (6) lines up.

10 This program has two (2) edges, one (1)
11 positive and the other negative."

12 He's referring to the hedging program. Do
13 you see that?

14 MR. ANDREW ENNS: Yes, down at the
15 bottom.

16 MR. KRIS SAXBERG: And he is suggesting
17 that -- the concern that's being brought to the table by
18 CAC/MSOS has some -- has some merit. Would you agree?

19 MR. ANDREW ENNS: "I do, however, see
20 some problem in the word in -- protecting these two (2)
21 edges." Okay.

22 MR. KRIS SAXBERG: And if you switch to
23 page 15 and go to the very bottom right corner,
24 beginning:

25 "Lloyd's suggestion may be too long but

1 hopefully Andrew will get my point. We
2 need to state short term for certain."

3 Do you see that? And "for certain" is
4 carried on to the next page.

5 MR. ANDREW ENNS: "Short term for
6 certain." I don't have that. Okay.

7 MR. KRIS SAXBERG: And -- and wording
8 that suggested to you is:

9 "The current quarterly rate primary gas
10 plan, where a customer pays a premium
11 of less than 1 percent and is protected
12 in the short term from increase --
13 extreme increases in natural gas
14 prices, however, foregoes the benefit
15 of extreme natural gas decreases in the
16 short term."

17 That was the recommendation that was being
18 made to you by someone at Manitoba Hydro?

19 MS. MARLA MURPHY: I'm sorry, where are
20 you reading from?

21 MR. KRIS SAXBERG: Top of page 16, right
22 hand column. I've sort of scribbled around it.

23 MR. ANDREW ENNS: And now we're on a dif
24 -- we're on a different question now, right?

25

1 CONTINUED BY MR. KRIS SAXBERG

2 MR. KRIS SAXBERG: Yeah, yeah that is --

3 MR. ANDREW ENNS: We've moved now to the
4 -- the different -- the option wording.

5 MR. KRIS SAXBERG: But, again, relating
6 to the cost of hedging.

7 (BRIEF PAUSE)

8

9 MR. ANDREW ENNS: Okay.

10 MR. KRIS SAXBERG: But -- so that was --
11 I just want you to confirm, that was -- you -- you saw
12 that -- that was being communicated by Manitoba Hydro.

13 MR. ANDREW ENNS: Yes.

14 MR. KRIS SAXBERG: And there's an e-mail
15 in the material from Mr. Wiens on the subject of -- of
16 costs of price stability. And that's at page 5, top
17 right hand corner.

18 Mr. -- Mr. Wiens sent an e-mail and maybe
19 you can confirm that you received the e-mail?

20 MR. ANDREW ENNS: I believe I did receive
21 the e-mail, although it would appear to be as part of a
22 long e-mail thread --

23 MR. KRIS SAXBERG: Correct.

24 MR. ANDREW ENNS: -- because I do recall
25 reviewing this material before today and I -- I -- I

1 definitely don't recall seeing this particular -- like
2 reading this prior to -- prior to yesterday.

3 MR. KRIS SAXBERG: Oh you don't --
4 through the process, you don't recall having received
5 this e-mail and taking it into account?

6 MR. ANDREW ENNS: Well -- well the -- the
7 problem is -- I mean, it's attached -- it's a thread of
8 e-mails and it was forwarded to me and there was a number
9 of attachments.

10 Quite frankly, I'm not sure I -- I went
11 through all the attachments and -- because they were
12 comments on 2(a). It -- I mean, I'm assuming these are
13 all sequential e-mails like as one (1) e-mail together.
14 Again, it's sort of hard to --

15 MR. KRIS SAXBERG: Right.

16 MR. ANDREW ENNS: -- but -- so my -- my
17 recollection is I don't recall reading this discussion on
18 the premium but, you know, I have read it since.

19 MR. KRIS SAXBERG: Okay. And just for
20 everyone -- before we go back to the beginning of the
21 thread as you say, just for everyone's edification in the
22 room; Mr. Wiens -- I'm -- I'm just going to paraphrase
23 here and you can tell me if you agree with what the
24 comment's saying.

25 It is he's saying that when you talk about

1 premiums in the survey, you have to be very, very clear
2 that the -- and I'll -- I'll use his words right now:

3 "Any question dealing with these
4 premiums should be reviewed to make
5 sure we're not inadvertently giving the
6 wrong impressions."

7 And he notes that the more price stability
8 over the longer term, the higher the premium. Is that
9 fair? It's the bottom paragraph on page 5 beginning with:

10 "If we're going to discuss premiums..."

11 MR. ANDREW ENNS: Right.

12 MR. KRIS SAXBERG: "...I think we need to
13 make it clear that typically the
14 greater the price certainty sought, the
15 higher the price would be paid."

16 MS. MARLA MURPHY: We can acknowledge
17 that that's what Mr. Wiens said in an e-mail if that's
18 what you're driving at.

19 MR. KRIS SAXBERG: Okay, sure. And --
20 well I just want it so that people don't have to read it
21 while I'm asking the next question.

22

23 CONTINUED BY MR. KRIS SAXBERG:

24 MR. KRIS SAXBERG: So if you go to page
25 3, Mr. Enns, you've indicated that -- that you didn't

1 read Mr. Wiens' comments in -- in putting together this
2 survey.

3 MR. ANDREW ENNS: No, I suspect I read
4 the thread from -- because I'm directed to the comments
5 below from Mr. Howard Stephens and Mr. Wiens, but Mr.
6 Wiens has an e-mail earlier on in the thread which
7 basically says he supports Howard's comments and I think
8 I probably stopped there assuming that was the end of the
9 comments.

10 MR. KRIS SAXBERG: Okay. Okay. Now just
11 -- just while we're -- before I move on, the -- the costs
12 of the hedging program you indicated were very important
13 to the focus group participants back in 2004, correct?

14 MR. ANDREW ENNS: The operating costs.

15 MR. KRIS SAXBERG: You mean that they
16 were suggesting that there were other costs they weren't
17 concerned about?

18 MR. ANDREW ENNS: No, the discussion at
19 that time, the questions were, if memory serves me, were
20 how much does this cost Manitoba Hydro to do?

21 MR. KRIS SAXBERG: Right.

22 MR. ANDREW ENNS: And that's where -- in
23 those discussions, and -- and that number has carried
24 through to this survey, the figure of the 1 percent was
25 int -- back then I think we used the -- used the range 1

1 to 2 percent, and then for this survey I believe it was
2 less than 1 percent. But -- but those were the -- that
3 was the -- the focus of discussion and concern of
4 participants; what it cost Manitoba Hydro to operate this
5 -- this program.

6 MR. KRIS SAXBERG: Right, and I -- I
7 think that you're -- if you go to the very last page of
8 these materials that we have in front of us, there's a
9 statement about what these individuals at this focus
10 group were concerned about.

11 They -- it's a one (1), two (2), three
12 (3), four (4), five (5) bullets down on page 24 which
13 reads quote:

14 "Consumers appeared to be completely
15 unaware of the activities of Manitoba
16 Hydro regarding its hedging activities.
17 Furthermore, when hedging is discussed,
18 most consumers erroneously associate
19 such activities with speculating and
20 futures trading." End quote.

21 Do you see that?

22 MR. ANDREW ENNS: Correct, yes.

23 MR. KRIS SAXBERG: So they were obviously
24 concerned about the results of the hedges too, weren't
25 they, from that comment?

1 MR. ANDREW ENNS: I can't -- I can't
2 confirm that. I'd need to go back and look at the -- at
3 some of the records back then, whether it was the results
4 of the hedges or the connotation of -- of -- that's
5 associated with the word speculation, in terms of the --
6 of the stock market or -- or that kind of sense.

7 MR. KRIS SAXBERG: And generally you'd
8 agree though, that what you communicated yesterday was
9 that once these focus group customers were told that the
10 costs were only 1 or 2 percent, they were -- their
11 attitude changed, is that correct?

12 MR. ANDREW ENNS: When they're informed
13 of what it cost for Manitoba Hydro, in terms of what it
14 costs them as a customer from Manitoba Hydro to operate
15 the program, the concerns were assuaged, yes.

16 MR. KRIS SAXBERG: And you -- I think you
17 said something yesterday along the lines of -- I mean if
18 it was 10 percent, they may have had a different view. I
19 think you used the 10 percent number?

20 MR. ANDREW ENNS: I -- I don't recall
21 providing a number, but I can tell you that when it was 1
22 percent, in that range, it -- it eased their concerns.

23 THE CHAIRPERSON: I don't know if it
24 helps, but my understanding, going back to the earlier
25 GRA when we're talking about results and costs -- if I

1 recall properly, and it's probably best that we
2 understand what's being said -- the -- when we were
3 talking about costs before, it had to do with
4 administrative and trading costs, and there was a lot of
5 debate at that particular hearing as to the results over
6 time would be assumed to basically be a wash. And the
7 concern was, what was the cost associated with placing
8 these things. We got into matters like operational's and
9 things like that. So I think --

10 MR. ANDREW ENNS: That's right.

11 THE CHAIRPERSON: -- I think there's a
12 difference between the results of the -- of the hedge and
13 the actual administrative and related costs attached to
14 it. I don't know if that helps Mr. Enns.

15

16 CONTINUED BY MR. KRIS SAXBERG:

17 MR. KRIS SAXBERG: And really what my
18 questions was, was did these focus group participants
19 understand that, because I know we spent quite a lot of
20 time at the hearing discussing it.

21 MR. ANDREW ENNS: I --

22 MR. KRIS SAXBERG: Was that communicated
23 to the --

24 MR. ANDREW ENNS: Understand --

25 MR. KRIS SAXBERG: This distinction that

1 The Chairman just raised being that there are operating
2 costs associated with the program; --

3 MR. ANDREW ENNS: Which they understood,
4 --

5 MR. KRIS SAXBERG: -- staff costs.

6 MR. ANDREW ENNS: -- yes.

7 MR. KRIS SAXBERG: There are execution
8 costs associated with hedging, being what the dealers are
9 embedding in their quotes. Did they understand that
10 part?

11 MR. ANDREW ENNS: They -- they certainly
12 didn't distinguish between a dealer's cost versus
13 administrative cost. But my understanding was is that
14 the operating cost of -- of providing this program was
15 considered as part of that 1 percent to the -- to the
16 consumer.

17 MR. KRIS SAXBERG: Okay.

18 MR. ANDREW ENNS: If I'm wrong in that,
19 I'm sure I'll be...

20 MR. KRIS SAXBERG: Let's -- let's just go
21 to the specifics. If you could turn to page 14. With
22 respect to the hedging question, when my client wanted
23 you to add -- after the description of here's the costs -
24 - what they wanted you to add was something that said,
25 "however, on a yearly basis there may

1 be large additions or decreases to gas
2 costs."

3 Do you see that?

4 MR. ANDREW ENNS: Yes.

5 MR. KRIS SAXBERG: And then you were
6 aware that that was what my clients wanted --

7 MR. ANDREW ENNS: Yeah.

8 MR. KRIS SAXBERG: -- and to be added?

9 MR. ANDREW ENNS: Yes.

10 MR. KRIS SAXBERG: And, ultimately, that
11 suggestion was rejected by someone?

12 MR. ANDREW ENNS: Yes.

13 MR. KRIS SAXBERG: Who was that someone?

14 MR. ANDREW ENNS: That would've been me.

15 MR. KRIS SAXBERG: Okay. And just to be
16 clear, the focus group that you just referred to in 2004,
17 they weren't told that on a yearly basis there may be
18 large additions or decreases to gas costs, were they?

19 MR. ANDREW ENNS: The discussion about
20 the program was, I believe, along the lines of -- of what
21 -- what the Chairman has indicated that over time -- the
22 program wasn't designed to save -- to beat -- to beat the
23 odds or save -- save money for the customer.

24 The program was designed to smooth out the
25 rate to the customer, and we spent time with focus group

1 participants explaining that you're not going to -- over
2 the long-term, you'll pay what the rate is for the gas.
3 It's just that you'll -- it'll be smoothed out. And that
4 was the focus.

5 We didn't discuss good years and bad
6 years. The -- and we -- what we discussed was -- and we
7 wanted them to -- to -- this was the focus of -- or the --
8 - the purpose of that discussion was to understand that
9 it was a mechanism to try to smooth out the rate of the
10 gas to the consumer, and it wasn't a mechanism to save --
11 save money on -- on gas over the -- like speculating on --
12 - that's were that dis -- those words came back.

13 MR. KRIS SAXBERG: Okay. And -- and
14 we're --

15 MR. ANDREW ENNS: And so -- so that was --
16 - if that helps.

17 MR. KRIS SAXBERG: And I -- I heard that
18 yesterday and I think all in the room are -- are aware.
19 Now, if you could turn to page 19. You have said,
20 ultimately, you rejected the suggestion of CAC/MSOS and --
21 - and that that was your decision, correct?

22 MR. ANDREW ENNS: Correct.

23 MR. KRIS SAXBERG: And I'm looking at
24 this email on page 19, which, on our side of the table
25 here, gives -- gives my clients and -- and myself some

1 fairly serious heartburn and I'm looking at the -- the
2 quote that says -- this is on page 19, it's the last
3 sentence:

4 "MSOS requested the addition of a few
5 questions which Lloyd did not seem
6 enthused about; therefore, neither am
7 I?"

8 Do you see that?

9 MR. ANDREW ENNS: Yes.

10 MR. KRIS SAXBERG: That's -- you -- you
11 said that, right?

12 MR. ANDREW ENNS: I did, I --

13 MR. KRIS SAXBERG: And -- and the Lloyd
14 you're referring to is Lloyd Kuczek?

15 MR. ANDREW ENNS: Yes.

16 MR. KRIS SAXBERG: And I read this to be
17 saying, MSOS put in their two (2) cents, Lloyd didn't
18 like it, so, therefore, I don't like it, is that fair?

19 MR. ANDREW ENNS: No, that would not be
20 fair.

21 MR. KRIS SAXBERG: Could you -- could you
22 explain what you're saying here?

23 MR. ANDREW ENNS: Well, I think we go
24 back to the document itself because I'm not commenting on
25 a specific question, I'm commenting on the -- the

1 document sent. The -- the document sent was a -- was a -
2 - a number of questions, and I think it's important that
3 not all these things were rejected out of hand. In fact,
4 a number of changes were accepted to some questions in
5 terms of the wordsmithing, going through it.

6 So the -- the addition of new questions,
7 at this point in time, on the 1st or 2nd of May, we had
8 already made a -- coming out of our draft 3 discussions
9 and -- and, I mean, your clients will be familiar with
10 this in -- in the context of those discussions, that we
11 were not in the business of adding questions at this
12 particular time.

13 We were in the business of ensuring we
14 were addressing objectives in as efficient of way as
15 possible. We were -- we had spent a great deal of time
16 and I'm -- and I do take umbrage with -- with the
17 reference to, you know, their two (2) cents.

18 We -- we spent a great deal of time in --
19 in several face-to-face meetings going through question
20 by question and wordsmithing and finetuning and, in some
21 cases, deleting and adding questions, for at least five
22 (5) hours, although I'm -- I'm sure it was more, and they
23 I think they were very good, productive meetings.

24 Draft -- we circulate draft 4 and we -- we
25 get some additional comments back and certainly while the

1 table makes it look like a lot of -- of commentary, quite
2 frankly, in my -- my comments to Mr. Meder was -- you
3 know, initially I thought we had a lot of review to go
4 back through.

5 In fact there wasn't. A fair amount of --
6 fair amount of wordsmithing, some good -- some good
7 changes. There were a few questions -- new questions --
8 added. And my view -- and Mr. -- Mr. Kuczek had his
9 comments in, but my view, these were -- these were
10 questions that -- and I'll -- and I'll provide one (1) as
11 an example.

12 The -- they were along the lines of -- you
13 know, nice to know, but did we need to know for the
14 purpose of this study. And -- and when you get down to -
15 - that was a refrain of mine throughout -- and -- and
16 people who were involved in drafting of the -- of the
17 questionnaire will -- will know that was a refrain of
18 mine when we were presented with new questions or new
19 areas is, is this important for the objective of this
20 study? Or is this something that when you start drafting
21 questions, some people like to -- that would be an
22 interesting piece of information to have.

23 Well, interesting is fine, but do we need
24 to know it for this particular study? And so there was
25 some changes, some new questions added; "Have you noticed

1 if your gas bill has gone up or down recently?" Perhaps,
2 interesting information, but was it -- was it absolutely
3 critical for -- for what?

4 And -- and so some of those questions
5 didn't make it in -- into the -- into the draft --
6 subsequent draft 5. But -- but we went -- but we went
7 through these, and -- well, my comment, Lloyd does not
8 seem enthused about, therefore, neither am I, the -- my -
9 - my view would've been had -- had Mr. Kuczek been
10 suggesting these questions on his own, I would've had the
11 same approach; why do we -- do we -- do we absolutely
12 need these?

13 I think my view is we still had a survey
14 that was longer than what we were hoping for, and we
15 trying to keep it as efficient as possible.

16 So that was the -- the general approach to
17 -- to this round of -- of feedback. But again, I -- I do
18 -- I do want to stress, like I -- I certainly don't feel
19 I shortchanged your -- your clients in terms of input and
20 discussion with respect to the questionnaire.

21 MR. KRIS SAXBERG: Who -- on page 16,
22 bottom left corner, do you know who wrote:

23 "Lloyd, could add -- would add, minimal
24 additional burden to respondent and one
25 (1) less 'no' to MSOS."

1 Who wrote that?

2 MR. ANDREW ENNS: I would imagine Mr.
3 Meder. I think it's in his column.

4 MR. KRIS SAXBERG: So -- so why is it
5 then that you took out the -- the paragraph that CAC/MSOS
6 wanted, which was there to communicate that on a year-
7 over-year basis there may be a large cost addition to
8 gas.

9 MR. ANDREW ENNS: In my opinion, we were
10 adding, at the end of the question, information in such a
11 way that confused the question. If -- if we wanted to go
12 down that looking at the, I guess, the overall results to
13 the consumer -- and -- and this is where, as of
14 yesterday, I'm -- I'm aware of a range of -- of good
15 years and bad years, I'll call them.

16 We should've had different -- we should've
17 had additional questions in that; specifically on that.
18 To -- to try to do it all in -- in this one (1) question,
19 I didn't feel comfortable adding it in in that manner and
20 that was -- that was a call on my part.

21 MR. KRIS SAXBERG: If I could just
22 followup on -- you say, "what we should've done was
23 explored that topic separately;" would you not agree that
24 that's what -- what was recommended by CAC at the very
25 outset of this process? And if you look at page 1 of the

1 material in front of you where it's saying:

2 "Here's our subject areas dealing with
3 hedging. One (1) being that do
4 customers understand the pros and cons
5 associated with hedging from a cost-
6 benefit perspective."

7 Do you see that?

8 MR. ANDREW ENNS: Yes.

9 MR. KRIS SAXBERG: And I'll go even
10 further because the actual stakeholders -- the natural
11 gas customer market research study purpose e-mail that
12 was sent out in February of 2007 that -- I don't have it
13 in the material, but it's -- I mean it's -- it's in the -
14 - the material and it's -- it's the frame of reference
15 that Manitoba Hydro sent out --

16 MR. ANDREW ENNS: The RFP?

17 MR. KRIS SAXBERG: The R -- yeah I guess
18 it's the --

19 MR. ANDREW ENNS: Right.

20 MR. KRIS SAXBERG: -- it's the document
21 that was sent to my clients and others saying -- by Mr.
22 Kuczek saying, "Here is the -- the subject area." and
23 item 'D' says:

24 "Awareness of characteristics of
25 Manitoba Hydro's primary gas product

1 including hedging. What this means,
2 the associated cost of hedging and the
3 associated pros and cons of hedging."

4 Do you see that?

5 MR. ANDREW ENNS: Yes.

6 MS. MARLA MURPHY: I think we're looking
7 at different documents; just so that we don't get
8 confused. Mr. Meder has in front of him the -- the piece
9 of the RFP.

10 THE CHAIRPERSON: I think we'll take a
11 break now and we'll -- we'll get the right pieces of
12 paper in front of us. Thanks.

13 MR. KRIS SAXBERG: Sure.

14

15 --- Upon recessing at 10:39 a.m.

16 --- Upon resuming at 11:00 a.m.

17

18 THE CHAIRPERSON: Okay, we solved the
19 document problem?

20 MR. KRIS SAXBERG: I think we have, Mr.
21 Chairman. I was referring to a document that's in DEML-
22 60 but which would be far too difficult for us to try to
23 pull out.

24

25 CONTINUED BY MR. KRIS SAXBERG:

1 MR. KRIS SAXBERG: But the -- the point
2 can be illustrated by looking at Mr. Hoaken's materials
3 at Tab 3, the RFP and, in particular, under the heading
4 "Purpose". Item (d) indicates one of the purposes of the
5 customer research would be to look at quote:

6 "Mechanisms used to manage the price
7 volatility including hedging, what this
8 means, the associated cost of hedging
9 and the associated pros and cons of
10 hedging."

11 Do you see that?

12 MR. ANDREW ENNS: I do.

13 MR. KRIS SAXBERG: And would you agree
14 then, from your -- from your earlier statements, that
15 maybe in hindsight, there should have been -- there was
16 some -- there should have been some additional questions
17 to flesh out the pros and cons and effects of hedging?

18 MR. ANDREW ENNS: I'll respond to -- I
19 mean -- should be -- shouldn't be lost in -- in the -- in
20 the reference to this particular point is that the (d)
21 starts with the awareness of characteristics of Manitoba
22 Hydro's primary gas product.

23 So, I think someone else used the term,
24 you may be splitting hairs. But I think it's important
25 to know that we did address that question, the awareness

1 of the -- the rate -- the rate management program. And
2 we've determined that in other discussion that the
3 awareness is -- is very low. To the point of -- of had
4 we wanted to go down and specifically get participant --
5 participant -- customer impressions, not awareness but
6 impressions, of pros and cons of -- of hedging, I think
7 the language is.

8 And in doing so taking into some -- some
9 information that was provided yesterday and referred to
10 again today of the good years and the bad years, I -- I
11 think then we -- we -- if that was the -- if that was the
12 case we would have probably -- we should have acquired a
13 few more questions.

14 MR. KRIS SAXBERG: Would you -- would you
15 agree that had the respondents known about what you
16 called the good years and bad years, that may very well
17 have effected their answers to other questions.

18 MR. ANDREW ENNS: I can't speculate on
19 that because I think it's important, and I -- I tried --
20 I tried to make them point -- but I suspect I wasn't
21 overly comfortable with some of the information yesterday
22 when I was exposed to it. But the -- the point was made
23 by Mr. Peters that, you know, had you told customers they
24 paid \$74 million -- I think it was -- I don't want to
25 misquote people here, but seventy (70) -- close to

1 seventy-three \$73 or \$74 million dollars, they might have
2 had a different view. Fair enough.

3 But I might have asked them that, you
4 know, with this program you saved \$47 million dollars
5 last year, or -- or in another. So, it's a different set
6 of questions, and not one that I spent time for this
7 study considering in any detail. But it's not as simple
8 as just putting one number in front of people and saying
9 -- and then saying, would that change their view?

10 I think you have to provide then -- give
11 it some thought as to how you present another aspect of -
12 - of hedging. Not an aspect that we focussed on in the
13 question in this -- in this survey.

14 MR. KRIS SAXBERG: Could you just turn to
15 page 61 of the Consumer Research Report, which contains
16 the wording that we're hag -- debating about.

17 MR. ANDREW ENNS: Yes.

18 MR. KRIS SAXBERG: Now, after the
19 sentence, "Like all insurance products there was a cost",
20 the next sentence is talking about a period of time --
21 the long run -- do you see that?

22 MR. ANDREW ENNS: Over the long term,
23 twenty (20) years.

24 MR. KRIS SAXBERG: And now you're aware
25 that over the short term, the cost would be different

1 than 1 percent if -- for instance, if you were to
2 substitute the wor -- the term long term with the short
3 term, wouldn't that change the very small and the 1
4 percent?

5 MR. ANDREW ENNS: I don't believe, and I
6 think the point was made before the break that -- that
7 it's -- it's -- I think it's a bit dangerous to combine 1
8 percent, which is one particular cost of the hedging,
9 with this other figure that we're talking about.

10 I believe that when we talk about 1
11 percent, we're looking at the oper -- oper -- operating
12 cost. And I think I made the point that if we wanted to
13 look at -- maybe its performance is the word that --
14 that we could use. The performance of the program as
15 vis-a-vis the customer.

16 Personally, I -- I would -- or in my
17 opinion, if we were to pursue that line of questioning,
18 we would do it in a -- in separate questions, and not try
19 to combine everything into one.

20 MR. KRIS SAXBERG: Can -- can I -- can I
21 ask you, do you know from this question, what your
22 overall gas costs are over twenty (20) years? Can you
23 tell me?

24 MR. ANDREW ENNS: What my overall gas
25 costs are?

1 MR. KRIS SAXBERG: Sure. Do you know
2 your -- this is saying right here, that over twenty (20)
3 years you're going to pay 1 percent to your overall gas
4 costs, do you know what that is?

5 MR. ANDREW ENNS: No, but I assume it's a
6 small number.

7 MR. KRIS SAXBERG: Is that because it
8 says before it, that it is a very small number?

9 MR. ANDREW ENNS: 1 percent.

10 MR. KRIS SAXBERG: 1 percent of what?

11 MR. ANDREW ENNS: 1 percent of consum --
12 of a cons -- we're putting this to a respondent, so 1
13 percent of their cost. We had a discussion earlier in
14 the survey when we asked consumers what their annual cost
15 -- what their annual natural gas bills were, so I'd --
16 you know --

17 MR. KRIS SAXBERG: Well, you're a
18 consumer of natural gas?

19 MR. ANDREW ENNS: Right.

20 MR. KRIS SAXBERG: And --

21 MR. ANDREW ENNS: I don't know exactly
22 what it would be, if that's what your question is.

23 MR. KRIS SAXBERG: You don't know. The
24 dollar amount, you do, right?

25 MR. ANDREW ENNS: Pardon me?

1 MR. KRIS SAXBERG: You don't know the
2 dollar amount, the impact?

3 MR. ANDREW ENNS: The 1 percent, no.

4 MR. KRIS SAXBERG: And are you a -- are
5 you a -- who do you purchase your gas from?

6 OBJ MS. MARLA MURPHY: I have to object to
7 that. It's completely inappropriate.

8 MR. KRIS SAXBERG: I don't know, maybe it
9 is, maybe it isn't.

10 MS. MARLA MURPHY: Obviously Mr. Enns is
11 here as a company witness, and I don't think we'll be
12 canvassing that area.

13 THE CHAIRPERSON: Yes, I think it's
14 probably going a bit far.

15

16 CONTINUED BY MR. KRIS SAXBERG:

17 MR. KRIS SAXBERG: Now we --

18 MS. MARLA MURPHY: Unless of course you
19 can tell Mr. Kuczek that he has the geothermal heat.

20

21 CONTINUED BY MR. KRIS SAXBERG:

22 MR. KRIS SAXBERG: Yeah. We were talking
23 about table 14 before, which said -- well, you agreed
24 with me that 80 percent of respondents said that they
25 didn't want to pay any premium to eliminate the ups and

1 downs for a three (3) month rate; table 14.

2 MR. ANDREW ENNS: Yeah, I recall the --
3 yes, I recall the -- the discussion in the table.

4 MR. KRIS SAXBERG: 80 percent want zero
5 for the three (3) month rate, which is what Centra's
6 offering, right?

7 MR. ANDREW ENNS: Yes.

8 MR. KRIS SAXBERG: And yet the question
9 here is talking about there being costs associated with -
10 - with price stability and we're debating what they are
11 in -- in terms of the -- that 1 percent. But -- so how
12 do you square your findings in table 14 with your other
13 findings that 68 percent of people are approving of the
14 hedging program? How do square those two (2) things?

15 MR. ANDREW ENNS: Well, I think you go
16 the questionnaire and you look -- we asked people their
17 preference on -- to rate on a scale of zero to ten (10)
18 how they -- how appealing -- I believe that was the
19 terminology used, you confirmed in table 13 -- how
20 appealing these products were.

21 And we went through five (5) different
22 products and they rated them in terms of their own
23 personal opinion how appealing they were. And -- and
24 information they were provided, your rate for natural gas
25 changes every three (3) months, your rate for natural gas

1 changes every year and so on.

2 And then we asked people with respect to
3 their highest rated product, their -- the mo -- the one
4 that was most appealing to them, we asked them would you
5 be prepared to pay a premium for that product. And that
6 was -- that was the flow of that -- of that series of
7 questions.

8 If we go now to the discussion about
9 hedging -- or, pardon me, Price Management Program, if
10 you look at the -- I need to find my definition again.
11 Oh, it's here. We -- we introduced that question:

12 "Currently, Manitoba Hydro operates a
13 Price Management Program on behalf of
14 its customers to reduce the rate
15 volatility of natural gas. The program
16 only relates to the primary gas portion
17 of your bill and does not eliminate the
18 impact of consumption fluctuation due
19 to weather or long-term natural gas
20 prices."

21 That -- that's -- we haven't touched too
22 much on that paragraph, so I thought I'd read that. The
23 focuses on that program and what they'd be prepared --
24 whether they'd be pre -- whether they'd support that
25 program and -- and we recognized that -- with other

1 comments aside in terms of the cost benefit pro and cons,
2 we've introduced a -- a 1 percent small cost; a small 1
3 percent cost over the long term to customers and we've
4 asked them, "How do feel about this program?"

5 And they support -- 68 percent I think the
6 number was, say they support the program. I don't think
7 it's fair to make the leap that customers automatically
8 are thinking of a three (3) month pre -- the -- the prem
9 -- in the same context we discussed the three (3) month -
10 - the three (3) month program.

11 I think we've in -- we've introduced
12 information, a definition, and talked about smoothing in
13 -- in eliminating the volatility. So I don't -- I don't
14 really try to square that -- those results. I looks at
15 them as -- as unique results.

16 MR. KRIS SAXBERG: Well, could you turn
17 to table 14? You -- you'd agree the question there is a
18 fairly simple one and that is:

19 "For a three (3) month rate, do you
20 want to pay a premium to eliminate the
21 ups and downs?"

22 Correct?

23 MR. ANDREW ENNS: Right.

24 MR. KRIS SAXBERG: And that's a simple
25 question, isn't it?

1 MR. ANDREW ENNS: Mm-hm.

2 MR. KRIS SAXBERG: You don't have to talk
3 about what's going to do the elimination of the ups and
4 downs, ie, a hedging program or some -- something other.
5 The point is, what do you -- do you want to pay anything
6 to eliminate ups and downs? You agree, that's a very
7 straightforward question. Yes?

8 MR. ANDREW ENNS: Right.

9 MR. KRIS SAXBERG: And you'd agree then
10 that eighty (80) people -- 80 percent of the respondents
11 -- 79 percent of the respondents --

12 MR. ANDREW ENNS: Of -- of -- who -- who
13 preferred that as their option.

14 MR. KRIS SAXBERG: Right. Who preferred
15 that regular option. So they didn't want to pay any
16 premium.

17 MR. ANDREW ENNS: I -- I go back to my
18 earlier response that, because of the information
19 provided, it's -- it's dangerous to sort of assume
20 there's some connection between the two (2). The
21 questions were different.

22 MR. KRIS SAXBERG: Doesn't table 14
23 support the point that I'm trying to make, that your
24 description of the hedging program isn't communicating
25 that there's a premium associated with reducing the ups

1 and downs?

2 MR. ANDREW ENNS: I wouldn't agree with
3 that.

4 MR. KRIS SAXBERG: And just finally on
5 this subject, would you acknowledge, for the record, that
6 you were aware before you conducted your survey, that
7 Manitoba Hydro was in favour of maintaining the hedging
8 program?

9 MR. ANDREW ENNS: Be -- before we went to
10 -- before we went to field -- it certainly wasn't -- I
11 don't know if it explicitly was referenced that we want
12 to keep this or we want to change it. I don't know
13 whether or not the context ever came.

14 I -- I'll tell you, from drafting, that
15 from my view I didn't there was a particular direction or
16 motive that Manitoba Hydro had in mind, in terms of what
17 they were doing with hedging, whether they were going to
18 eliminate it or increase it or maintain it.

19 But I can't tell you whether it was
20 explicitly stated to me that we want to keep this
21 program. I don't believe that -- that conversation
22 occurred or -- or whether or not -- probably drafting the
23 questionnaire I probably took the same perception of the
24 program as I did with from -- from the more in --
25 involved discussions around the program that we did in

1 2004 in terms of -- and -- and took that same view. Does
2 that answer your question?

3 MR. KRIS SAXBERG: Well, I think what you
4 were trying to say is that no one at Manitoba Hydro
5 specifically told you that.

6 MR. ANDREW ENNS: No one directed me one
7 way or the other that there was -- there was some plan
8 afoot with hedging. So --

9 MR. KRIS SAXBERG: But -- but you'd
10 certainly agree that you were aware from the 2004 work,
11 and perhaps from other source of information, that
12 Manitoba Hydro favoured -- or was in favour of
13 maintaining its hedging program? It's not a secret.

14 MR. ANDREW ENNS: I think that's fair,
15 yeah.

16 MR. KRIS SAXBERG: With respect to the
17 input of my clients, the last input that they had was
18 with respect to draft 4; and we've been through that,
19 correct?

20 MR. ANDREW ENNS: Correct.

21 MR. KRIS SAXBERG: Why -- why didn't they
22 have any --

23 MR. ANDREW ENNS: I -- I say correct, as
24 far as I'm aware of, yes.

25 MR. KRIS SAXBERG: Okay. Why didn't they

1 have any input with respect to drafts 5 or draft 6? Why
2 -- why did they ride along as far as they did and then
3 sort of get off the bus?

4 MR. ANDREW ENNS: I don't know the answer
5 to that.

6 MR. KRIS SAXBERG: And would you agree
7 that there was one (1) change made after the -- in drafts
8 5 and draft 6 and it was to the EPP question; there was a
9 change there?

10 MR. ANDREW ENNS: I -- I don't -- how do
11 I get that questionnaire. I don't know.

12 MR. KRIS SAXBERG: You -- you could take
13 it, subject to check.

14 MR. ANDREW ENNS: Yeah, I could take
15 that, sure.

16 MR. KRIS SAXBERG: I -- I'll put it to
17 you that there was some -- some wordsmithing done to that
18 question.

19 MS. MARLA MURPHY: Do you have a
20 reference for him, perhaps?

21 MR. KRIS SAXBERG: Well it's in this --

22 MS. MARLA MURPHY: Could you be more
23 specific?

24 MR. KRIS SAXBERG: It's draft 5, as found
25 in DEML-60.

1 MS. MARLA MURPHY: Do you have a date?

2 MR. KRIS SAXBERG: Do I have a date?

3

4 (BRIEF PAUSE)

5

6 MR. ANDREW ENNS: Okay. Okay I think I -
7 - I may have the draft. Do you want to refer to the --
8 the question or the --

9

10 CONTINUED BY MR. KRIS SAXBERG:

11 MR. KRIS SAXBERG: Well, I just want the
12 acknowledgement that there was a change made to the equal
13 payment plan question, from draft 4 to draft 5. That's
14 all -- that's all I need.

15 Or you know the best -- sorry, one way to
16 do it would be to look at draft 4 in the material, and
17 compare that to your final report and --

18 MR. ANDREW ENNS: Right.

19 MR. KRIS SAXBERG: -- and you'll see
20 there's a difference.

21

22 MR. ANDREW ENNS: If the question is:
23 Were there some -- were there some changes made
24 subsequent to -- at three (3), four (4) and five (5).
25 Yes, there were some. I believe there were some changes

1 -- changes done; draft 5.

2 MR. KRIS SAXBERG: Okay. And I want to
3 look now at the final wording, which is in your -- of the
4 EPP question now, which is in your report, under the
5 heading "Default Options," at page 64.

6 MR. ANDREW ENNS: Okay.

7 MR. KRIS SAXBERG: And you understand
8 that default option, meaning that if someone doesn't make
9 a selection they'd be defaulted onto something, is that
10 fair?

11 MR. ANDREW ENNS: That was my
12 understanding of default, yes.

13 MR. KRIS SAXBERG: Now, if we look at the
14 question, though, that -- as it deals with EPP, questions
15 31 on this page 64 -- and it says that if you were
16 automatically enrolled in the EPP, even if you didn't ask
17 to be enrolled, what would your reaction be? And then
18 there's "very upset, somewhat upset." Do you see that?

19 MR. ANDREW ENNS: I see that question,
20 yes.

21 MR. KRIS SAXBERG: I look at that
22 question, and to me it seems to be saying, that if you're
23 an existing customer of Manitoba Hydro and you
24 automatically get enrolled in EPP without even being
25 asked, would you be upset? Would you agree that that's

1 what that's communicating?

2

3

(BRIEF PAUSE)

4

5 MR. ANDREW ENNS: I can't say for certain
6 there was a distinction there. I think it reads as if
7 you were automatically enrolled in the EPP -- if you --
8 even if you did not ask to be enrolled, what would your
9 reaction be? We're not distinguishing a customer and a
10 non-customer.

11 MR. KRIS SAXBERG: Yeah. So -- I mean, I
12 guess what I'm saying is, in fairness, you -- would you
13 agree that that question could be interpreted by the
14 respondent to mean they're on a variable situation right
15 now and they get thrown into the EP without even being
16 asked, are you going to be upset?

17 MR. ANDREW ENNS: It could be. You
18 should look at question -- the previous question in --
19 within the context, because the customers who are -- or
20 the respondents who are asked the question: If you were
21 automatically enrolled, what would your reaction be?
22 they're flowing out of the previous question; that is,
23 they indicated they'd like the situation to remain as is,
24 with customers having to sign up for the EPP. Those
25 individuals were then asked: If you were automatically

1 enrolled, even if you did not ask to be enrolled, what
2 would your action be?

3 MR. KRIS SAXBERG: Would you agree that
4 just in terms of a default, though, scenario, it may have
5 been more appropriate to have said: If you didn't make
6 your preference known whether you wanted to be on EPP or
7 variable, would you be upset if the default was EPP? It
8 might have elicited a different response.

9 MR. ANDREW ENNS: I can't really comment
10 on that. No, I -- I wouldn't necessarily say that. I'd
11 have to probably think about that a little bit more. I --
12 - my view is these -- these two (2) questions together
13 are fairly clear; I think are clear questions and I think
14 they got clear -- clear responses to them.

15 MR. KRIS SAXBERG: Clear that what's
16 being communicated is that this is respect to new
17 customers?

18 MR. ANDREW ENNS: Customers in general,
19 not -- new customers aren't identified -- aren't singled
20 out in this question.

21 And I, going back --

22 MR. KRIS SAXBERG: So the question -- the
23 question --

24 MR. ANDREW ENNS: -- going back to
25 discussions, I -- I don't believe -- but I stand to be

1 corrected, although I'd like to look at the draft 3 to 4,
2 and -- and some of the feedback we got in draft 3.

3 I'm not sure it was ever suggested that it
4 was just new customers -- or -- or that it was critical
5 that new customers be identified. I think the
6 discussions and the feedback we got on draft 3 and
7 subsequent, never identified that. So if that was the
8 case, then we certainly didn't specify just new
9 customers.

10 MR. KRIS SAXBERG: Okay. Thank you for
11 that. I'm going to -- I only have a few more questions
12 in one (1) more area that I want to deal with, and it --
13 it relates to the parts of the survey that deal with
14 broker satisfaction.

15 MR. ANDREW ENNS: Okay.

16 MR. KRIS SAXBERG: In -- just in general
17 terms, there -- there is a -- there is information that
18 conveys that broker customers were 80 percent satisfied
19 with the service they were receiving from their -- from
20 the -- the company that was serving them.

21 Do you agree with that?

22 MR. ANDREW ENNS: Eighty-two percent,
23 yes.

24 MR. KRIS SAXBERG: And how -- how do you
25 square that with what you say at page 6, which was that

1 there was a -- a very high level of many, many people
2 that you called that -- that wrongly stated that Manitoba
3 Hydro was their supplier?

4 MR. ANDREW ENNS: How -- how do I square
5 the satisfaction with brokers, with the fact that there -
6 - there's a -- a low incidence of people being able to
7 identify? Sort of, again in similar responses in your
8 earlier question about squaring certain results, I -- I
9 don't know whether or not I would square these results,
10 try to square these results. Although it's -- and -- and
11 that was the intent of -- of providing that information
12 on page 6, was to indicate that this is a population of
13 brokers who know and understand they're with a broker.

14 It does not include people who -- and I'll
15 say possibly 'cause I have no way of saying they are
16 absolutely -- but their possibly with a broker that
17 don't know. Those -- those -- that population is not
18 included in -- in this survey.

19 MR. KRIS SAXBERG: That's --

20 MR. ANDREW ENNS: And that was sort of
21 the -- you know, the point made -- the point made -- or
22 one (1) of the reasons I included that information in six
23 (6).

24 MR. KRIS SAXBERG: And -- and just -- I
25 mean, on page 13 of this Information, M -- CAC/MSOS also

1 wanted to know and wanted confirmation, that there was
2 going to be a indication of how many people that were
3 called, actually knew that they were getting their gas
4 from a broker. Do --

5 MR. ANDREW ENNS: Okay.

6 MR. KRIS SAXBERG: -- you see that? It's
7 the very first recommendation that's made on page 13.

8 MR. ANDREW ENNS: So I did good on that
9 one?

10 MR. KRIS SAXBERG: You -- that's -- you
11 certainly did.

12 MR. ANDREW ENNS: For the record. I'm
13 not a bad guy.

14 MR. KRIS SAXBERG: And -- well, and --
15 and -- but what we found out wasn't maybe so good,
16 because what we found out was that a -- I'm using rough
17 numbers here, but around half of the people that you
18 called that were on broker gas didn't know they were on
19 broker gas, right?

20 MR. ANDREW ENNS: Those numbers sound
21 right, yes.

22 MR. KRIS SAXBERG: And so if you had
23 included all those people in the same of, are you
24 satisfied with the service you're getting from your
25 broker, the -- the -- it may not be 80 percent; would you

1 agree with that?

2 MR. ANDREW ENNS: I don't want to say
3 that because I don't know that. I don't know the answer
4 to that. I'll stop at saying that the population is what
5 it is.

6 MR. KRIS SAXBERG: Was there also a -- I
7 understand from my clients, that during one (1) of the
8 focus groups there was woman who was participating in the
9 broker focus groups who was adamant that she wasn't a
10 broker customer, do you recall that?

11 MR. ANDREW ENNS: Yeah, we -- we -- yes,
12 we -- we had -- we detected similar confusion, I put it
13 that way -- although, again, the --the same screening
14 criteria applied in the case of the focus group, so there
15 -- there may have been -- I don't -- I don't know -- I
16 can't really understand why suddenly, between a week of a
17 recruitment then, she was a bit confused as whether she
18 was in the -- I recall from the discussion that she
19 thought she had been, but now she no -- no longer was, or
20 she had -- so there as some confusion, with respect to
21 that.

22 MR. KRIS SAXBERG: Okay.

23 MR. ANDREW ENNS: There was one (1)
24 person, I think, toward the end, that we -- there's still
25 that feeling.

1 MR. KRIS SAXBERG: Okay. And can you
2 confirm that in the survey, 50 percent of the top reasons
3 cited for signing with a -- a broker were to save money?

4 MR. ANDREW ENNS: Yes.

5 MR. KRIS SAXBERG: And the focus group --
6 I think the wording is something like: Almost everybody
7 said that the reason they signed was to save money; is
8 that correct?

9 MR. ANDREW ENNS: My recollection, yes,
10 that -- that was one (1) of the prominent responses
11 mentioned.

12 MR. KRIS SAXBERG: And in my material,
13 one (1) of the questions that CAC/MSOS wanted to ask,
14 that -- I don't want to be too cheeky but, that Lloyd
15 didn't like, was on this very subject. And it was -- at
16 page 16 --

17 MR. ANDREW ENNS: Two thirty six (236).

18 MR. KRIS SAXBERG: Yeah. It -- it was
19 that:

20 "If the answer to the question is save
21 money, the respondent should be asked
22 if they were aware whether or not they
23 have indeed saved money?"

24 And -- and then the comment underneath
25 that is:

1 "Would be of interest.

2 Survey length?

3 I suspect most respondents would not
4 know, so I don't see a lot of value in
5 the question."

6 Do you see that?

7 MR. ANDREW ENNS: I do.

8 MR. KRIS SAXBERG: And that -- that
9 question wasn't asked, ultimately, right?

10 MR. ANDREW ENNS: It wasn't. In my view
11 it wasn't to do with Lloyd's comment, as much as I --
12 again, I didn't see it as providing significant important
13 information for the purpose of -- of the objective.

14 I appreciate that there would be some
15 interest in pursuing that, but at this point in time I --
16 I -- it was a more of a need to -- it was more of a nice
17 to know as opposed to need to know in my -- that was my
18 judgment.

19 MR. KRIS SAXBERG: But if you sign up to
20 save money and you don't know whether you have saved
21 money, how can you give an opinion on whether you're
22 satisfied?

23 MR. ANDREW ENNS: Well, I think
24 satisfaction is based -- there's more factors that go
25 into satisfaction would be my -- again, we didn't explore

1 this in the survey -- but from my experiences, there --
2 there's -- there's more things that go into satisfaction.

3 And -- and the question -- we didn't -- we
4 asked them: You're with? Yes. how do you feel about
5 your relationship with the marketer? Are you satisfied
6 or not?

7 We didn't in -- introduce other things. I
8 appreciate, had we wanted to spend a lot more time on --
9 with these -- with this -- with these folks, in probing
10 into sort of other inform -- we could've -- we could've
11 done some different things.

12 But, you know, we wanted to know why they
13 signed up, that was where it stops.

14 MR. KRIS SAXBERG: Well if the
15 satisfaction doesn't relate to whether or not they've
16 saved money --

17 MR. ANDREW ENNS: I didn't say "doesn't
18 relate." I said there may be other factors that go into
19 satisfaction, than just -- potentially just saving money
20 --

21 MR. KRIS SAXBERG: And you didn't --

22 MR. ANDREW ENNS: -- that would be
23 important.

24 MR. KRIS SAXBERG: Well, what are those
25 other factors? What would the other things be?

1 way.

2 MR. KRIS SAXBERG: So you did though,
3 then ask specifically, "Were you satisfied with the door-
4 to-door approach," correct?

5 MR. ANDREW ENNS: We -- no, I believe the
6 door-to-door question was -- was not specific to their
7 experience. It was in general:

8 "How do you feel about being approached
9 at the door by natural gas marketers?"

10 And it was a comfort -- are you --

11 MR. KRIS SAXBERG: Okay. So you're
12 telling me it's not in relation to their actual
13 experience --

14 MR. ANDREW ENNS: Correct.

15 MR. KRIS SAXBERG: -- that they
16 encountered at the door?

17 MR. ANDREW ENNS: Correct.

18 MR. KRIS SAXBERG: Okay. Those are --
19 those are all my questions. Thank you very much, Mr.
20 Enns.

21 MR. ANDREW ENNS: Thank you.

22 THE CHAIRPERSON: Thank you, Mr. Saxberg.

23 So Mr. Hoaken, you at least can get a
24 start with your cross-examination.

25

1 CROSS-EXAMINATION BY ERIC HOAKEN:

2 MR. ERIC HOAKEN: I will, thank you, Mr.
3 Chair. Good morning, Mr. Enns. We met briefly and
4 informally in the hallway yesterday.

5 MR. ANDREW ENNS: Yes.

6 MR. ERIC HOAKEN: I'm Eric Hoaken. I act
7 for Direct Energy and Energy Savings.

8 Let me start by going back to some of the
9 discussion you and Mr. Saxberg had this morning about the
10 need for fairness and objectivity in questions, and I
11 think that as part of that exchange you agreed with that
12 proposition?

13 MR. ANDREW ENNS: Yes.

14 MR. ERIC HOAKEN: And I'm going to
15 suggest to you that we could put it even more broadly,
16 that it's not just the questions that have to be fair and
17 balanced and objective, but all aspects of the process,
18 including the reporting and interpretation of the
19 results. Is that fair?

20 MR. ANDREW ENNS: I -- I think that --
21 you report the results as you see the results, and as the
22 numbers indicate, or as the -- from the focus groups, the
23 impressions taken.

24 Fair and balanced, I guess, maybe a way to
25 describe it. Quite frankly, I mean, the numbers speak

1 for themselves, and -- and how -- how I interpret the
2 numbers are typically tied to that. The numbers aren't
3 always balanced for all parties, and the reporting isn't
4 always balanced, if that's where we're going.

5 MR. ERIC HOAKEN: No it's not really.
6 Where I'm going is that the interpretation that you give
7 of the numbers, involve some subjectivity, fair?

8 MR. ANDREW ENNS: Fair.

9 MR. ERIC HOAKEN: And you therefore need
10 to not in any way favour the interest of any party, in
11 exercising that judgment and subjectively characterizing
12 or describing the results, right?

13 MR. ANDREW ENNS: I can't change the
14 numbers to favour one party or another. I think it's --
15 I don't -- I don't really know where this will go, but I
16 mean, to -- it's hard to, when you're preparing a report,
17 not to appreciate to, you know, the client of the report.

18 So the numbers I try to -- this is a
19 fairly narrative report that explained the numbers and
20 the results.

21 MR. ERIC HOAKEN: Right. But there's
22 really, I'm going to suggest here, two (2) components.
23 One (1) is as you keep saying, the actual numbers, but
24 there's also the interpretation or analysis of those
25 numbers.

1 Now that's something that you have
2 expertise in and that's at least part of the reason
3 you've been retained by Centra to do the study, right?

4 MR. ANDREW ENNS: Correct.

5 MR. ERIC HOAKEN: Okay. So I agree with
6 you, the numbers say what they say, but that's not all
7 that's contained, for example, in the customer research
8 report, right?

9 MR. ANDREW ENNS: There's some
10 discussion, yes.

11 MR. ERIC HOAKEN: Yes, there's discussion
12 and commentary in the reaching of conclusions about which
13 findings or numbers are significant.

14 MR. ANDREW ENNS: Correct.

15 MR. ERIC HOAKEN: Or noteworthy, maybe is
16 a better word in terms of how you define significant.

17 MR. ANDREW ENNS: Significant in a
18 statistical sense, noteworthy in an other sense or
19 somewhat, yes.

20 MR. ERIC HOAKEN: Right. And so in -- in
21 engaging in that interpretive process, and I wouldn't
22 have thought this would be controversial, you -- you need
23 to be fair and objective?

24 MR. ANDREW ENNS: Yes. And -- definite
25 objective.

1 MR. ERIC HOAKEN: And fair?

2 MR. ANDREW ENNS: Fair --

3 MR. ERIC HOAKEN: And impartial.

4 MR. ANDREW ENNS: Yes.

5 MR. ERIC HOAKEN: And if the research
6 that you're doing is to be of any value to anyone, and
7 worthy of reliance, it has to be fair and balanced and
8 unbiased, right?

9 MR. ANDREW ENNS: Accurate.

10 MR. ERIC HOAKEN: Right. But the
11 interpretation that you and I have just talked about, has
12 to be fair and balanced and unbiased?

13 MR. ANDREW ENNS: Yes. And I think the
14 interpretation has to be supported by the numbers.

15 MR. ERIC HOAKEN: And as far as the
16 numbers are concerned, if the numbers are obtained by
17 using questions that are not fair or balanced or
18 unbiased, then so too those numbers would be called into
19 question, right?

20 MR. ANDREW ENNS: Yes.

21 MR. ERIC HOAKEN: So that's a pretty big
22 responsibility on your shoulders, conducting market
23 research, right? To ensure that both the process and the
24 end -- end result have all those characteristics, and are
25 therefore worthy of reliance, right?

1 have been reached as a result of empirical study, that
2 are incorporated as part of good practice by market
3 research people, such as yourself, is that fair?

4 MR. ANDREW ENNS: Fair.

5 MR. ERIC HOAKEN: And just to illustrate
6 the point, take a look, if you will, at the brief that
7 I've prepared, which I think we marked as DEESMLP-6. And
8 if you'd be good enough to turn to Tab 4, this is the
9 2004 research report prepared by Western Opinion
10 Research.

11 Now, I -- I thought you said, but I may
12 have it wrong, were you the principle author of this
13 document, Mr. Enns?

14 MR. ANDREW ENNS: Yes.

15 MR. ERIC HOAKEN: Yes.

16 MR. ANDREW ENNS: Two (2) of us worked on
17 this, yes.

18 MR. ERIC HOAKEN: All right. But is
19 there -- is there a hierarchy? Was there someone who was
20 the leader -- to use Mr. Saxberg's comment from earlier
21 this morning, is there someone -- is there someone with
22 whom the buck stopped?

23 MR. ANDREW ENNS: The buck stopped with
24 me.

25 MR. ERIC HOAKEN: All right. So you --

1 you would accept responsibility then, for the contents of
2 this document?

3 MR. ANDREW ENNS: Yes.

4 MR. ERIC HOAKEN: So look, if you will,
5 on page 11. And there is, at the bottom of the page --
6 well, actually I should go up to the top, in the first
7 paragraph there's an introductory preamble about the way
8 that certain questions were asked. And if you look, Mr.
9 Enns, at the last sentence of that paragraph it says:

10 "In order to assess this, consumers
11 were asked in a open-ended format"

12 And then there's a footnote, right?

13 MR. ANDREW ENNS: Mm-hm. Correct.

14 MR. ERIC HOAKEN: And if you go down to
15 the footnote, you see that there's a reference that
16 you've included to a finding as a result of, what I take
17 to be, an empirical study, that you're -- you are more
18 likely to obtain valid or meaningful answers.

19 I -- I'm paraphrasing, and you can tell me
20 if you agree with this or not, but you're more likely to
21 achieve valid and meaningful answers if you use the open-
22 ended format?

23 MR. ANDREW ENNS: I don't agree with your
24 paraphrase. The -- the footnote and I'll -- I'll just
25 read it:

1 "The virtue on an open-ended question
2 is it does not force the respondent to
3 adapt to preconceived answers."

4 In some cases, and I think we discussed
5 this yesterday, there are -- there are certain times in a
6 questionnaire where an open-ended format is -- is a
7 helpful way to go, it's a preferred way to go, to allow a
8 respondent to provide what could be, when looking at the
9 respondents in total, a wide range of -- of responses.

10 In this case, we used a similar format in
11 -- in the 2007 survey to this question. In your own
12 words or -- or somewhere along those lines, please
13 describe why you feel natural gas prices fluctuate and we
14 allowed them to -- to provide responses.

15 MR. ERIC HOAKEN: All right. So what you
16 were attempting to convey here was that in the -- certain
17 circumstances there may be a benefit to using an open-
18 ended question, and where we perceived there to be such a
19 benefit we will then, as part of our methodology, use an
20 open-ended question?

21 MR. ANDREW ENNS: Correct.

22 MR. ERIC HOAKEN: All right. And that
23 approach or principle, I take it, would have been just as
24 applicable in 2007, as it was in 2004?

25 MR. ANDREW ENNS: Correct.

1 MR. ERIC HOAKEN: Now, the -- the second
2 source or basis for the standards that you and I have
3 been discussing is the various associations -- I'm
4 talking about professional associations -- is that right?

5 MR. ANDREW ENNS: Correct.

6 MR. ERIC HOAKEN: And you are, I
7 understand from your curriculum vitae, a member of the
8 MRIA, which I understand to be an acronym for the
9 Marketing Research and Intelligence Association; is that
10 right?

11 MR. ANDREW ENNS: Correct.

12 MR. ERIC HOAKEN: And I also understand
13 that eNRG is a corporate member of that organization; is
14 that right?

15 MR. ANDREW ENNS: Correct.

16 MR. ERIC HOAKEN: And don't be too
17 bashful here but am I correct that this is a fairly
18 prestigious and well-regarded organization; is that fair?

19 MR. ANDREW ENNS: The MRIA?

20 MR. ERIC HOAKEN: Yes.

21 MR. ANDREW ENNS: It is and I say it's a
22 very new organization, to be honest.

23 MR. ERIC HOAKEN: It was a successor, as
24 I understand it, of some other organizations but then
25 amalgamated?

1 MR. ANDREW ENNS: Three (3) -- three (3)
2 other organizations amalgamated in 2005 I think it was
3 so, in a sense, it's -- it's still fairly new and -- and
4 it's growing but it certainly has been a success so far.
5 I'm not -- I can't speak to sort of the other -- the --
6 the reputation of it amongst others outside but...

7 MR. ERIC HOAKEN: But you can be a market
8 research professional without being a member of the MRIA,
9 correct?

10 MR. ANDREW ENNS: You can. You -- you
11 can.

12 MR. ERIC HOAKEN: I'm sorry?

13 MR. ANDREW ENNS: I don't believe you
14 have to be a member to -- to be a market research
15 professional.

16 MR. ERIC HOAKEN: Right. It's not like
17 practising law, for example, where you have to be a
18 member of the relevant law society, right?

19 MR. ANDREW ENNS: Correct. Yeah.

20 MR. ERIC HOAKEN: It is voluntary to join
21 and --

22 MR. ANDREW ENNS: Yes.

23 MR. ERIC HOAKEN: -- and if you choose to
24 join, as you have, you obviously perceived there to be
25 some advantage or benefit to being a member; is that

1 fair?

2 MR. ANDREW ENNS: Yes.

3 MR. ERIC HOAKEN: And the advantage, I
4 take it, would be to assist you in establishing
5 credibility with clients and potential clients when
6 bidding for their work; is that right?

7 MR. ANDREW ENNS: Could be one (1) of
8 them, yes. There's -- there's other reasons for joining
9 but, yes.

10 MR. ERIC HOAKEN: Right. And -- and in
11 fact in the response that eNRG delivered to the Centra
12 RFP here, you specifically referenced the fact that eNRG
13 was an MRIA member, right?

14 MR. ANDREW ENNS: Yeah. I think the --
15 and I'm sure I mentioned that eNRG was a member. I can
16 go back and look but certainly we subscribe to the -- the
17 rules of conduct as identified by -- "eNRG adheres to the
18 rules of good conduct and practice of the MRIA" -- I
19 think we're wordsmithing here or splitting hairs but --

20 MR. ERIC HOAKEN: Well, let's just keep
21 reading that sentence.

22 MR. ANDREW ENNS: Oh, sorry.

23 MR. ERIC HOAKEN:

24 "eNRG adheres to the rules of conduct
25 in good practice as outlined by the

1 MRIA and is also a gold seal accredited
2 corporate member..."

3 MR. ANDREW ENNS: Okay.

4 MR. ERIC HOAKEN: "...of the MRIA."

5 MR. ANDREW ENNS: My apologies. No
6 problem.

7 MR. ERIC HOAKEN: So I'm going to
8 suggest, if I may, because I'm going to come back to this
9 document. Could we enter this as an exhibit? This was
10 the subject of our discussion late in the day yesterday
11 and I'll defer to Mr. Peters as to the procedurally -- as
12 -- as to how we should do that procedurally.

13 MR. BOB PETERS: The document that Mr.
14 Hoaken is referring to, Mr. Chairman, is a copy of the
15 response by eNRG Research Group to the Request For
16 Proposals from the Utility and that -- we don't believe
17 that was included in the prior materials so it would be
18 appropriate at this time to give it an exhibit number and
19 unless Ms. Murphy doesn't agree, it could be a Centra
20 Exhibit number as it is a document that is in their
21 possession.

22 MS. MARLA MURPHY: That's fine. I -- I
23 do have some copies here and I might indicate it isn't a
24 complete response. It is portions of it. There's
25 pricing information and other material that's been

1 excluded from this document. It does contain the work
2 plan that Mr. Enns referred to yesterday and I think is
3 the subject of Mr. Hoaken's interest, as well as some
4 other information about biographies and the firm
5 background.

6 MR. BOB PETERS: I have, Mr. Chairman,
7 unless my scorecard is incorrect, the exhibit number
8 would be Centra Exhibit Number 8.

9 THE CHAIRPERSON: Okay. Subject to
10 check, that's it. Thank you.

11 MR. BOB PETERS: I'll assist Ms. Murphy
12 in handing it out right now if we could.

13 THE CHAIRPERSON: Thank you.

14

15 (BRIEF PAUSE)

16

17 MR. BOB PETERS: Mr. Chairman, as it's
18 being handed out it was appropriate that you used the
19 words "subject to check". Having the benefit of the
20 associate secretary checking, it appears it is now more
21 appropriately marked as Centra Exhibit Number 9 and my
22 apologies -- number 9.

23 THE CHAIRPERSON: Subject to check?

24

25 --- EXHIBIT NO. CENTRA-9: A copy of the response by

1 eNRG Research Group to the
2 Request For Proposals from
3 the Utility

4

5 (BRIEF PAUSE)

6

7 CONTINUED BY MR. ERIC HOAKEN:

8 MR. ERIC HOAKEN: All right, so I'm sorry
9 for that interruption but at least we've accomplished
10 something by getting that entered into the record.

11 So I -- I take it now having had a chance
12 to read what you said in the work plan that you are
13 agreeing with me that it's a benefit for members that
14 they can tell their clients that they're part of this
15 organization?

16 MR. ANDREW ENNS: Yes.

17 MR. ERIC HOAKEN: All right. And on --
18 on the flip side by being -- by asking to be and being
19 granted the privilege of being an MRIA member, you -- you
20 have to agree to assume certain obligations and abide by
21 certain rules, right?

22 MR. ANDREW ENNS: Correct.

23 MR. ERIC HOAKEN: And all members of the
24 MRIA have to, to the best of their ability, abide by the
25 rules and standards that have been published by that

1 organization, correct?

2 MR. ANDREW ENNS: Correct.

3 MR. ERIC HOAKEN: And if they don't
4 abide, they can be subject to sanction, including
5 expulsion?

6 MR. ANDREW ENNS: I'm not totally
7 familiar with that but if you've read that, I'll take
8 your word for it.

9 MR. ERIC HOAKEN: Does that seem logical
10 to you?

11 MR. ANDREW ENNS: It probably makes sense
12 with most associations.

13 MR. ERIC HOAKEN: Right. And I take it
14 that you, as a member of the MRIA, take these standards
15 and rules very seriously?

16 MR. ANDREW ENNS: I do.

17 MR. ERIC HOAKEN: And you attempt in
18 doing your work as a market research professional to
19 comply with them?

20 MR. ANDREW ENNS: In -- in -- I don't
21 have them all memorized but in the sense of basically,
22 you know, along the lines of accuracy and integrity,
23 those responsibilities, yes.

24 MR. ERIC HOAKEN: All right. Can we just
25 look at the document together? It's at Tab 7 of

1 DEML/ESMLP Exhibit 6. And if -- if you could turn to
2 page 2 of the document, Mr. Enns, where there's the
3 introduction.

4 And if you look under the subheading of --
5 just under 'Professional Goals' it says:

6 "Members of the MRIA promise to..."

7 And then it has a series of bullet points.

8 The second bullet point says:

9 "Uphold high standards of professional
10 competence and ethical conduct and
11 refrain from any activities likely to
12 impair the public's confidence in
13 marketing, social or opinion research."

14 Is that more or less consistent with your
15 understanding before you looked at these rules of what
16 the objectives are?

17 MR. ANDREW ENNS: Yes.

18 MR. ERIC HOAKEN: And also the next
19 bullet point.

20 "To ensure that research is conducted
21 appropriately at all times matching the
22 appropriate tools to the objectives and
23 avoiding research which is inadequate
24 or misleading or inaccurate."

25 Right?

1 MR. ANDREW ENNS: Correct.

2 MR. ERIC HOAKEN: And again, even without
3 having to look at these, you -- you knew that those were
4 parts of your obligation as a member of the MRIA?

5 MR. ANDREW ENNS: Yes. And I'd go one
6 further. It's my obligation with or without being a
7 member of the MRIA as a professional.

8 MR. ERIC HOAKEN: Okay, fair enough.
9 Turn over the page, if you will, to page 3. There's then
10 ten (10) core principles that are promulgated by the
11 Association as I understand it sort of to be the
12 executive summary of what members have to do in the
13 conduct of their professional duties.

14 Is that consistent with your
15 understanding?

16 MR. ANDREW ENNS: Yes.

17 MR. ERIC HOAKEN: And are you generally
18 familiar with these principles?

19 MR. ANDREW ENNS: Not all of them, no.
20 I've viewed them.

21 MR. ERIC HOAKEN: All right and look if
22 you will at principle 4 which deals with accuracy and
23 just read that quickly.

24 Are those principles that you are
25 acquainted with and generally attempt to embody when

1 you're doing your work?

2 MR. ANDREW ENNS: Yes.

3 MR. ERIC HOAKEN: And similarly principle
4 8 about competency? Same answer?

5 MR. ANDREW ENNS: Yes.

6 MR. ERIC HOAKEN: Now in -- in talking
7 about the conduct or at least the design of the survey,
8 you -- you told us a couple of times yesterday that there
9 was a -- there was an intention or desire to avoid what
10 you characterized as an overly long survey. Right?

11 MR. ANDREW ENNS: Correct.

12 MR. ERIC HOAKEN: And I think what you
13 told us that meant to you --

14 MR. ANDREW ENNS: I'm not sure if I used
15 over -- overly long as -- as the word, but I -- I -- my
16 desire was to keep the survey, that in my opinion was of
17 a -- an appropriate length for respondents, and to ensure
18 that we -- and I had -- and I think I referenced the time
19 frame in mind. I'm not sure I used the word "overly."

20 MR. ERIC HOAKEN: Okay, and that's fine,
21 and we'll both be guided by what the transcript says.
22 But you're -- you're quite right, you then, in that
23 context, leaving aside what word you did use, you then
24 did give a timeframe, and I understood you to say that
25 anything over twenty (20) minutes for you, in your

1 professional judgment, was excessive.

2 MR. ANDREW ENNS: Correct.

3 MR. ERIC HOAKEN: And just looking, if
4 you will, at page 4; are you aware that the MRIA defines
5 an overly long questionnaire as anything over thirty (30)
6 minutes, in the context of a telephone interview?

7 MR. ANDREW ENNS: I am, yes.

8 MR. ERIC HOAKEN: So at least, I mean,
9 leaving aside other considerations that may have entered
10 your mind, there was nothing in terms of the professional
11 rules of this organization that would have prevented you
12 from having a survey over twenty (20) minutes if you felt
13 it was necessary to accomplish the objectives of the
14 study, is that fair?

15 MR. ANDREW ENNS: It's actually fair to
16 say that there's nothing in the -- the rules of the MRI
17 that prevent me from asking a forty-five (45) minute
18 telephone survey or a fifty (50) minute survey.

19 As a general guideline, the following are
20 generally considered as, and they've got references
21 around. I don't even know what they're called lon --
22 overly long.

23 MR. ERIC HOAKEN: Right.

24 MR. ANDREW ENNS: I've actually had this
25 discussion with someone at the MRIA.

1 MR. ERIC HOAKEN: Right. Okay, so your
2 understanding is that you could even go beyond thirty
3 (30) minutes and, in doing that, you wouldn't be
4 consistent with the guideline that has been published by
5 the MRIA, but I think what you're telling me, you also
6 wouldn't necessarily be subject to sanction by that
7 organization?

8 MR. ANDREW ENNS: My interpretation of
9 this is that I don't think there is any sanction tied to
10 fielding a survey of any particular length. I believe
11 it's a guideline. I think it's interpreted as such.

12 MR. ERIC HOAKEN: Right.

13 MR. ANDREW ENNS: People have probably
14 approached and said is there any sort of -- and they've
15 deliberated, and this is maybe what they've come up with.

16 MR. ERIC HOAKEN: Now, if -- if you turn
17 forward in the document we get -- on page 6 we get to
18 what's described as section B, and these are the general
19 rules of conduct.

20 And you understand that these apply
21 whether you're conducting quantitative or qualitative
22 research, is that fair?

23 MR. ANDREW ENNS: Correct.

24 MR. ERIC HOAKEN: And if you look at item
25 7 on page 6, there's a requirement that marketing

1 research must always be carried out objectively and in
2 accordance with established scientific principles. And
3 it sounds to me that you were aware of this and attempted
4 to do the work that you did in this case based on and
5 consistent with those principles, is that fair?

6 MR. ANDREW ENNS: I did endeavour to
7 carry out the work respecting established principles --
8 scientific principles. Quite frankly, I wasn't aware of
9 point 7 and the fact that it explicatively spelled out
10 that, but --

11 MR. ERIC HOAKEN: Okay. And in item 8
12 there is a rule dealing with the reporting of research,
13 and there's a requirement that when reporting on results
14 of a marketing research project, the researcher must
15 always make a clear distinction between the findings of
16 such, the researcher's interpretation of these, and any
17 recommendations that are based on these, right?

18 MR. ANDREW ENNS: Correct.

19 MR. ERIC HOAKEN: And similarly in
20 section 9, just over the page, there's a requirement that
21 researchers must not knowingly allow the dissemination of
22 conclusions from a marketing research project which are
23 not adequately supported by the data, right?

24 MR. ANDREW ENNS: Correct.

25 MR. ERIC HOAKEN: And then if you go down

1 to B, item 2, there's a prohibition, if you will, on
2 members providing or allowing interpretations of the
3 research which are inconsistent with the data, is that
4 right?

5 MR. ANDREW ENNS: Without -- and I
6 believe it finishes off, without protest.

7 MR. ERIC HOAKEN: Yes.

8 MR. ANDREW ENNS: Right.

9 MR. ERIC HOAKEN: So, yeah, that's --
10 that's an interesting point. So I guess -- does that
11 mean that if your client is trying to tell you how to
12 interpret things, and you haven't independently reached
13 that conclusion, and you don't agree with the conclusion
14 that the client is proposing, that your -- your job is to
15 protest.

16 And if your protest falls on deaf ears,
17 then you can still publish the market research report, is
18 that how you read that?

19 MR. ANDREW ENNS: I've never thought of
20 it, and I've never had to cross that bridge. I'm not
21 sure how -- how I interpret that.

22 MR. ERIC HOAKEN: Okay, now let's look if
23 we can at page 15, and just so you understand what this
24 is, actually take a look quickly, Mr. Enns, at page 13.
25 You'll see on page 13 we start now with a new section of

1 the rules that is applicable specifically to qualitative
2 research, right?

3 MR. ANDREW ENNS: Correct.

4 MR. ERIC HOAKEN: And are you generally
5 acquainted with these rules?

6 MR. ANDREW ENNS: Yes.

7 MR. ERIC HOAKEN: Okay. And if you turn
8 over then to page 15, you'll see in Section 11 a
9 requirement that each qualitative report must include a
10 standard statement emphasizing that the results of -- of
11 the research are not statistically projectable. This
12 caution should be included in the summary and the body of
13 the report.

14 And I take it that's for all the reasons
15 that you and Mr. Peters and Mr. Saxberg have discussed;
16 that is this is not a valid sample and you therefore
17 can't draw any hard and fast conclusions from what you
18 learn in a focus group process?

19 MR. ANDREW ENNS: The conclusions you
20 draw are not statistically valid conclusions or -- or
21 reliable conclusions to a -- to a certain percentile or
22 of that nature. I don't think it's fair to say you can't
23 draw a conclusion from a focus group.

24 MR. ERIC HOAKEN: No, I think I agree
25 with you, but the -- the point, I guess, that's being

1 made in this prohibition is you can't and shouldn't draw
2 or purport to draw a conclusion that is projectable to a
3 larger sample?

4 MR. ANDREW ENNS: Right. And I think the
5 -- the point here is that in a report where you are --
6 you -- you will draw conclusions in focus group report if
7 you'll -- if you'll give me that, that it's important to
8 -- to preface somewhere in that report, the context of
9 qualitative research in terms of the fact that whatever
10 conclusions you're drawing are not statistically valid
11 and projectable to the entire population.

12 MR. ERIC HOAKEN: Right. And in fact,
13 you know, that's not just a nice-to-have. As I read this
14 rule, it is requiring that the author of a qualitative
15 report include such a statement, right?

16 MR. ANDREW ENNS: Correct.

17 MR. ERIC HOAKEN: And if you turn to Tab
18 2 of Exhibit 6 that you have in front of you -- you may
19 want to stick your finger in that page because we're
20 going to come back to it, but look at Tab 2 page 10, Mr.
21 Enns, I believe. Sorry, I'm at the wrong tab.

22 If you see the last two (2) line paragraph
23 on that page you say:

24 "The focus group technique is used in
25 marketing research as means of gaining

1 insight and direction rather than
2 collecting quantitatively precise data
3 or absolute measures."

4 Right?

5 MR. ANDREW ENNS: Correct.

6 MR. ERIC HOAKEN: And is that the sort of
7 statement that you were just telling me about?

8 MR. ANDREW ENNS: That is -- exactly,
9 yes.

10 MR. ERIC HOAKEN: And --

11 MR. ANDREW ENNS: It would be some
12 statement along -- that statement is what we would be
13 using to address that point.

14 MR. ERIC HOAKEN: Right. And I -- I
15 don't want to -- I think this expression has been used
16 before -- split hairs with you, but you'll agree with me
17 that that statement or caution to the reader is somewhat
18 less fulsome than the one recommended by the MRIA, is
19 that fair?

20 MS. MARLA MURPHY: Mr. Chairman, I'm not
21 sure about not splitting hairs. Given the nature of that
22 question, it seems to be pretty well split to me.

23 MR. ERIC HOAKEN: Well, this -- this
24 witness is a pretty sophisticated witness, as we've all
25 heard, and I think it's quite inappropriate for Ms.

1 Murphy to interject. There's nothing legally
2 inappropriate about my question.

3 OBJ MS. MARLA MURPHY: Let me be clear. I
4 didn't interject, I objected.

5 MR. ERIC HOAKEN: Well, I think you did
6 both. I think it's a completely valid and appropriate
7 question, and if the witness has a different view, he's
8 certainly capable of expressing that to me.

9 MS. MARLA MURPHY: The purpose of this
10 witness is not to give a legal opinion on the MRIA
11 document. The question can be posed as relates to the --
12 the documents that are before him, but to suggest that
13 he's going to prepare and compare back and forth wording
14 and to split hairs in that respect is -- is not what this
15 witness is produced for.

16 MR. ERIC HOAKEN: No, I am sorry. That
17 is absolutely not what the question was. The question
18 was, this witness has established he knows there's rules
19 he has to abide by.

20 I am now asking him if something he did in
21 relation to the conducted of this report was consistent
22 with the requirement from the association. He can tell
23 me yes or no, and I'm going to explore that with him.

24 MS. MARLA MURPHY: If that's your
25 question, I believe you already answered it.

1 MR. ERIC HOAKEN: No. No, he did not.

2 MS. MARLA MURPHY: You can be guided by
3 the transcript if you like but the question before was,
4 is this the type of thing that complies with that rule
5 and the witness's answer was yes.

6 MR. ERIC HOAKEN: Well, I'd like a
7 direction that I can continue, Mr. Chair.

8 THE CHAIRPERSON: Ask Mr. Enns the
9 question again.

10 MR. ERIC HOAKEN: I think I'm in the same
11 position as Mr. Saxberg. My question was brilliant the
12 first time and...

13

14 CONTINUED BY MR. ERIC HOAKEN:

15 MR. ERIC HOAKEN: The MRIA rule as a
16 requirement says that you must identify that the results
17 of qualitative research are not statistically
18 projectable, right?

19 MR. ANDREW ENNS: That's the -- that's
20 the language they use in their -- in their code.

21 MR. ERIC HOAKEN: Right. And -- and I
22 interpret statistically projectable as meaning you can't
23 draw any conclusions from the focus group report that you
24 could apply across a larger sample. So you can't say,
25 for example, because eight (8) of ten (10) people said

1 this in a focus group that 80 percent of the population
2 of Manitoba would say the same thing, right?

3 MR. ANDREW ENNS: That's correct.

4 MR. ERIC HOAKEN: Okay. And my question
5 is, where is such a caveat in your focus group report?

6 MR. ANDREW ENNS: I believe the reference
7 that not rather than collection quantifiable --
8 quantifiable precise data or absolute measures.

9 MR. ERIC HOAKEN: Okay.

10 MR. ANDREW ENNS: That is the intent of
11 that statement and -- and I believe -- in my -- in my
12 opinion, I -- I think it's -- I believe it to be clear
13 in -- in terms of providing the reader the distinction
14 between qualitative research, subjective research, as
15 opposed to survey and quantifiable research.

16 MR. ERIC HOAKEN: All right. So you --
17 you believe that that is a perfectly appropriate caution
18 that complies with the requirements of the association?

19 MR. ANDREW ENNS: It'd be my opinion,
20 yes.

21 MR. ERIC HOAKEN: All right. But I'm
22 going to suggest to you that in an earlier draft to you
23 had a somewhat more detailed phrase that dealt with the
24 limitations on qualitative research and it got edited out
25 of the document, right?

1 MR. ANDREW ENNS: Can we go to the --

2 MR. ERIC HOAKEN: Yeah.

3 MR. ANDREW ENNS: -- to the draft 'cause
4 in --

5 MR. ERIC HOAKEN: We sure can, we sure
6 can.

7 MR. ANDREW ENNS: -- in the MRIA they
8 reference the fact that there's typically a standard
9 caution and so I have a couple of standard -- I have a
10 couple of cautions that I use in the focus groups reports
11 I prepare.

12 MR. ERIC HOAKEN: All right. Look, if
13 you will, at batch 1, page 2 of the response to
14 DEMLESMLP-60. And I appreciate it may take people a
15 moment to turn that document up.

16 MS. MARLA MURPHY: It would be helpful to
17 me, at least -- my materials not organized by batches in
18 the way that it arrived at some of your emails, so if I
19 could have a date, perhaps.

20 MR. ERIC HOAKEN: Yeah.

21 MR. ANDREW ENNS: Sorry, do you have it
22 in this document your --

23 MR. ERIC HOAKEN: No, I -- I do not.
24 Unfortunately, I prepared that document before I received
25 the voluminous answers to the IR in question. It is --

1 just to answer your question, Mr. Murphy, it -- there's
2 an email dated June 27th, 2007 from Mr. Meder.

3 THE CHAIRPERSON: Mr. Hoaken, are there
4 going to be a series of questions that will relate to
5 referencing of documents of this nature?

6 MR. ERIC HOAKEN: I think this is a
7 fairly discrete point that I can finish, if given the
8 opportunity, in about three (3) minutes.

9 THE CHAIRPERSON: Okay.

10 MR. ERIC HOAKEN: Thank you.

11

12 CONTINUED BY MR. ERIC HOAKEN:

13 MR. ERIC HOAKEN: So if -- if you could
14 just look -- there is attached to that email, or at least
15 the way that I received it, there is a draft of the focus
16 group report that on the front page bears the date June
17 26th, 2007.

18 MR. ANDREW ENNS: Okay.

19 MR. ERIC HOAKEN: And it has tracked
20 changes and comments in it, Mr. Enns.

21 MR. ANDREW ENNS: Okay. No, well, it's
22 the same, yeah, but there must be -- yeah, I -- I have
23 the -- well, I believe I have the document. The -- the
24 email is dated when?

25 MR. ERIC HOAKEN: June 27th, 2007. It's

1 an email from Mr. Meder to you --

2 MR. ANDREW ENNS: Okay. And --

3 MR. ERIC HOAKEN: -- attaching a marked-
4 up draft of the focus group report.

5 MR. ANDREW ENNS: Okay. And should I
6 turn to page 9?

7 MR. ERIC HOAKEN: Turn, if you will, to
8 page 23.

9 MR. ANDREW ENNS: Okay.

10 MR. ERIC HOAKEN: And you had included,
11 as I understand it looking at page 23 at the bottom, you
12 had included -- after that series of excerpts, you had
13 included a comment as follows, you said:

14 "A more quantifiable response for this
15 question has been provided in the
16 quantitative natural gas customer
17 research report."

18 And it looks to me that that was a comment
19 that Mr. Meder asked you to take out and you did, in
20 fact, take it out.

21 MR. ANDREW ENNS: Okay, I'm sorry, I was
22 confused, because we had -- we were originally talking
23 about the statement of -- of caution; the general
24 standard statement of caution that you were concerned
25 about whether or not it was sufficient.

1 MR. ERIC HOAKEN: Well --

2 MR. ANDREW ENNS: And I though you had
3 indicated that had changed.

4 MR. ERIC HOAKEN: -- well --

5 MR. ANDREW ENNS: But that didn't change,
6 in fact.

7 MR. ERIC HOAKEN: Well, except I think
8 that you'll remember that the MRIA rules require that a
9 statement of caution be in both the executive summary and
10 the body of the report, right?

11 MR. ANDREW ENNS: Point taken.

12 MR. ERIC HOAKEN: And at page 23, it
13 looks to me like in the first draft, you had attempted to
14 comply with that rule by including this statement about
15 the limitations.

16 MR. ANDREW ENNS: No, that -- that would
17 be -- that would be an incorrect interpretation. The
18 point I was suggesting, and all it was, was a -- was a
19 point to say that to draw the readers attention, that
20 there were more quantifiable -- there's more quantifiable
21 data on this found in the -- found in the -- in the
22 survey report.

23 I don't believe this is a problematic --
24 with or without it, I had inserted that to be helpful to
25 the reader; not to suggest that the points above, and

1 they're -- quite frankly, the points above aren't
2 quantifiable.

3 I mean, there's no numbers beside it, and
4 in fact I think the only thing it -- the -- the group
5 offered mixed reactions. And -- and so I think -- I
6 don't think there -- I don't think it was a necessary
7 point. The inclusion of it was just simply to help draw
8 the reader, if the reader was interested, to perhaps
9 pursuing some additional information contained in the --
10 in the research report.

11 MR. ERIC HOAKEN: And to the fact, I take
12 it, that the conclusions reached in the quantifiable --
13 quantifiable research were worthy of reliance in a way
14 that the conclusions in the qualitative research were
15 not, right? That's really what that sentence would have
16 accomplished had it continued in the draft.

17 MR. ANDREW ENNS: I guess as well. But
18 the intent of it was simply to assist the reader that
19 there -- if they're interested in that question, pursuing
20 that question, that -- that question, there was -- there
21 was more interesting results, quantifiable results
22 granted, in -- in the -- in the research report titled
23 Natural Gas Customer Research.

24 MR. ERIC HOAKEN: All right, so when you
25 prepared that draft, your belief was including that would

1 be of assistance to the reader, right?

2 MR. ANDREW ENNS: As a -- as a additional
3 infor -- as guide to the additional information. That --
4 that reference would not, in my opinion, would not
5 suffice to meet the standard that we originally talked
6 about in saying that there should be a standard statement
7 in -- in the body. I mean, that -- that was not the
8 intent of that.

9 MR. ERIC HOAKEN: Okay, so even if you'd
10 included this, then you still would have been offside the
11 MRIA requirement?

12 MR. ANDREW ENNS: I don't believe I'm
13 offside on the MRIA requirement, but I'll pursue that for
14 you if you'd like.

15 MR. ERIC HOAKEN: Well --

16 MR. ANDREW ENNS: Yeah, I did include a
17 statement of -- indicating at the beginning of the report
18 saying that these results should be taken -- these
19 results are -- can be taken in a certain way.

20 MR. ERIC HOAKEN: Okay, well we just
21 looked together, we can go back to it if you like, but I
22 think it's pretty clear that to the extent the MRIA
23 imposes a requirement about a limiting statement, that
24 requirement is that there be such a statement in both the
25 body of the report and the executive summary, correct?

1 MR. ANDREW ENNS: That's correct, but you
2 know, I will pursue this, because I write upwards to
3 thirty (30) and forty (40) focus groups report in a year.
4 Including for various federal government departments who
5 are pretty up to speed on MRIA and all the other ones.

6 And I can tell you, the approach I take is
7 the standard approach in what they expect and -- and
8 require. But, I mean, it is a very good point and a
9 valid point, and I will pursue it with my association to
10 determine -- I mean, I don't want to be offside on that,
11 and it's not a very big deal should there be a problem

12 MR. ERIC HOAKEN: But it is I think. I
13 don't want to argue with you, but you said in reference
14 to the statement we've just looking at, that the purpose
15 was to make sure that the reader was not -- was not
16 mislead. To clarify the significance of that conclusion
17 for the reader, is that fair?

18 MS. MARLA MURPHY: I think you're
19 paraphrasing in a way that wasn't --

20 MR. ERIC HOAKEN: He's a big boy, Ms.
21 Murphy, if he disagrees with me, he can tell me.

22 MS. MARLA MURPHY: I'm a big girl, and I
23 get to tell you when I object, too.

24 THE CHAIRPERSON: Go ahead, Mr. Enns.

25 MR. ANDREW ENNS: I don't want to ask you

1 to repeat the question because that might --

2

3 CONTINUED BY MR. ERIC HOAKEN:

4 MR. ERIC HOAKEN: And I -- I can't tell
5 you how much I appreciate that.

6 MR. ANDREW ENNS: That -- that, I mean,
7 the -- I believe that the statement at the beginning of
8 the report alerts the reader to the fact that the -- that
9 the conclusions drawn can't be projected to the broader
10 population. I'm paraphrasing.

11 But there's also other -- other
12 requirements that we haven't touched on as directly, in
13 terms of the language used in the report that I believe
14 is -- is somewhat important, and maybe I'm going to --
15 I'm -- we may come back to that directly, but to not try
16 to use percents in a way that may mislead a person to --
17 to then assume that this is a -- a survey report with all
18 kinds of percents, and -- and so there's other things
19 that go in the back of your mind when you're preparing a
20 report.

21 MR. ERIC HOAKEN: I am I think going to
22 be longer than I thought on this point, Mr. Chair, so
23 this might be an appropriate time to take a break.

24 THE CHAIRPERSON: Okay. We'll take our
25 break now. We'll come back at 1:15. Thank you.

1 --- Upon recessing at 12:12 p.m.

2 --- Upon resuming at 1:20 p.m.

3

4 THE CHAIRPERSON: Welcome back, everyone.
5 Just before switching over to your, Mr. Hoaken, we were
6 talking about this over lunch, and I want to thank you
7 for reviewing the MRIA standards and requirements as they
8 relate to qualitative customer information, and assure
9 you that we do have your point as to the lack of
10 statistical validity of the results.

11 As it was also clear on yesterday's
12 transcripts, pages 678 and 679:

13 "The qualitative research is
14 exploratory in nature and for eNRG it
15 was directional."

16 So unless we're missing your point, you
17 may want to consider moving onto other points.

18

19 CONTINUED BY MR. ERIC HOAKEN:

20 MR. ERIC HOAKEN: No, that's certainly
21 very helpful, thank you, Mr. Chair. And I don't think I
22 run afoul of your direction by asking just one (1)
23 further question of the witness, and then I will move
24 onto a completely different area.

25 Part of the standard that and I looked at

1 this morning, Mr. Enns, which is on page 15, it's Section
2 11, we looked at it and we talked about the first part
3 which is about the qualifying statement that should be
4 made in reports, right?

5 MR. ANDREW ENNS: Yes.

6 MR. ERIC HOAKEN: And then there's then a
7 part that comes at the end of the paragraph. It talks
8 about the fact that reports should not include
9 percentages or precise proportions. Do you see that?

10 MR. ANDREW ENNS: Yes.

11 MR. ERIC HOAKEN: And that's for the
12 obvious reason that we've discussed, is that they simply
13 won't be valid or projectable.

14 MR. ANDREW ENNS: Correct. Or leave the
15 impression, yes.

16 MR. ERIC HOAKEN: Yes. And in fact the
17 use of proportions or percentages would be misleading
18 potentially, as it might make people think that these are
19 statistically valid conclusions, is that fair?

20 MR. ANDREW ENNS: Particularly
21 percentages.

22 MR. ERIC HOAKEN: Right. And if -- if we
23 could just turn to page -- I believe it's page 4 -- yes
24 it is -- page 4 of the focus group report which is at Tab
25 2 of the brief that I prepared.

1 You've got a chart here that seems to me
2 to be a quantification of the -- the preferences that
3 those who participated in the focus groups had. Is that
4 fair?

5 MR. ANDREW ENNS: It -- it's fair it --
6 it -- it puts in -- provides graph -- in a table,
7 provides sort of the responses they provided on those --
8 on those points. So a questionnaire we distributed in
9 the -- in the focus group.

10 MR. ERIC HOAKEN: All right. And you --
11 you go on under the chart to says:

12 "It's a noteworthy point that Hydro
13 customers rated the shorter term
14 products..."

15 Blah, blah, blah, you go on.

16 But I take it you're not suggesting or
17 intending to suggest in that paragraph, that it's
18 noteworthy in a statistical sense?

19 MR. ANDREW ENNS: Exactly.

20 MR. ERIC HOAKEN: Right.

21 MR. ANDREW ENNS: Part of the -- the
22 qualitative report, yes.

23 MR. ERIC HOAKEN: Right. And in fact
24 part of the hazard of using numbers or proportions in
25 qualitative research is illustrated by this chart, isn't

1 it?

2 MR. ANDREW ENNS: If it's not properly
3 pointed out, yes.

4 MR. ERIC HOAKEN: Yeah. And in fact what
5 I mean, in fairness to you, is that the ordering of
6 preferences in this chart, is actually different than the
7 ordering of preferences that appears in the quantitative
8 report, correct?

9 MR. ANDREW ENNS: I believe you're
10 correct, yes.

11 MR. ERIC HOAKEN: Right. So if someone
12 were to read this and to think, for example, that the
13 most popular product was the one (1) year -- I -- I'm
14 sorry, the -- the one where your rate changes every
15 year, they would be misled by that, right?

16 MR. ANDREW ENNS: If they were to project
17 that to the population at large, yes.

18 MR. ERIC HOAKEN: Right, because you
19 asked that question in the quantitative study and the
20 result you got was actually somewhat different than that.

21 MR. ANDREW ENNS: Correct.

22 MR. ERIC HOAKEN: Now, I'm a big believer
23 of chronological order and although My Friends have taken
24 you through certain aspects of the survey design process,
25 I wanted to very quickly run through it to make sure that

1 I completely understand the sequence.

2 We -- we start -- I don't think there's
3 any issue about this, Mr. Enns -- we start on the 9th of
4 February when Centra issues its RFP, right?

5 MR. ANDREW ENNS: That -- oh, 9th of
6 February, yes, correct.

7 MR. ERIC HOAKEN: Yes, okay. And that
8 document said that responses had to be submitted by the
9 23rd of February, and I'm presuming that eNRG's was in by
10 that date?

11 MR. ANDREW ENNS: Yes.

12 MR. ERIC HOAKEN: And I took it from what
13 you said earlier, that you were the principle author of
14 the proposal that was submitted and that we've now marked
15 or at least expert -- excerpts of which we've now marked
16 as Centra Exhibit 9?

17 MR. ANDREW ENNS: Yes.

18 MR. ERIC HOAKEN: And so let me just very
19 quickly ask you a question or two (2) about that
20 document.

21 You, in the course of answering questions
22 from, I believe it was Mr. Peters, made reference to the
23 workplan. And the workplan portion of the response
24 starts, I think, on page 13A; am I right about that?

25 MR. ANDREW ENNS: Pardon me?

1 MR. ERIC HOAKEN: Sorry, the -- the
2 workplan, which was your proposal for how you were going
3 to conduct, this research, starts -- it's on 13A of the
4 document that I've been provided with.

5 MR. ANDREW ENNS: I'll just get to it.

6 MR. ERIC HOAKEN: It's got a heading --
7 just to be fair --

8 MR. ANDREW ENNS: Right.

9 MR. ERIC HOAKEN: -- it's got a heading,
10 it says, overall workplan; do you see that?

11 MR. ANDREW ENNS: Right. I'm there, yes.

12 MR. ERIC HOAKEN: Okay, great. And then
13 if you go forward in the document, look at page 13C, if
14 you will, Mr. Enns. And you then start to put the rubber
15 to the road, as it were, under the heading, "Our Proposed
16 Approach," right, where you now lay out for Centra
17 exactly what it is eNRG is proposing to do?

18 MR. ANDREW ENNS: Correct. And part of
19 that was to draw attention to the fact that we were
20 proposing a slightly different approach than what was
21 done in '04.

22 MR. ERIC HOAKEN: Yes, thank you. And
23 you've explained that and I accept that explanation. In
24 the last paragraph, second sentence, you say, "in any
25 tracking study, a primary focus." Can I just stop you;

1 what is a tracking study?

2 MR. ANDREW ENNS: A tracking study is, if
3 you -- if you are conducting surveys over a time period
4 and part of what you want to do is -- is track changes in
5 opinion over time, so those are in the -- in the industry
6 are determined as tracking studies.

7 There was elements of this that -- and
8 they are proposing -- there was some -- there was some
9 desire to have some tracking of attitudes surveyed in '04
10 and see if they'd moved or shifted from -- to '07.

11 MR. ERIC HOAKEN: And in order for the
12 tracking to be statistically valid, I presume the
13 questions would have to be, if not identical than
14 certainly very similar?

15 MR. ANDREW ENNS: Yes, if you start to
16 change the -- the wording of the questions asked in -- in
17 one (1) period of the tracking, then you run -- you run
18 the risk of getting different responses, not because
19 attitudes change, but because the wording changes.

20 MR. ERIC HOAKEN: Exactly. And if you
21 then go on in this paragraph, you say:

22 "The benefit of conducting focus groups
23 after having identified any such
24 changes in customer opinions, is that
25 it is possible to utilize them to dig

1 deeper into customer attitudes to
2 explain why..."

3 And you've got that word underlined --

4 MR. ANDREW ENNS: Mm-hm.

5 MR. ERIC HOAKEN: -- in your document:

6 "...to explain why those customer views
7 have changed."

8 Right?

9 MR. ANDREW ENNS: Right.

10 MR. ERIC HOAKEN: And so that was your
11 vision at the time that you prepared this, is that the
12 primary of the focus groups would be to explore the
13 extent to which there had been changes in perceptions
14 between the 2004 study and the 2007 study?

15 MR. ANDREW ENNS: At this particular
16 time, yes.

17 MR. ERIC HOAKEN: And as I read the focus
18 group study, that's not, in the end, what you ended up
19 doing, is that right?

20 MR. ANDREW ENNS: Correct. The focus
21 moved to the communication material, which was explained
22 in more detail after the -- after the RFP was -- was won.

23 MR. ERIC HOAKEN: Okay. Just help us
24 understand then in -- and I don't think you said this
25 yesterday, so I don't think I'm going over territory that

1 others have, but just help us understand then when that
2 changed. Certainly this was your proposal; Centra
3 accepted your proposal.

4 Did they suggest, at an early stage in the
5 relationship, that they wanted to do something other than
6 what you'd proposed?

7 MR. ANDREW ENNS: The -- the focus
8 groups, because they accepted the rationale to do them
9 after the survey, the focus groups weren't an early topic
10 of discussion, in terms of the project planning.

11 In one of the initial conversations, there
12 was just -- we looked at timelines and we, at that time,
13 agreed that the focus groups would flow from the -- flow
14 -- flow from the research. We hadn't discussed when
15 exactly they would occur, and at that point we didn't
16 discuss any sort of changes to what we had envisioned
17 here in the -- in the RFP.

18 I think it was -- it was toward the latter
19 stages of questionnaire design, it was raised with me
20 that there was a desire to do the focus groups shortly
21 after the -- the survey was done. And at that time it
22 was expressed to me that the key thing they wanted to use
23 the focus groups for -- and was to -- was to look at the
24 communication material.

25 In part that perhaps -- you know, I don't

1 want to speculate, and I think this might be a question
2 for -- for others to respond to at a later time -- but
3 when we were preparing the questionnaire, it was clear we
4 weren't -- we were not going to devote attention to some
5 of the objectives that related to communications and the
6 materials in some of that information; that may have
7 precipitated the -- the change in sort of the focus at
8 that point.

9 But I'd -- as for your original point
10 about in terms of when it happened, I don't have an exact
11 time, but my sense would be it was toward the latter
12 stages of the questionnaire design.

13 MR. ERIC HOAKEN: But it was before the
14 survey was finalized, and certainly before it was
15 conducted, that's your recollection?

16 MR. ANDREW ENNS: That'd be my
17 recollection. It was certainly before the survey was
18 conducted.

19 MR. ERIC HOAKEN: And from whom did this
20 direction come, that the focus -- that's the wrong word --
21 - the approach of the focus groups should be different?

22 MR. ANDREW ENNS: I -- I believe it was
23 Mr. Meder.

24 MR. ERIC HOAKEN: So if I understand it
25 then, when you submitted this proposal, the quantitative

1 study and the qualitative study were intended by you, or
2 envisioned by you, to be interlocking, or complimentary?
3 In the sense that in the quantitative you'd identify
4 changes, and in the qualitative you'd try and understand
5 why those changes happened.

6 MR. ANDREW ENNS: There was a
7 relationship, yeah. That -- that was one of the benefits
8 of having after -- yes.

9 MR. ERIC HOAKEN: And that became, it
10 seems to me, tell me if you agree with this, seems to be
11 less the case than when the approach of the focus groups
12 moved on to the marketing materials and was less centred
13 on exploring reasons for changes and perceptions. Is
14 that a fair comment, Mr. Enns?

15 MR. ANDREW ENNS: It's fair to say that
16 when -- when the focus groups were initially raised again
17 with me, prior to the -- toward the end of the
18 questionnaire design, the communication was -- the
19 communications pieces were -- were -- were more
20 important, and the focus changed.

21 The -- had there been pot -- some
22 potential things of great interest or note that may have
23 come out of the surveys, I -- I certainly, from my
24 perspective, may have raised those to say, we -- you
25 know, we should make sure we do those in the group. We

1 had that opportunity. It didn't necessarily -- it didn't
2 necessarily present itself.

3 MR. ERIC HOAKEN: But is it -- is it fair
4 to say that these two (2) reports are independent, and
5 each stands on its own?

6 MR. ANDREW ENNS: There's a certain
7 relationship that I think you benefit from seeing them
8 together. And that's some of the -- some of that
9 impressions of the -- of the discussion around marketers,
10 and the discussion around -- around impressions of the
11 competition.

12 I don't think it's nec -- I don't think
13 it's fair to say that you -- you could -- you could --
14 you don't benefit from seeing them together. I think
15 that would be my -- my perspective, is that I think the
16 reader benefits from viewing these -- reading them
17 together, you get a better picture.

18 I think, you know, if you had -- if you
19 only read one (1), I think you could still get -- get
20 some good information, but I do think there's a benefit
21 from seeing them both together.

22 MR. ERIC HOAKEN: Yeah, that was really
23 my point, is that if you've read the quantitative report,
24 and you didn't read the focus group report, there
25 wouldn't be a concern that the impression you were left

1 with after reading the quantitative report was
2 misleading?

3 MR. ANDREW ENNS: Yeah, I would agree
4 with that. And I think the only thing you would is you
5 would not have the benefit of seeing some of the other
6 objectives talked about, in terms of communication.

7 MR. ERIC HOAKEN: All right. And just
8 carrying on in this document, look at page 13F, if you
9 will and it looks to me at the time you submitted your
10 proposal, you were envisioning a sample that was bigger
11 than the one that was ultimately pursued, is that fair?

12 MR. ANDREW ENNS: Correct.

13 MR. ERIC HOAKEN: And it was also
14 segmented differently?

15 MR. ANDREW ENNS: Correct.

16 MR. ERIC HOAKEN: Right. And the sample
17 that you'd originally proposed for the broker population,
18 was five hundred (500) as compared to the four hundred
19 (400) that was ultimately pursued?

20 MR. ANDREW ENNS: Correct.

21 MR. ERIC HOAKEN: And there comes a
22 higher, if I can put it this way, margin for error, in
23 the reporting of the results, the smaller the sample, is
24 that right?

25 MR. ANDREW ENNS: Correct.

1 MR. ERIC HOAKEN: And what contributed to
2 the change in the sample size; was it budgetary, or was
3 it practical, or logistical, or something else?

4 MR. ANDREW ENNS: The -- just if memory
5 serves me, that these numbers came from the -- the
6 original RF -- RFP document submitted, so I didn't -- I
7 wasn't asked to -- to, on my own create sample sizes.
8 These were sort of prescribed -- these were similar to
9 what we had done in '04. In fact almost identical.

10 We -- we began the process with these in
11 mind except for early on I -- I believe, early on there
12 was reference again by -- by Mr. Meder regarding the EPP
13 and non-EPP segmentation, that there had been a change in
14 the population distribution of the EPP users, versus the
15 non-EPP.

16 And basically it was -- and I'm not 100
17 percent sure now -- fifty-five/forty-five (55/45) or --
18 or -- but a fairly balance, so it -- it didn't make as
19 much sense to say let's go and get half of these and half
20 of those. You would get half of -- pretty much half of
21 your sample anyways. So that was an early flag to say we
22 probably wouldn't segment along those lines.

23 The other additional thing was we had
24 segmented specifically EPP and non-EPP in '04, and in --
25 we didn't detect any real significant differences on a

1 number of the areas that we're talking about between
2 these two (2) types of customers. So to sort of force
3 that segmentation in a -- in a quota sense, again I
4 didn't argue on that point. I didn't think it was
5 necessary. And we would look at it still, from a -- from
6 a data perspective.

7 So that was -- that change was identified
8 fairly early on, that we probably wouldn't be segmenting
9 along those lines, in terms of having specific quotas.

10 Then -- then when we started -- when we
11 talked about reducing sample size, was probably midway of
12 the questionnaire design phase and that -- and that was
13 driven in -- with budgetary considerations. We -- at
14 some point I think we reconciled that -- that a survey of
15 -- of fifteen (15) minutes wasn't going to be achievable
16 and -- and still try to accommodate as much as we could.

17 And so one of the -- and I believe it was
18 one of the options that I suggested on my part, was to
19 say we could look at -- at a reduced sample frame and
20 still fit within your budget; and still -- and -- and it
21 was left to me to come back with a recommendation with
22 respect to if we had to reduce, what would be still --
23 still acceptable in my opinion from a reporting
24 perspective taking into account that I am as you pointed
25 out, reducing the -- the broker supplied residential

1 number from five hundred (500) four hundred (400) and
2 what the impact was on the margin of error.

3 MR. ERIC HOAKEN: On page 13F of this
4 document, there's a statement at the top of the page
5 about the confidence interval, do you see that?

6 MR. ANDREW ENNS: Yes.

7 MR. ERIC HOAKEN: And it's then footnoted
8 to a comment at the bottom of the page, right?

9 MR. ANDREW ENNS: Yes.

10 MR. ERIC HOAKEN: And I want to make sure
11 that I'm understanding this correctly. You say:

12 "Accuracy also depends on the
13 percentage of the sample that picks a
14 particular answer."

15 And this, I think, goes to the question
16 that Mr. Peters asked yesterday is: Well how do we know
17 that this isn't the twentieth out of twenty (20) study.

18 And I take this comment -- which comes out
19 of I take it, an academic source -- I take this to mean
20 well there are some features of answers that will give
21 you an increased assurance in the accuracy of those
22 numbers. Is that fair?

23 MR. ANDREW ENNS: Yes. The confidence
24 intervals are -- are typically, in everything that you'd
25 see in the media or reported upon are based on a -- on a

1 50 percent. And I think that's referenced here in that
2 footnote, where it's 50 percent of people said -- 50
3 percent of people said the -- if you -- if you increase
4 the divergence of opinion within a question, to say 80
5 percent to 20 percent, the confidence interval goes --
6 gets better. I won't say goes up. I want to be clear;
7 it gets better.

8 So that -- that the reliability gets
9 better, yes.

10 MR. ERIC HOAKEN: Okay. So just to
11 illustrate that, very quickly, look, if you will, at Tab
12 1 of the brief, which is the customer research report,
13 and if you look at table 33.

14 Now, you -- you've just explained that
15 with reference to a yes and no question, that -- or at
16 least that's how it's done in the footnote; does that
17 apply to other questions, non yes and no questions?

18 MR. ANDREW ENNS: It does.

19 MR. ERIC HOAKEN: Okay. So if you look
20 at table 33.

21 MR. ANDREW ENNS: Great, I've got it,
22 yes.

23 MR. ERIC HOAKEN: You've got it, yeah.
24 So, if you look, for example, where you've got -- and I'm
25 just using this as an example, and if this isn't

1 illustrative of the point then maybe you can take me to
2 one that is.

3 But here you've got 79 percent of Hydro
4 customers agreeing that they could tell that the person
5 who came to their door worked for an independent natural
6 gas marketer and not Hydro.

7 So is that an example where the proportion
8 of yes or agree is so high that it gives you more
9 confidence in the accuracy of the result, than would have
10 been the case if that number was lower?

11 MR. ANDREW ENNS: A qualified yes. The -
12 - and if you pursue this with me, I'll probably have to
13 go back and get somebody who has a bit of a stronger
14 statistical familiarity with this point, but --

15 MR. ERIC HOAKEN: And I -- I wouldn't
16 understand what he or she said, so --

17 MR. ANDREW ENNS: But -- but the only --
18 the only distinction I'll say is we actually have four
19 (4) points -- there's a -- it's a four (4) point answer
20 to that question. And so, it's -- it -- you can't
21 necessarily take the total versus the total disagree, but
22 you look at the spread between the four (4) points.

23 And it -- it's still -- your -- your point
24 is valid, that in this case 62 percent said strongly that
25 does -- the margin of error is -- is good with that

1 question. It's better than one (1).

2 MR. ERIC HOAKEN: All right. Thank you.
3 So going back to chronology then, we've got this
4 proposal, or at least response to proposal that you've
5 submitted. And I was going ask you, this RFP was sent
6 out on February 9th; did you or eNRG know, in advance,
7 that it was coming? Or did you know in a general sense
8 that Centra was going to be conducting more market
9 research? Even prior to February 9, I mean.

10 MR. ANDREW ENNS: No.

11 MR. ERIC HOAKEN: All right. And then
12 when did eNRG learn that it had been the successful
13 bidder for this project?

14 MR. ANDREW ENNS: I don't -- I don't
15 know, it's not -- I don't...

16 MR. ERIC HOAKEN: Okay. There's no magic
17 --

18 MR. ANDREW ENNS: Oh, sorry. I think --
19 it says March 15th on this, and I'd -- that sounds -- it
20 was -- it was actually surprisingly efficient. I'll say
21 that.

22 MR. ANDREW ENNS: I'm sure you --

23 MR. ANDREW ENNS: So it was fairly quick
24 after.

25 MR. ERIC HOAKEN: I'm sure you client is

1 delighted with the characterization.

2 MR. ANDREW ENNS: They can tell me to
3 leave.

4 MR. ERIC HOAKEN: I can hear the knives
5 being sharpened behind me. So yes, if you look, just for
6 the record, so that everyone has it, it's in batch three
7 (3) of the responses to DEES-CENTRA-60, and it's page
8 226.

9 And this is an email dated March 15, 2007
10 from Mr. Meder to you. Have you seen that, or --

11 MR. ANDREW ENNS: I actually haven't seen
12 that.

13 MR. ERIC HOAKEN: Okay. Take a quick
14 look at it, because that may -- just to help us get it
15 oriented in terms of the chronology.

16

17 (BRIEF PAUSE)

18

19 MR. ANDREW ENNS: Well, I have a March
20 15th email. Oh, sorry, is it a little more involved than
21 just telling me congratulations?

22 MR. ERIC HOAKEN: It -- it actually
23 doesn't even say congratulations.

24 MR. ANDREW ENNS: No, I'm not surprised.
25 This -- this is the one. Thursday, March 22nd, the

1 kickoff meeting?

2 MR. ERIC HOAKEN: At 3:39 p.m.?

3 MR. ANDREW ENNS: Yeah.

4 MR. ERIC HOAKEN: Yeah. We're looking at
5 the same one. Thank you.

6 So that's the first email that I've seen
7 that makes reference to the fact that eNRG had been told
8 that it was the successful bidder. So certainly by that
9 date you knew, right?

10 MR. ANDREW ENNS: Yes.

11 MR. ERIC HOAKEN: Okay. And the purpose
12 of this communication from Mr. Meder was to arrange the
13 kickoff meeting that you had referenced in your evidence
14 earlier and, in fact, which is referred in -- in the RFP
15 response, right?

16 MR. ANDREW ENNS: Yes.

17 MR. ERIC HOAKEN: And just so I'm clear,
18 this email comes from Mr. Meder; was he the primary
19 contact that you dealt with during the course of this
20 project?

21 MR. ANDREW ENNS: Yes, he was.

22 MR. ERIC HOAKEN: And in this email, if
23 you look down under the list of people in the paragraph,
24 there's a line of the email that says:

25 "A lot of thinking went into the

1 background and research objectives, so
2 I do not expect a lot of new issues to
3 arise."

4 And then he says:

5 "Rather, I expect the meeting will
6 confirm what has already been said in
7 the RFP."

8 Now, you told us earlier that the purpose
9 of the meeting was to discuss and perhaps better
10 understand the research objectives, is that right, Mr.
11 Enns?

12 MR. ANDREW ENNS: That's right.

13 MR. ERIC HOAKEN: And -- and did -- did
14 you interpret this as a suggestion from Mr. -- excuse me,
15 Mr. Meder that the objectives weren't likely to change as
16 a result of this meeting?

17 MR. ANDREW ENNS: That probably was my
18 interpretation, that -- that -- in fact, I probably
19 looked at the -- you know, the scope of the project was -
20 - was not -- they weren't expecting any big changes at
21 that -- you know, from their perspective.

22 MR. ERIC HOAKEN: All right. And then in
23 terms of the chronology then, there's an email the very
24 next day from Mr. Meder to you, March 16, 2007, 4:02
25 p.m., do you have that?

1 MR. ANDREW ENNS: I -- yeah -- with the
2 attachments. Friday, March 16th, yes

3 MR. ERIC HOAKEN: At 4:02?

4 MR. ANDREW ENNS: Yes.

5 MR. ERIC HOAKEN: And -- and I'm sorry,
6 for the record, Mr. Chair, that's in batch 3 of the
7 response to DE/ES/CENTRA-60, page 216. And it -- it
8 looks as though there'd just been a slight rescheduling
9 of the kickoff meeting so it was now going to be on 23rd
10 -- I'm sorry, the 23rd of March?

11 MR. ANDREW ENNS: No, I believe the --
12 they were talking two (2) different meetings. The -- the
13 22nd was a meeting with -- with Manitoba Hydro and -- and
14 the individuals noted there, and then on 23rd, I believe,
15 that was the second sort of pre-questionnaire meeting
16 that I referenced yesterday about -- with -- with the --
17 with the third-party folks.

18 MR. ERIC HOAKEN: Okay. Thank you.
19 'Cause I -- I must confess, I was a bit confused about
20 that. So two (2) different meetings. So both of them
21 occurred?

22 MR. ANDREW ENNS: Yes.

23 MR. ERIC HOAKEN: Okay. And so then in
24 advance of this internal workshop -- I guess I'm a little
25 confused. Maybe this is why I didn't understand these

1 emails, but you've got the kickoff meeting, and if I
2 understand it correctly, that's an internal meeting,
3 that's just Centra folks, right?

4 MR. ANDREW ENNS: Yes.

5 MR. ERIC HOAKEN: And then look at the
6 email on March 16th. It's characterized as an internal
7 workshop and then that's actually got external folks,
8 right?

9 MR. ANDREW ENNS: You'd be right.

10 MR. ERIC HOAKEN: Okay. And I'm just
11 trying to rationalize why I didn't understand this the
12 first time I read it, I guess.

13 MR. ANDREW ENNS: Fair enough.

14 MR. ERIC HOAKEN: But in any case, in
15 anticipation of the meeting with the external
16 stakeholders on the 23rd, you were provided, under cover
17 of this email, with certain documents, right?

18 MR. ANDREW ENNS: Correct.

19 MR. ERIC HOAKEN: And let's just quickly
20 identify for the record what those are. The first --
21 well, not in any order, but there was a January 18, 2007
22 letter from Direct Energy to Mr. Kuczek, correct?

23 MR. ANDREW ENNS: Yes.

24 MR. ERIC HOAKEN: And for the record,
25 that's batch 3 of the IR-60 response, at page 216 to 219.

1 Then there was a January 18, 2007 letter, again,
2 addressed to Lloyd Kuczek from Bill Killeen of ECNG?

3 MR. ANDREW ENNS: Yes.

4 MR. ERIC HOAKEN: And for the record, I
5 believe that's page 217 of batch 3. And then finally,
6 there was a letter dated January 22nd, 2007, from Ms.
7 Ruzycki, of Energy Savings, right?

8 MR. ANDREW ENNS: Correct.

9 MR. ERIC HOAKEN: And for the record,
10 that is batch 3, pages 220 to 222. Now just looking at
11 the email of March 16th, and I guess I'm betraying my
12 lack of technical sophistication here, but it looks like
13 there's a fourth attachment, draft topic areas for
14 Centra. Do you know what document that was?

15 MR. ANDREW ENNS: I believe it was the --
16 an email from the Consumers' Association that had been
17 send to Lloyd -- to Mr. Kuczek.

18 MR. ERIC HOAKEN: Okay. All right, thank
19 you. And I -- I take it the --the purpose of you getting
20 and reviewing these documents prior to the meeting with
21 external stakeholders was so you could gain some
22 appreciation into their areas of concern, is that fair?

23 MR. ANDREW ENNS: Yes. Or areas of
24 interest.

25 MR. ERIC HOAKEN: Right, and had -- had

1 you been told in the past certain external stakeholders
2 had raised a strong concern about the manner in which
3 market research conducted by Centra had been carried out;
4 actually, had been designed and carried out?

5 MR. ANDREW ENNS: Prior to this -- prior
6 to this meeting or these documents, no.

7 MR. ERIC HOAKEN: But did you understand
8 from reading these documents that at least some of these
9 external stakeholders did have that concern?

10 MR. ANDREW ENNS: Yeah, I did detect that
11 in -- in -- in a few of the documents.

12 MR. ERIC HOAKEN: All right, and in fact
13 at least a couple -- I'm sorry, I can take a break if you
14 want to get something.

15 MR. ANDREW ENNS: No, that's fine, I just
16 -- I had these previously, and I made have made some
17 notes too and that was what I was looking for.

18 MR. ERIC HOAKEN: I'm happy to take a
19 second if you want to look for that.

20 MR. ANDREW ENNS: That'd be great.

21

22 (BRIEF PAUSE)

23

24 MR. ANDREW ENNS: Thank you very much.

25 MR. ERIC HOAKEN: Yeah. And in at least

1 a couple of those letters that you were forwarded under
2 cover of that email, there was a suggestion that in order
3 to be valid of reliance, the study should not be biased.

4 Is that your general understanding of the
5 concerns being expressed by the external stakeholders, or
6 some of them?

7 MR. ANDREW ENNS: Yes, there was -- in
8 fact the eNRG Savings, I recall that one. I'm just
9 refreshing my memory, but yes there was that -- that
10 reference. To -- and quite frankly you could, as you
11 read through the various bullet points, you -- you could
12 also -- one would get that feeling at times.

13 MR. ERIC HOAKEN: All right, and as
14 you've already told us, you -- you also knew that the
15 market research was being conducted by Centra, at least
16 in part to comply with certain directions that had been
17 made by this Board and it's cost of gas decision in the
18 fall of 2006?

19 MR. ANDREW ENNS: Correct.

20 MR. ERIC HOAKEN: And, so am I correct in
21 thinking that by the time you went to the meeting on the
22 24th of March, you were trying to be sensitive to the
23 concern that had been raised by external stakeholders
24 about bias?

25 MR. ANDREW ENNS: I was focussed on the -

1 - I think the meeting was the 23rd -- I was focussed on
2 the -- on understanding the points being raised,
3 particularly as they related to the objectives as I -- as
4 I understood them to be from the RFP at that time, and
5 what we had sort of gone over on the 22nd internally.

6 I appreciated that at that early stage,
7 that there would be attention paid to the questionnaire
8 in terms of ensuring that it was a bal -- you know, a
9 balanced and bia -- unbiased document.

10 MR. ERIC HOAKEN: All right, thank you.
11 And you -- you also appreciated when you went to that
12 meeting -- and you're right, it was on the 23rd -- you
13 appreciated the need to comply with the directives that
14 had been made by this Board about the conduct of further
15 market research?

16 MR. ANDREW ENNS: No. I -- I don't
17 believe I -- I felt any oblig -- any particular
18 obligation from the Board. My -- my obligations and --
19 were -- were more based on sort of what we -- what I'd
20 written in -- in the RF -- in response to the RFP.

21 I didn't feel that there was any other
22 particular undue obligations to -- to this -- in terms of
23 who I was answering to, et cetera.

24 MR. ERIC HOAKEN: And -- and I probably
25 didn't ask the question very well. What I meant was that

1 to the extent that this Board had identified in its
2 decision certain areas that were to be canvassed in the
3 market research, you -- you were going to do your best to
4 make sure that this research did that?

5 MR. ANDREW ENNS: Yes. Although on the
6 23rd, I hadn't -- I -- I was aware that part of the
7 genesis whether all -- all of it or -- or not, but part
8 of the genesis because it was referenced in the RFP
9 documents, was flowing from some direction from -- from
10 this Board.

11 I wasn't provided with -- or at least I
12 don't believe I was provided and I'm positive I hadn't
13 reviewed some material that actually summarized the
14 information from the Board. I think it was an exec -- I
15 think it was mentioned in -- yesterday there was an
16 Executive Summary Order that -- that I had been -- spent
17 some time with because I highlighted -- I have -- I had
18 it somewhere where it was highlighted -- certain --
19 certain questions that the -- the Board had .

20 I don't know how -- what the proper term
21 is, that they had raised here and -- and suggested these
22 are things that need to be followed up in the research
23 because, as we went through the draft process, those
24 became very important questions to ensure that -- that we
25 addressed at that -- at that time.

1 So on the 24th I -- I wasn't -- I didn't
2 really have those -- those particular ones that -- that
3 came in this directive at -- in mind I think those came a
4 little bit later.

5 MR. ERIC HOAKEN: All right, thank you.
6 And just if we can look back at this email on March 16.
7 It appears that at the time that this email was sent to
8 you, it was still unclear as to whether the retailers or
9 the representatives of the retailers were going to
10 invited -- were going to be invited to this meeting,
11 right?

12 MR. ANDREW ENNS: That's how it reads to
13 me, yes.

14 MR. ERIC HOAKEN: Right. And did you
15 have any understanding at that time or did you
16 subsequently any understanding about why there was some
17 uncertainty about that?

18 MR. ANDREW ENNS: No.

19

20 (BRIEF PAUSE)

21

22 MR. ERIC HOAKEN: And you made reference
23 in your evidence to Mr. Peters, I think, to a conference
24 call and so are we talking about the March 23 meeting?
25 It's my understanding that representatives of the

1 retailers did participate in that session but did so by
2 conference call?

3 MR. ANDREW ENNS: That is correct.

4 MR. ERIC HOAKEN: All right. And I
5 understood you to say, and just confirm that I've got
6 this right, that that was the only direct communication
7 that you had, at any time in this process, with
8 representatives of the retailers, is that correct?

9 MR. ANDREW ENNS: That is correct.

10 MR. ERIC HOAKEN: And if I can ask you
11 now -- so we're going forward in the chronology, if you
12 look for an email that Mr. Meder sent to you on the 28th
13 of March 2000 -- yeah, sorry, 28th of March 2007 at 2:02
14 p.m.

15

16 (BRIEF PAUSE)

17

18 MR. ERIC HOAKEN: I'm sorry, I should
19 have told you, Ms. Murphy, this may or may not help you;
20 it's in batch 3, page 172 to 173 of the response to
21 DE/CENTRA-60.

22 MS. MARLA MURPHY: March 28th 4:05, is
23 that right?

24 MR. ERIC HOAKEN: 2:02.

25 MS. MARLA MURPHY: Yeah, we have it.

1 MR. ERIC HOAKEN: Thank you.

2

3 CONTINUED BY MR. ERIC HOAKEN:

4 MR. ERIC HOAKEN: And this is an email
5 you received on that day?

6 MR. ANDREW ENNS: Yes.

7 MR. ERIC HOAKEN: And it appears to me it
8 attaches two (2) documents that are described as broker
9 complaint -- well they're both actually described the
10 same way. Maybe I'm wrong, but that there's two (2)
11 documents, IT appears to be two (2) attachments that have
12 to do with broker complaints. Now, do you know what
13 those were?

14 MR. ANDREW ENNS: I -- I'll -- and I'll
15 stand to be corrected, as I was told this -- but I -- I --
16 - my understanding is that they were verbatim complaints
17 that had been received by the Manitoba Hydro call -- call
18 centre.

19 MR. ERIC HOAKEN: So -- just -- I don't
20 want to interrupt you, but I just want to make sure I
21 understand your use of the word "verbatim".

22 Do you mean a -- a transcription?

23 MR. ANDREW ENNS: Again, I would like to
24 -- I can't answer that. There were -- there were more
25 than a couple of words. Whether or not they were the

1 whole -- the whole conversation, I'm not sure, and maybe
2 someone else can answer that better.

3 But they were basically logging -- logs of
4 -- of complaints received, I -- I believe, by the Man --
5 Manitoba Hydro Call Centre specific to concerns about --
6 to do with re -- in -- independent marketers or customer
7 of independent mar -- I shouldn't say customers, but
8 something to do with independent marketers.

9 MR. ERIC HOAKEN: And you were receiving
10 this information at a time when you had not yet produced
11 the first draft of your survey, correct?

12 MR. ANDREW ENNS: I would've been in the
13 midst of drafting at this time, but it hadn't been
14 provided to Manitoba Hydro at this point.

15 MR. ERIC HOAKEN: Right. And in the
16 email from Mr. Meder, he says:

17 "As per Lloyd's comment last week, here
18 are the complaints and comments
19 received by Manitoba Hydro regarding
20 natural gas brokers."

21 What comment can you recall coming up at
22 the meeting about these and how they could possibly be
23 relevant to the work that you were doing?

24 MR. ANDREW ENNS: There was two (2) areas
25 where they potentially may have provided some -- some

1 insight to me. The section in the questionnaire on page
2 -- I don't want to say what page 'cause our numbers are
3 different -- but it -- to do with the -- the series of
4 statements that we -- about the perception of the -- of
5 the door-to-door -- of the natural gas marketer at the
6 door; their -- their questions 39 to -- to 43, I think
7 they were.

8 The -- I was looking at preparing
9 statements that would try to -- that we could present to
10 people, that would capture some of the issues that --
11 that were felt to be out there. Some of these points
12 were covered in the RFP and then noted specifically -- I
13 -- you recall, in one (1) of the sections. But I believe
14 in the discussion it was felt, well, you know, we have
15 these complaints, they might identify a concern that
16 isn't covered here that we could work into as a -- as a
17 statement, that we could -- we could provide and then get
18 some feedback on.

19 That -- that was, I believe, the primary -
20 - and there was another. At the time, it didn't get to a
21 dra -- it didn't make it into draft, but there was some
22 thought about if dissatisfied with a -- a marketer, we
23 might ask, why was that or why do you say that.

24 And, again, some of that information there
25 would help -- not in the survey, but would help in terms

1 of going back to -- to code some of those responses. I
2 would have maybe some idea of what some common categories
3 or some language that was used.

4 That ultimately never transpired. We
5 didn't go that route in the -- in the question -- I
6 didn't go that route in the questionnaire. But -- but I
7 do think there was some -- there was some view that it
8 might be helpful when looking at these statements, just
9 to sort of provide a -- so we weren't missing any
10 obvious, maybe irritants or concerns that we wanted to
11 sort of quantify.

12 MR. ERIC HOAKEN: Now, you -- you, in the
13 past, have done customer satisfaction research for
14 Centra? Not you personally. I guess you -- you have
15 been part of a team that has done it?

16 MR. ANDREW ENNS: Yes, but on a -- fairly
17 limited level, yes.

18 MR. ERIC HOAKEN: But in -- in the course
19 of doing that research, you've become aware that there is
20 some customers who have complaints about what Centra
21 does, right?

22 MR. ANDREW ENNS: Yes.

23 MR. ERIC HOAKEN: And I guess it's a
24 little bit like beauty; it can often be in the eye of the
25 beholder. Someone can have a complain for no good

1 reason, right?

2 MR. ANDREW ENNS: Yes.

3 MR. ERIC HOAKEN: And did you make any
4 effort to explore any of the issues disclosed in these
5 documents appended to this email with the brokers just to
6 get a better understanding of whether or not some of
7 these could be dismissed out of hand and given no
8 validity?

9 MR. ANDREW ENNS: No, I did not. And to
10 be fair, I did look at the material, but it didn't -- it
11 wasn't particularly instructive for me, in terms of the
12 preparation of the questionnaire.

13 MR. ERIC HOAKEN: Now, it looks to me
14 then, and I think you've already said this, you provided
15 your first draft of the survey to Centra undercover of an
16 email to Mr. Meder on Friday, March 30, at 1:37 p.m.
17 This is page 139 of batch 3 of the IR Response.

18

19 (BRIEF PAUSE)

20

21 MR. ANDREW ENNS: Okay.

22 MR. ERIC HOAKEN: So, it looks to me that
23 you were on your way out the door on vacation, and were
24 trying to get this out to Centra before you went, is that
25 right?

1 MR. ANDREW ENNS: Yes.

2 MR. ERIC HOAKEN: All right. So,
3 undercover of that email then, is the first version that
4 you produced of the survey. And if I could just ask you
5 just a couple of very quick questions on this draft.
6 This is version 1, right?

7 MR. ANDREW ENNS: Yes.

8 MR. ERIC HOAKEN: And if you look at page
9 6, there's a heading at the top of the page, it says,
10 "Market Competition;" do you see that?

11 MR. ANDREW ENNS: Yes.

12 MR. ERIC HOAKEN: And these are questions
13 that you had formulated to address, at least part of the
14 study objectives that had been identified in the RFP?

15 MR. ANDREW ENNS: Yes.

16 MR. ERIC HOAKEN: And did you, by this
17 time understand, or appreciate, that the preference for
18 competition in the marketplace was a specific area that
19 the Board had indicated it wanted the customer research
20 to inquire in to?

21 MR. ANDREW ENNS: I suspect I had
22 reviewed that executive summary, so I appreciated the
23 need to canvas customers on competition, yes.

24 MR. ERIC HOAKEN: And these, I take it,
25 from the fact that they were included in the draft, these

1 were questions that you thought were fair and appropriate
2 to ask, to probe that issue?

3 MR. ANDREW ENNS: Yes.

4 MR. ERIC HOAKEN: Okay. And just over
5 the page, I'm not going to go over the territory that Mr.
6 Saxberg has already covered on the hedging program and
7 the cost, but you see there's a reference to the cost, it
8 says, 1 to 2 percent?

9 MR. ANDREW ENNS: Correct.

10 MR. ERIC HOAKEN: And you knew certainly
11 by the time you prepared the first draft, that a number
12 of the external stakeholders were proposing an
13 alternative way of describing or characterizing the
14 costs?

15 MR. ANDREW ENNS: I'd seen reference to -
16 - to other -- other points raised, yes.

17 MR. ERIC HOAKEN: And I take it, from the
18 way that you'd formulated this question though, that you
19 had decided not to accept those suggestions that had been
20 made from the external stakeholders?

21 MR. ANDREW ENNS: I wouldn't say it's
22 fair to say that I've -- I had ruled out accepting the
23 suggestions of other stakeholders. This was a question
24 that we had used in the past, and so I included this as a
25 draft. I fully expected a fair amount of discussion. So

1 I think at this point I wasn't really foreclosing on --
2 on other questions.

3 MR. ERIC HOAKEN: Okay, fair enough. And
4 as I understand it then, this was the first of a total of
5 six (6) drafts that were prepared?

6 MR. ANDREW ENNS: Correct.

7 MR. ERIC HOAKEN: Now if we look at an
8 email that Mr. Meder sends to you on April 9, 2007, it's
9 for the record, batch 3 of the IR Response, page 137.
10 And this is an email I guess that you had waiting for you
11 when you got back from vacation.

12 MR. ANDREW ENNS: Yes.

13 MR. ERIC HOAKEN: And you got the happy
14 news that a meeting had been scheduled for that same day
15 that you arrived back, the 11th of April?

16 MR. ANDREW ENNS: Happy news.

17 MR. ERIC HOAKEN: And this was for the
18 purpose of looking at the draft and particularly looking
19 at the draft that had comments that had by now been made
20 by folks at Centra?

21 MR. ANDREW ENNS: Yes.

22 MR. ERIC HOAKEN: And it -- it appears to
23 me that by the time this email was sent to you on the 9th
24 of April, there was some thought about possibly involving
25 CAC and MSOS, I take it that didn't happen though,

1 correct?

2 MR. ANDREW ENNS: I'll need a minute
3 here. I just want to sort through some -- some time
4 lines.

5 MR. ERIC HOAKEN: Sure.

6

7 (BRIEF PAUSE)

8

9 MR. ANDREW ENNS: The April 11th meeting
10 did not -- did not occur. I think it was rescheduled.

11 MR. ERIC HOAKEN: Okay. And do you know
12 when that happened?

13 MR. ANDREW ENNS: I -- I believe the next
14 meeting, physical meeting, we had with -- that I had with
15 Centra was the 24th -- 24th of April after we had done
16 another draft. And then the third draft was circulated
17 broadly and a week was given for comment. And then,
18 following that, we had -- we had a meeting.

19 MR. ERIC HOAKEN: Okay. So on the 11th
20 of April, when you were --

21 MS. MARLA MURPHY: Sorry, Mr. Hoaken, I
22 think we just need a minute here.

23 MR. ANDREW ENNS: Yeah. Sorry I think
24 there wasn't -- a lot of emails here. Perhaps we did
25 have a meeting on the 11th with -- with just Centra

1 people to look at a second -- second draft.

2

3 CONTINUED BY MR. ERIC HOAKEN:

4 MR. ERIC HOAKEN: Okay. And that's what
5 I wanted to just understand, because it was my
6 understanding that there had been a meeting on the 11th.

7 MR. ANDREW ENNS: No -- I think it was
8 still the first draft we had that meeting, and then from
9 that meeting, a second draft. I apologize, but I believe
10 that's how it worked; the time timeline.

11 MR. ERIC HOAKEN: Right. That was my
12 understanding as well, is that the email that Mr. Meder
13 sends to you on the 9th attaches a draft with Centra's
14 first round of comments. You have the meeting on the
15 11th, you then turn a draft the following day, April
16 12th.

17 MR. ANDREW ENNS: Right. I don't think I
18 was provided any -- any information prior -- prior to the
19 11th. I think we came to the meeting, each with our own
20 copies, and discussed and then -- I think I took the
21 feedback then. Unless I'm --

22 MR. ERIC HOAKEN: I -- I think you're
23 right actually. I think you're right, sorry.

24 MR. ANDREW ENNS: Okay.

25 MR. ERIC HOAKEN: Right. So then just

1 keeping this chronology straight; if you look then,
2 there's an email on April 12, 2007 at 11:18 a.m. This
3 is, for the record, batch 3, page 122 of the IR Response.

4 MR. ANDREW ENNS: I have that, yes.

5 MR. ERIC HOAKEN: Okay. And then it
6 attaches -- I'm not so interested in the email itself,
7 but it attaches a draft --

8 MR. ANDREW ENNS: Correct.

9 MR. ERIC HOAKEN: -- that has comments
10 and, -- well actually, --

11 MR. ANDREW ENNS: I don't --

12 MR. ERIC HOAKEN: -- there's only one
13 comment and that comment is from you, as I understand it.

14 MR. ANDREW ENNS: Yeah this -- this is an
15 email from -- from me to Mr. Meder and I -- I have
16 inserted a comment with respect to a number I was looking
17 for from him.

18 MR. ERIC HOAKEN: Okay. But this is
19 draft 2 going --

20 MR. ANDREW ENNS: Correct.

21 MR. ERIC HOAKEN: -- back on the 12th.

22 And so then what we see is on the 16th of April at 10:23
23 a.m., then Mr. Meder sends you an email back that has got
24 draft 2 marked up?

25 MR. ANDREW ENNS: Correct.

1 MR. ERIC HOAKEN: And I think you've
2 already gone through with Mr. Saxberg, the contents of
3 some of these emails that are attached in this chain.
4 But, there was some discussion here about changing the
5 name of the Hedging Program to the Price Management
6 Program, right?

7 MR. ANDREW ENNS: That was the -- was
8 that in the -- I'm just looking -- was that in the actual
9 survey itself?

10 MR. ERIC HOAKEN: I -- I believe it was.

11 MR. ANDREW ENNS: Right, I'm mean I'm
12 just going to get -- it doesn't --

13 MR. ERIC HOAKEN: Let me just find it for
14 you here. It's -- I know I saw it.

15 MR. ANDREW ENNS: There's a -- it's
16 highlighted in the title. I suspect I may have been
17 alerted to -- because I don't -- I -- I -- the wording
18 changed in draft 2, but I don't see it as a -- as a
19 tracked changed change. I may have been alerted to that
20 fact and made the change, and then there may be
21 references that I didn't make the change in other places
22 in the survey, and they were just noting that.

23 MR. ERIC HOAKEN: All right, it looks to
24 me though, that the suggestion -- and perhaps we need to
25 look at the marked up draft for this, but the suggestion

1 that it be changed to the Hedging Program is showing up
2 for the first time in this marked up draft. Yeah, if you
3 look at the attached draft --

4 MR. ANDREW ENNS: Yes.

5 MR. ERIC HOAKEN: -- that's marked up,
6 look at page 7, if you will.

7 MR. ANDREW ENNS: Oh, correct, yes.

8 MR. ERIC HOAKEN: Yeah, okay. And I read
9 that as a statement that Mr. Stevens is making in his
10 comments that he's prefer to call it the Price Management
11 Program.

12 MR. ANDREW ENNS: Correct, and I think --
13 just to clar -- my only point was -- I -- I think I was
14 alerted to the name change. Because if you look in the
15 body of the definition, I use Price Management Program --
16 operates a Price Management Program, in the body where --
17 so I -- I may have changed it there, and didn't change it
18 everywhere in the survey. And I think that was the point
19 that was being made.

20 MR. ERIC HOAKEN: I see, and I'm -- I
21 just can't find that, can you show me where you're
22 referring to?

23 MR. ANDREW ENNS: Sorry, it's right
24 actually underneath Mr. -- the -- the comment I'd prefer
25 to call it --

1 MR. ERIC HOAKEN: Oh yes, I see.

2 MR. ANDREW ENNS: If you see in the
3 actual body, I don't think that was a track change. I
4 think I actually made that change in the second draft. I
5 suspect I was alerted to the fact they prefer not to call
6 -- or the name more commonly used now is the right --

7 MR. ERIC HOAKEN: I see. So you
8 understood the issue Mr. Stevens was identifying?

9 MR. ANDREW ENNS: I just hadn't made the
10 change everywhere in the survey.

11 MR. ERIC HOAKEN: Okay. But it -- it --
12 it looks to be in the subsequent emails, there's --
13 there's some dialogue about whether that's an appropriate
14 thing to do, right? If you look at the comment Mr. Meder
15 makes, for example. He -- he has some comments about the
16 acceptability of changing it to the Price Management
17 Program, and he suggests that:

18 "If you change it now, we can see what
19 feedback we get from the marketers on
20 the wording, and we can always change
21 it back."

22 See that?

23 MR. ANDREW ENNS: Yes.

24 MR. ERIC HOAKEN: Okay, and then, just so
25 I'm clear, were you aware that when the marketers did

1 make comments, that one of the suggestions they made was
2 to include the word "hedging" in the description of the
3 program?

4 MR. ANDREW ENNS: I -- I don't think so.
5 I went back through, in your documents, some -- some
6 feedback that I received, and I -- I may have missed it,
7 but I don't recall seeing that specifically raised.

8 MR. ERIC HOAKEN: Right, and it's --
9 'cause here, as I understand what you're telling me, is
10 that you -- you had already -- even before receiving Mr.
11 Stevens comment, you had changed it in the body to Price
12 Management Program, right?

13 MR. ANDREW ENNS: Yeah, I must have been
14 alerted to the fact, probably verbally.

15 MR. ERIC HOAKEN: And so the issue that
16 was being addressed here was whether the heading should
17 also be changed, and the word "hedging" been substituted?

18 MR. ANDREW ENNS: Right, and -- and just
19 to go forward, I didn't catch the change. If we went to
20 the next page, Mr. Hoaken, on page 8, question 23, if
21 you'll see there, I -- I left "hedging" in that -- those
22 scenarios, and to be consistent, we would have -- and in
23 -- in fact, I think we did end up changing those.

24 MR. ERIC HOAKEN: Okay, fair enough. But
25 then you're -- you're telling me that to the extent that

1 either of the retailers who made comments on version 3 of
2 the survey made any suggestion about changing the heading
3 to hedging, you didn't know that?

4 MR. ANDREW ENNS: No. In fact, I went
5 and looked at some comments provided by Ms. -- a Ms.
6 Gibbs (phonetic) with Direct Energy. And I looked at the
7 version she provided -- draft 3 and her comments and --
8 and I didn't see -- didn't see any -- any comments from
9 her on that and --

10 MR. ERIC HOAKEN: You're -- you're not
11 missing anything at all but what about the version Ms.
12 Ruzycki forwarded; Tab 6?

13 MR. ANDREW ENNS: My next -- my next
14 stop.

15 MR. ERIC HOAKEN: You hadn't got there
16 yet?

17 MR. ANDREW ENNS: I had gone through it.

18 MR. ERIC HOAKEN: Page 9.

19 MR. ANDREW ENNS: Page 9? I suspect I'll
20 know what I see.

21 MR. ERIC HOAKEN: It looks to me like
22 she's changed it to read Hedging/Price Management
23 Program.

24 MR. ANDREW ENNS: Yeah, you know, I
25 missed that because, in the body of the question that we

1 actually to the respondents, it's not changed. It still
2 reads, "Currently Manitoba Hydro operates a price
3 management program". So it would be a -- it would be an
4 oversight on my part if I didn't pick up on that, because
5 I -- I honestly didn't -- I didn't see that in hers and I
6 certainly didn't it in Ms. Gibbs'.

7 MR. ERIC HOAKEN: Okay. And did you have
8 any understanding about why there was this movement in
9 favour of changing it from Price Management -- or from
10 Hedging Program to Price Management Program?

11 MR. ANDREW ENNS: No.

12 MR. ERIC HOAKEN: I mean, did you
13 understand that there were potential negative
14 connotations associated with the word "hedging" that the
15 Centra folks wanted to avoid?

16 MR. ANDREW ENNS: No.

17 MR. ERIC HOAKEN: Well, you said --

18 MR. ANDREW ENNS: I -- I mean I -- I had
19 done research where we used the terminology "hedging",
20 and -- and that's what we called it and we called it in
21 the survey. The term -- the term "hedging", on its own,
22 isn't a very well known term.

23 MR. ERIC HOAKEN: Although you used it in
24 the 2004 study.

25 MR. ANDREW ENNS: We used it in -- in --

1 but with the explanation of what it was.

2 MR. ERIC HOAKEN: Right.

3 MR. ANDREW ENNS: And the explanation;
4 you had to be -- you -- the discussion -- I mean, there's
5 concern about the actual act of hedging because there's
6 somewhat of -- I think people could misinterpret that
7 that could be speculation on the market.

8 I didn't -- I wasn't aware or made aware
9 that -- I mean it certainly wasn't -- you may correct me,
10 but I didn't think I specifically, in '04, recommended
11 changing the name "hedging".

12 I think the recommendation was
13 communications need -- need to explain what this -- what
14 this entails. It needs to be very clear. But I don't
15 think I -- I touched on that. So -- and then subsequent
16 to this -- this year, I wasn't informed that there was a
17 -- a serious con -- or a concern.

18 I won't put words in your mouth --
19 concerned about -- about the word "hedging". I was
20 informed that the -- the way it was described now was the
21 -- the Price Management Program, or whatever we used.

22 MR. ERIC HOAKEN: Tell me, is it your
23 understanding that the Price Management Program is just
24 another label for the exercise of hedging, or is it a
25 stable or suite of rate-smoothing measures that includes

1 hedging?

2 MR. ANDREW ENNS: My understanding was
3 it's the Hedging Program.

4 MR. ERIC HOAKEN: Hedging and only
5 hedging?

6 MR. ANDREW ENNS: Correct.

7

8 (BRIEF PAUSE)

9

10 MR. ERIC HOAKEN: Now, the next sequence
11 of events then involves the preparation of version 3 and
12 the solicitation of comments from external stakeholders
13 on that version, correct?

14 MR. ANDREW ENNS: Correct.

15 MR. ERIC HOAKEN: And if you'd be good
16 enough to look at an email that Mr. Meder sent to you --
17 actually he sent to a number of people; you, Ms. Hunter,
18 Ms. Desorcy, on the 25th of April 2007 at 9:43 a.m.?

19 I'm sorry, I should've said, for the
20 record, batch 3, page 42 of the IR Response 60.

21

22 (BRIEF PAUSE)

23

24 MR. ANDREW ENNS: Twenty (20) -- April
25 25th?

1 MR. ERIC HOAKEN: Yes, 9:43 a.m.?

2

3 (BRIEF PAUSE)

4

5 MR. ANDREW ENNS: Yes, okay.

6 MR. ERIC HOAKEN: And this email has
7 below it a chain that preceded the April 25 email, right?

8 MR. ANDREW ENNS: Yes, emails from -- it
9 looks lie April 19th.

10 MR. ERIC HOAKEN: Yeah, that's what I was
11 going to say is the first one appears to be from Ms.
12 Hunter of MSOS on April 19, 2007. And this -- it -- it
13 appears to me -- you tell me if I've got this right --
14 that of the external stakeholders to whom version 3 was
15 sent, she was the first to send in a response?

16 MR. ANDREW ENNS: Par -- could you repeat
17 that, please?

18 MR. ERIC HOAKEN: Sure. Of the external
19 stakeholders to whom version 3 was sent -- and just to be
20 clear, version 3 was the first version sent to any
21 external stakeholder, right?

22 MR. ANDREW ENNS: Correct, --

23 MR. ERIC HOAKEN: So --

24 MR. ANDREW ENNS: -- as far as I know,
25 yes.

1 MR. ERIC HOAKEN: So of the external
2 stakeholders to whom version 3 was sent, Ms. Hunter of
3 MSOS was the first to provide a response. It's --

4 MR. ANDREW ENNS: It would look here -- I
5 -- I can't -- I mean, I -- I -- the responses weren't
6 sent to me, so I can't confirm that 100 percent.

7 MR. ERIC HOAKEN: Sure, and it's not
8 intended to be a trick question. It's just that the --
9 the responses, if you look at them -- take it from me,
10 the responses from Direct Energy and Energy Savings make
11 reference to having had the benefit of reviewing Ms.
12 Hunter's response.

13 MR. ANDREW ENNS: You're right. I recall
14 that reference.

15 MR. ERIC HOAKEN: Okay. All right. So
16 you get the response from Ms. Hunter, and she appears to
17 be concerned and says that she thinks, in certain in
18 cases, the questions are biased?

19 MR. ANDREW ENNS: I see that reference,
20 yes.

21 MR. ERIC HOAKEN: Right. And that, I
22 take it, would be a considerable concern to you because
23 you've told us all that that's one (1) of the things that
24 you're trying to avoid in the design of a survey?

25 MR. ANDREW ENNS: Correct.

1 MR. ERIC HOAKEN: And, as a result of
2 that concern or at least partially as a result of that
3 concern, then a meeting is arranged with Ms. Hunter and
4 Ms. Desorcy and others? And that's --

5 MR. ANDREW ENNS: Correct, to review the
6 -- to -- I mean, I don't think to say we've got to get
7 that bias. I mean, the issue was let's review the
8 questionnaire.

9 MR. ERIC HOAKEN: And to better
10 understand and hopefully accommodate the concerns that
11 were being expressed?

12 MR. ANDREW ENNS: Absolutely.

13 MR. ERIC HOAKEN: And you -- you also, in
14 and around this time, got the comments from both Direct
15 Energy and Energy Savings, right? Or, at least, I should
16 say they were provided to Centra and then forwarded on to
17 you?

18 MR. ANDREW ENNS: Yes.

19 MR. ERIC HOAKEN: And -- and --

20 MR. ANDREW ENNS: Yes, although, in -- in
21 -- I think in one (1) case, 'cause I was looking at this
22 yesterday; I'm not sure I got perhaps a full -- a full
23 email. I may -- I know I got one (1) -- one (1) email
24 from a -- forwarded to me in the body of a -- of an
25 email, but I'm not sure I saw one from note from a Ms.

1 Nola.

2 MR. ERIC HOAKEN: Yes, who's sitting to
3 my immediate right.

4 MR. ANDREW ENNS: Ah. Hmm. The -- the
5 email from Ms. Allie (phonetic) --

6 MR. ERIC HOAKEN: Right, who is as, I
7 understand, is the administrative assistant from Ms.
8 Ruzycki.

9 MR. ANDREW ENNS: Yeah, no. I'm just --
10 there is one (1) -- I did get both -- I got the version
11 of the questionnaire with the changes identified marked
12 in the -- in -- on the versions, on both. There were two
13 (2) versions that I received that were marked up from the
14 -- from the marketers that had those comments and
15 suggestions.

16 MR. ERIC HOAKEN: Okay. I -- I want to
17 take this carefully though to make sure I get your
18 evidence --

19 MR. ANDREW ENNS: Right.

20 MR. ERIC HOAKEN: -- correctly. In the
21 case of Ms. Gibbs you got both her email that has some
22 comments, and then you got the draft that she sent with
23 her comments embedded in it? And I'm sorry, I should
24 have told --

25 MR. ANDREW ENNS: I'm not -- and I'm not

1 -- yeah, I'm not trying to be difficult, but with theses
2 emails that were embedded and attached in threads, it was
3 sometimes hard to keep track of -- of what I -- what I
4 got, and so I just want to make sure before I --

5 MR. ERIC HOAKEN: No -- no problem with
6 that. Let me do two (2) things that may be of assistance
7 to you. First of all, I should have told you that the
8 email from Ms. Gibbs is at Tab 5 of the brief that we
9 marked as an exhibit.

10 The other thing, it may be appropriate --
11 and I'm in the Chairman's hands -- it may be appropriate
12 to take a brief break to permit you the opportunity to
13 look at all of those emails to formulate an informed
14 answer.

15 MR. ANDREW ENNS: Absolutely. I'm -- I'm
16 prepared, you know, the -- the tabs are great, but I got
17 a feeling that there was probably something on top of
18 that. Because that -- that doesn't go to me, but I'm
19 sure it may be forwarded. That's why I want to double
20 check.

21 MR. ERIC HOAKEN: It was an email to me.

22 MR. ANDREW ENNS: There you go.

23 THE CHAIRPERSON: Okay, we'll take a
24 break now, Mr. Hoaken. Mr. Hoaken, if you could help Mr.
25 Enns sort of prepare for when we come back, that would be

1 very helpful.

2 MR. ERIC HOAKEN: And -- and I do
3 apologize. I -- this is not the way I would have liked
4 to do it. I know I've gone through a very large volume
5 of documents and pulled out the ones that are of concern.
6 Had I had the time, I would have put together a brief. I
7 just -- time didn't permit it.

8 THE CHAIRPERSON: We'll do the best we
9 can. Thanks.

10

11 --- Upon recessing at 2:30 p.m.

12 --- Upon resuming at 2:40 p.m.

13

14 MS. MARLA MURPHY: Sorry for the delay,
15 Mr. Chairman. I have available to be filed, and which mi
16 -- might assist Mr. Hoaken in his cross-examination,
17 the response to Undertaking number 20 -- number 2 --

18 THE CHAIRPERSON: Oh, very good.

19 MS. MARLA MURPHY: -- which related to
20 the coloured table that was contained in an email. I can
21 file if you'd like.

22 THE CHAIRPERSON: Yes. Mr. Barron, would
23 you help Ms. Murphy circulate it? And while we're doing
24 that, Mr. Hoaken, just a thought that hopefully would
25 help you, and for the guidance of all parties, I guess.

1 The Board's understanding right now, okay,
2 not that to say it couldn't be changed or altered by
3 arguments yet to be made or evidence to be placed, is
4 that the retailers and CAC/MSOS were not greatly involved
5 in the development of the survey or of the focus group
6 materia.

7 MR. ERIC HOAKEN: I appreciate that. I'm
8 not going to pursue that particular issue. There are
9 some issues though -- I'm trying to do it as efficiently
10 as I can, but I -- I need to explore the evolution, if
11 you will, of the survey. But I do take your direction on
12 that point and try to limit my questions.

13 THE CHAIRPERSON: Our comment isn't meant
14 to be taken as judgmental or of a blaming nature. It's
15 just more of our assessment of the facts of the situation
16 relative to what who could potentially have otherwise
17 occurred.

18 MR. ERIC HOAKEN: All right, thank you.

19 MS. MARLA MURPHY: Mr. Chairman, just to
20 wind that up; I think that should be Exhibit number 9 for
21 Centra. 10? 10.

22 THE CHAIRPERSON: I think we have 10
23 right now. Does anyone have 11? No.

24

25 --- EXHIBIT NO. CENTRA-10: Response to Undertaking 2

1 THE CHAIRPERSON: Okay, Mr. Hoaken.

2

3 CONTINUED BY MR. ERIC HOAKEN:

4 MR. ERIC HOAKEN: So I -- I think as we
5 broke, you were just going to take a look, Mr. Enns, at
6 your emails to determine if you did in fact receive that
7 email from Ms. Ruzycki as well as the draft survey.

8 MR. ANDREW ENNS: Yes, I -- I did.

9 MR. ERIC HOAKEN: And just -- then, let's
10 start with the one that Ms. Gibb sends, which is at Tab 5
11 of the brief that we've marked as Exhibit DEML/ESMLP-6.
12 And just very briefly, you certainly would've understood
13 and did understand from even a brief review of this
14 communication, that Direct Energy was concerned about
15 bias in the study?

16 MR. ANDREW ENNS: Certainly, judging from
17 the email, I detected that, yes.

18 MR. ERIC HOAKEN: Not terribly hard to
19 detect it given that she says in the email she thinks the
20 questions are biased?

21 MR. ANDREW ENNS: Correct. But I -- but
22 I do stress that I -- I get that from the email reference
23 and, certainly, somewhat less so from some of the
24 comments made in the body of the questionnaire.

25 MR. ERIC HOAKEN: All right. And again -

1 - then flip over to Tab 6 -- the email from Ms. Ruzycki -
2 - or Ms. Allie on behalf of Ms. Ruzycki. And, again,
3 this is a suggestion, she says:

4 "I would suggest the questions are
5 extremely biased."

6 she says, so not a lot of detection involved there.

7 MR. ANDREW ENNS: No, extremely's good.

8 MR. ERIC HOAKEN: And again, actually,
9 just in case it wasn't clear the first time, she then
10 says in the next paragraph:

11 "ESMLP is extremely concerned with the
12 bias towards brokers and their
13 products."

14 Right?

15 MR. ANDREW ENNS: Again, the -- the email
16 leave little -- little to doubt. But my same comment is
17 made when I got through some of the comments provided in
18 the question -- the actual questionnaire.

19 MR. ERIC HOAKEN: Okay. Well, let's look
20 at that. Turn, if you will, to page 14 of the attachment
21 that Ms. Ruzycki sent. And this certainly isn't meant to
22 be exhaustive, but you see on question -- I guess it's
23 now 43 --she has changed your formulation of the
24 question. You had it as:

25 "I felt pressured to sign up by the

1 natural gas marketer sales
2 representative."

3 See that?

4 MR. ANDREW ENNS: Yes.

5 MR. ERIC HOAKEN: And I think what you
6 said yesterday quite fairly in answering a question Mr.
7 Peters asked you, is that part of the reason the
8 questions have to be carefully constructed is you don't
9 want to unearth any subconscious, predetermined beliefs
10 that people may have for no-good reason, right?

11 MR. ANDREW ENNS: Correct.

12 MR. ERIC HOAKEN: And so this question,
13 as you had formulated it, was putting the respondent a
14 suggestion that he or she felt pressured. And what Ms. -
15 - what Ms. Ruzycski was doing was suggesting that you the
16 opposite formulation, and say that the person didn't feel
17 pressured, right?

18 MR. ANDREW ENNS: I understand the
19 change, if that's what you're asking. I -- I didn't agree
20 with the change and, in fact, I'd questioned why a
21 similar change wasn't made to the other statements.

22 MR. ERIC HOAKEN: Well, it's pretty
23 obvious, isn't it? The other statements are made in the
24 positive.

25 MR. ANDREW ENNS: So the fact one (1) is

1 made in the negative; you feel that's a problem?

2 MR. ERIC HOAKEN: Well, it doesn't matter
3 what I feel. I guess what I'm asking you, Mr. Enns, is
4 it seems to me a fairly benign change, to the extent you
5 understood that brokers were concerned about bias and you
6 told me you did, right?

7 MR. ANDREW ENNS: In -- what came through
8 in those emails, yes.

9 MR. ERIC HOAKEN: Yeah, and so I guess
10 what I'm suggesting to you is that accommodating this
11 change -- I mean, it doesn't involve asking an extra
12 question, so there's no concern about elongating the
13 study, right?

14 MR. ANDREW ENNS: Right.

15 MR. ERIC HOAKEN: And it seems to me that
16 there can't be any sound empirical reason for not
17 accepting this change. You -- you tell me what I'm
18 missing about that?

19 MR. ANDREW ENNS: I don't think there's
20 any -- in my opinion, there was nothing wrong with the
21 question as asked -- as written and -- and finally asked.

22 MR. ERIC HOAKEN: Would there be anything
23 wrong with about accepting the formulation that Ms.
24 Ruzycki was putting forward?

25 MR. ANDREW ENNS: Don't know the answer to

1 that. I don't believe there would've been. But again,
2 in the original formulation that I had drafted, I didn't
3 feel that it was necessary to change. The fact that we
4 had a series of statements, as you've pointed out, mostly
5 in the positive, but I've interspersed some in the
6 negative,--

7 MR. ERIC HOAKEN: Okay.

8 MR. ANDREW ENNS: I -- I think is -- is -
9 - in drafting questionnaires in my experience, that's a
10 fairly common approach.

11 MR. ERIC HOAKEN: And I think we better
12 look at the study. Turn, if you will, to Tab 1 of the
13 brief that I've prepared.

14 MR. ANDREW ENNS: Right.

15 MR. ERIC HOAKEN: And I think we can do
16 it just by looking at the table, but if you want to flip
17 back to the questionnaire, we can certainly do that, as
18 well. But if you look at table 33 on page 50 --

19 MR. ANDREW ENNS: Yeah.

20 MR. ERIC HOAKEN: -- there are four (4)
21 statements that are being put to the survey respondents,
22 right?

23 MR. ANDREW ENNS: Correct.

24 MR. ERIC HOAKEN: And one (1) of these is
25 the ones -- is the one that Ms. Ruzycki has raised that

1 you and I have been discussing?

2 MR. ANDREW ENNS: Correct.

3 MR. ERIC HOAKEN: And it is the only one,
4 in this set of questions at least, that is framed in the
5 negative, at least as I read it. Tell me if I'm wrong
6 about that?

7 MR. ANDREW ENNS: No, correct.

8 MR. ERIC HOAKEN: Okay, and so I guess
9 what I'm suggesting, or I'm just trying to understand, if
10 you had three (3) out of four (4) questions framed in the
11 positive, and you didn't think there was anything about
12 Ms. Ruzycki's suggestion that would skew the accuracy of
13 the results, why -- why couldn't you just accept the
14 change and make it conform with the other three (3)
15 questions in the set?

16 MR. ANDREW ENNS: In my opinion, in
17 designing questionnaires, I didn't believe that was
18 necessary to conform. It was a valid, and still is a
19 valid question, or statement.

20 MR. ERIC HOAKEN: So I guess -- are --
21 are you telling me then, that if a suggestion made had
22 some sense to it, but you didn't think it was necessary,
23 then you didn't accept it? Is that the threshold you
24 applied for the suggestions you received during this
25 process?

1 wasn't the only one who thought it was confusing.

2 MR. ANDREW ENNS: But -- in fairness, but
3 the point is, you're asking if we made some other
4 changes.

5 MR. ERIC HOAKEN: Okay, well I'll take
6 your answer, I don't need you to go through. I hear you
7 to say there were other changes. The document ultimately
8 speaks for itself.

9 MR. ANDREW ENNS: There -- question 15,
10 again, just -- there's -- we did -- we did revise
11 question 15, and she had noted that as a -- as a --
12 confusing.

13 MR. ERIC HOAKEN: All right, but in any
14 case, by the time you received this email, or these
15 emails; so the email from Ms. Hunter of MSOS, the email
16 from Ms. Gibbs of Direct Energy, and the email of Ms.
17 Ruzycki of Energy Savings; you understood that all three
18 (3) of those external stakeholders were suggesting that
19 the questions as framed were biased.

20 MR. ANDREW ENNS: There were references
21 to bias in the emails, yes.

22 MR. ERIC HOAKEN: Right, and you've told
23 me that arrangements were then made to meet with
24 CAC/MSOS, but no such arrangements were made to meet with
25 either Direct Energy or Energy Savings to discuss their

1 concerns, correct?

2 MR. ANDREW ENNS: That's my
3 understanding, yes.

4 MR. ERIC HOAKEN: And tell me this; we've
5 -- we've talked in general terms earlier today about the
6 need for the avoidance of bias in survey design, and
7 you've told me, I think, you take that quite seriously.

8 MR. ANDREW ENNS: Mm-hm.

9 MR. ERIC HOAKEN: Did it concern you that
10 a draft study that you had designed was being
11 characterized, in fairly strong terms by external
12 stakeholders, as being biassed?

13 MR. ANDREW ENNS: It didn't concern me;
14 it was a draft. But it was certainly one (1) of the
15 items that I was definitely -- definitely cognizant of
16 when we reviewed draft -- the comments, particularly as
17 they were forwarded by the -- by the independent
18 marketers.

19 Took particular note in the comments made
20 in the -- in the questionnaire to -- to look at the areas
21 where there was perceived bias and -- and ensure either -
22 - I mean, quite frankly, I felt comfortable that the
23 survey I had drafted and prepared was not extremely
24 biassed. But the comments were made and I went back and
25 -- and went through those comments and -- and all the

1 changes.

2 I mean, I have to say, and -- and the
3 author of -- of one (1) of the emails is here, but the --
4 there were not a lot -- in -- in the draft, as I stated,
5 there were not a lot of comments inserted saying this is
6 biassed or this is biassed against marketers, this is
7 biassed.

8 There was a reference, and I believe Ms.
9 Gibbs commented that questions 34 to 43 are leading and
10 negative. Well, question 34 is the satisfaction with
11 marketers, so it's general -- that didn't change, And 82
12 percent of customers said they were satisfied with the --
13 with the arrangements they had with their marketer.

14 Now, I'm not sure if Ms. Gibbs would still
15 feel that that's a leading and biassed question.

16 MR. ERIC HOAKEN: Well, isn't it possible
17 that a higher proportion would have expressed
18 satisfaction if the question was framed some other way?

19 MR. ANDREW ENNS: It -- it perhaps could
20 be. But -- but I would -- it's difficult for me to look
21 at that and then say I -- I don't agree. And I think I'm
22 borne out in that fact.

23 MR. ERIC HOAKEN: Well, let me just make
24 sure we're clear on this, because I don't think you're
25 suggesting that the mere fact that 82 percent of people

1 said they were satisfied proves conclusively that it
2 wasn't a biased question.

3 MR. ANDREW ENNS: I don't believe it
4 proves conclusively, but I believe -- it's my -- my
5 opinion that it is not a -- a biased and leading
6 question.

7 MR. ERIC HOAKEN: Okay. So what I hear
8 you saying, though, is that you understood loud and clear
9 from the emails that there were concerns about bias, but
10 as you dug down and looked at the surveys, it was less
11 clear to you what the specific basis was for the
12 suggestion that they were biased.

13 Am I right about that?

14 MR. ANDREW ENNS: That would be correct.

15 MR. ERIC HOAKEN: Okay. So then what did
16 you do to better understand those concerns about bias?

17 MR. ANDREW ENNS: Reviewed the comments
18 to the questionnaire and, as part of the discussion in --
19 in -- over draft version 3 where there was a clear
20 comment that says this is a leading question, was
21 discussed in the -- in the two (2) meetings --

22 MR. ERIC HOAKEN: Right, but not -- not
23 discussed with either of the parties who had suggested it
24 was biased?

25 MR. ANDREW ENNS: Not by myself, no.

1 MR. ERIC HOAKEN: Or anyone else, to your
2 knowledge?

3 MR. ANDREW ENNS: Anyone else --

4 MR. ERIC HOAKEN: At Centra?

5 MR. ANDREW ENNS: Were these discussed -
6 - these changes dis -- by myself with anybody else at
7 Centra?

8 MR. ERIC HOAKEN: No, were the concerns
9 of bias -- they were not discussed by you with any
10 representative of the marketer; you've made that clear.

11 MR. ANDREW ENNS: Yes.

12 MR. ERIC HOAKEN: And to your knowledge
13 they weren't discussed by any representative of Centra
14 with any representative of the marketers.

15 MR. ANDREW ENNS: To my knowledge, yes.

16 MR. ERIC HOAKEN: Thank you. Now, going
17 forward in the chronology then, you've -- you told, I
18 believe, My Friend, Mr. Saxberg, this morning about the
19 two (2) meetings -- lengthy meetings -- that you had with
20 representatives of his clients. And I understand that as
21 a result of those then, or at least as a result of that
22 meeting, there were then comments passed on to you by Mr.
23 Meder on version 3.

24 And I'm going to take you to an email that
25 I told your counsel about. It's April 26, 2007 at 5:24

1 p.m. It's Batch 3 page 36 of IR Response 60?

2 MR. ANDREW ENNS: Correct. That were --
3 those were the initial -- from the -- from the first
4 meeting we didn't have a lot of time to go through, so
5 that -- those were the comments sort of at that point. I
6 think they only went up to question 11, according to that
7 email.

8 And if memory serves me, we actually went
9 back over some of that on the 26th meeting to some
10 degree.

11 MR. ERIC HOAKEN: Okay. So, look, if you
12 will, at the draft that Mr. Meder is sending back to you.
13 And just so I understand the process, is the idea that he
14 is incorporating the comments that have been made in the
15 course of those two (2) meetings and attempting to insert
16 them into the draft? Is that what's happening here?

17 MR. ANDREW ENNS: I'm not sure what Mr.
18 Meder was -- was providing here. It looks like he has
19 provided, in a few areas, some -- some comment about
20 where the marketer -- where -- where -- some feedback
21 from -- from the independent marketers had flagged a -- a
22 change. 'Cause I rec -- I recall some of the -- on the --
23 -- on the -- page -- page 2 of the draft, some of those
24 changes were from marketer -- from independent marketers.

25

1 Whether or not they refl -- reflect the --
2 the discussion that -- the preliminary disc -- the -- I
3 shouldn't say preliminary -- the discussion from that
4 first meeting where we didn't get through the entire
5 questionnaire. The coloured -- or it looks like the
6 shaded areas that -- that might represent some changes --
7 some wording changes that we had agreed to in those -- in
8 those meetings.

9 MR. ERIC HOAKEN: If you look at page 5
10 of this mark up that Mr. Meder is sending along, you see
11 page 5, he appears to have deleted what were formerly
12 questions 9 through 11, you see that?

13 MR. ANDREW ENNS: Correct, yeah. Strike
14 throughs, yes.

15 MR. ERIC HOAKEN: Right. And so as I
16 read that he is then making the decision that those
17 questions should come out, is that right?

18 MR. ANDREW ENNS: Yes, although I -- I
19 can feel that -- that was a decision that arose out of
20 that meeting on the 24th --

21 MR. ERIC HOAKEN: With --

22 MR. ANDREW ENNS: -- with the -- with the
23 Consumers' Association --

24 MR. ERIC HOAKEN: Right.

25 MR. ANDREW ENNS: -- and the Seniors'

1 Society. It wasn't -- I don't believe it was his
2 decision on his own.

3 MR. ERIC HOAKEN: Well, that's really
4 what I wanted to ask you, just to get your best
5 recollection of that. Is -- is it your understanding or
6 recollection that representatives of one (1) or both of
7 CAC or MSOS had concerns about these questions, 9 through
8 11?

9 MR. ANDREW ENNS: I honestly can't recall
10 if they had concerns or whether or not they were deemed
11 to be either not necessary. I think it's -- to be
12 honest, it might provide better context to look to see
13 where we ended up. Like we may have reworded those
14 questions or gone around it a different way.

15 MR. ERIC HOAKEN: Okay. I -- I don't
16 believe -- I mean, we can go back and look at -- I guess
17 the easiest thing to do; let's go back and look at Tab 5
18 of the brief that you and I were just looking at, because
19 it's got a version of -- it's got version 3.

20 MR. ANDREW ENNS: Right.

21 MR. ERIC HOAKEN: And so, just -- so we
22 see questions 9 through 11 are in this draft --

23 MR. ANDREW ENNS: Correct.

24 MR. ERIC HOAKEN: -- and there's no
25 concerns expressed about them by Ms. Gibbs on behalf of

1 Direct Energy or Ms. Ruzycki on behalf of Energy Savings?

2 MR. ANDREW ENNS: That's correct. And I
3 -- as I'm looking now and -- and looking at the final, I
4 believe what we ended up going to is -- is the series of
5 questions regarding -- if you -- we talked at length of
6 these -- if you -- if you agree -- that -- that section
7 changed in terms of some discussion and feedback where we
8 -- we ended up with:

9 "Do you agree or disagree that, as a --
10 as a natural gas consumer in Manitoba,
11 you benefit from having competing
12 choices?"

13 MR. ERIC HOAKEN: Okay. Let me stop you
14 there.

15 MR. ANDREW ENNS: Right.

16 MR. ERIC HOAKEN: That -- that question
17 was already in version 3.

18 MR. ANDREW ENNS: Okay.

19 MR. ERIC HOAKEN: Question 6.

20 MR. ANDREW ENNS: Right, sorry.

21 MR. ERIC HOAKEN: Okay.

22 MR. ANDREW ENNS: Yeah.

23 MR. ERIC HOAKEN: So, that didn't change,
24 and you're quite right, that carried through to the end.
25 But I'm going to suggest to you that questions 9 through

1 11 came out and they are not reflected in the final
2 draft, and I'm happy if you want to take a moment just to
3 confirm that?

4 MR. ANDREW ENNS: No, that -- that's
5 correct. They're not, and in fact I recall raising
6 question of the -- the question 11 in draft 3 at a
7 subsequent date with Mr. Meder. That's correct.

8 MR. ERIC HOAKEN: Okay. And those
9 questions, I think, you just confirmed for me, they
10 didn't come out as a result of any concerns that the
11 retailers had expressed?

12 MR. ANDREW ENNS: No, they did not.

13 MR. ERIC HOAKEN: And it's your
14 understanding that they came out as a result of concerns
15 that were expressed by either CAC or MSOS?

16 MR. ANDREW ENNS: No, that I -- that I
17 won't confirm.

18 MR. ERIC HOAKEN: Okay.

19 MR. ANDREW ENNS: I'll confirm that they
20 came out at a meeting that -- that they and others were
21 involved in.

22 MR. ERIC HOAKEN: Well, it -- it appears,
23 in fact, to be more accurate, they -- they came out in
24 this draft that Mr. Meder was sending back on the 26th of
25 April, right?

1 MR. ANDREW ENNS: Correct.

2 MR. ERIC HOAKEN: Okay. And did -- did
3 you have any concern about the fact that those questions
4 were coming out, or did you think that was appropriate?

5 MR. ANDREW ENNS: The -- question 9, I
6 had no concern, and in fact, I -- I may have -- I may
7 have suggested that along those lines. Because, in my
8 view, the information we were going to get from questions
9 6 and 7 was going to provide us similar information as
10 question 9. So I wasn't -- I wasn't concerned about
11 question 9 and 10.

12 MR. ERIC HOAKEN: So -- and I'm sorry.
13 Can I just stop you there?

14 MR. ANDREW ENNS: Yeah.

15 MR. ERIC HOAKEN: Don't you get an
16 increased level of confidence when you approach an issue
17 or a question slightly different ways?

18 MR. ANDREW ENNS: If you have the luxury
19 of asking lots of questions and infinite time and -- and
20 resources, it -- it -- in some cases, it can be helpful,
21 but it's not necessary.

22 MR. ERIC HOAKEN: But as you quite fairly
23 said yesterday, as it became apparent that this survey
24 was running it longer than you had wanted it to, there
25 was a process of prioritizing that needed to happen,

1 right?

2 MR. ANDREW ENNS: Correct.

3 MR. ERIC HOAKEN: And you, I think,
4 distinguish between the nice-to-haves and the need-to-
5 haves?

6 MR. ANDREW ENNS: Correct.

7 MR. ERIC HOAKEN: Right? And I'm -- I'm
8 pretty sure you'll agree with me that questions about
9 competition and, specifically, questions about customer
10 preferences for competition, definitely fell in the need-
11 to-have category?

12 MR. ANDREW ENNS: Correct, but -- but --

13 MR. ERIC HOAKEN: And -- and they fell
14 into the need to have category because you -- you
15 understood this was an area that the Board had directed
16 be investigated in this market research?

17 MR. ANDREW ENNS: Correct, but in my
18 opinion, we had two (2) good questions in six (6) and
19 seven (7) that would address that objective.

20 Question 11. I did -- I did alert Mr. --
21 Mr. Meder to that, that we had taken that one out and it
22 was an objective, and I just reflected on the fact that
23 do we want to review that?

24 MR. ERIC HOAKEN: Okay. And then
25 carrying on in the chronology, you then turn a draft and

1 it's now -- we've got draft 4, and you send that to Mr.
2 Meder on April 27, 2007, an email at 1:58 p.m. And it's
3 Batch 3 page 22 for My Friends.

4 MR. ANDREW ENNS: Correct.

5 MR. ERIC HOAKEN: Okay. And indeed what
6 we see is that questions that were formerly 9 through 11
7 are out and not included in this draft?

8 MR. ANDREW ENNS: Correct.

9 MR. ERIC HOAKEN: Then you were a
10 recipient of an email that Mr. Kuczek sent to you and Mr.
11 Meder -- I think we looked at this this morning with Mr.
12 Saxberg -- on May 1 at 8:20 p.m.?

13 MR. ANDREW ENNS: Correct.

14 MR. ERIC HOAKEN: And I'm not going to
15 take you through this in any detail because Mr. Saxberg
16 has already done that, but, again, you understood that
17 you were the one who got to make the decision about what
18 questions got included? You understood that from Mr.
19 Kuczek's email?

20 MR. ANDREW ENNS: Yeah, relying on my
21 judgment in terms of what would be included, yes.

22 MR. ERIC HOAKEN: Yes? Okay. And then
23 carrying on you get an email from Mr. Meder on the 7th of
24 May, 2007 at 1:30 p.m., and this is Batch 2 page 121 of
25 the IR Response?

1 (BRIEF PAUSE)

2

3 MR. ANDREW ENNS: Yes, I have that.

4 MR. ERIC HOAKEN: Okay. And if you look,
5 what -- what proceeds this email is an email that you
6 sent to Mr. Meder on May 2 at 4:25 p.m.? It's attached
7 as part of the chain.

8 MR. ANDREW ENNS: Yes, correct.

9 MR. ERIC HOAKEN: Okay. And you are
10 attaching a revised version of the survey. I'm not 100
11 percent sure about this, but is this version 5 now?

12 MR. ANDREW ENNS: Yes, I believe that
13 would be it and the Mr. Meder replied back, which is
14 what's attached and -- and it's draft 5, so, yes.

15 MR. ERIC HOAKEN: All right. Now, what
16 you do in this email -- or at least one (1) of the things
17 you do is you specifically draw Mr. Meder's attention to
18 the fact that there were original study objectives, and
19 we discussed those in some detail, and that at least two
20 (2) of them were specifically PUB directed, and you have
21 itemized those in bullet points at the bottom of the
22 page, correct?

23 MR. ANDREW ENNS: Yes.

24 MR. ERIC HOAKEN: And the -- the second
25 of them is:

1 "Would customers like to see more
2 competition for primary gas services,
3 and why?"

4 See that?

5 MR. ANDREW ENNS: Yes.

6 MR. ERIC HOAKEN: And then you expressed
7 the concern, you say:

8 "I do not think we -- we directly
9 addressed those in the survey. I think
10 the second last round of edits kyboshed
11 these. Not sure how critical they are,
12 but wanted to flag."

13 Now, just so I'm clear, when -- when
14 you're saying questions have been kyboshed that deal with
15 that issue of competition, you're -- you're referring to
16 what you and I have looked at as questions 9 through 11?

17 MR. ANDREW ENNS: Yes.

18 MR. ERIC HOAKEN: And, clearly, you had
19 some concern about all three (3) of those questions,
20 otherwise you wouldn't have framed your email the way you
21 did?

22 MR. ANDREW ENNS: All -- all three (3) --
23 nine (9) -- question 9, 10 and 11 or -- my concern is
24 question -- the old question 11 was the concern on the
25 second bullet.

1 MR. ERIC HOAKEN: Okay.

2 MR. ANDREW ENNS: Nine (9). And -- as I
3 indicated earlier, I was less concerned about nine (9)
4 and ten (10) and the -- the awareness of default service
5 was a --

6 MR. ERIC HOAKEN: Okay. I'm not --

7 MR. ANDREW ENNS: -- separate -- separate
8 issue.

9 MR. ERIC HOAKEN: And I'm not pursuing
10 that with you.

11 MR. ANDREW ENNS: Okay.

12 MR. ERIC HOAKEN: Let's stick with --

13 MR. ANDREW ENNS: Right.

14 MR. ERIC HOAKEN: -- the second of the
15 objectives, the Board objectives, that you clearly
16 understood as of this date. And your concern is that the
17 Board directive about what customers want and whether
18 they want more competition, is not -- is not being
19 adequately addressed in the draft that you've attached as
20 version 5?

21 MR. ANDREW ENNS: That -- that aspect.
22 There was a specific reference to that -- that particular
23 question in the Board. We were -- we were addressing
24 several other elements of that competition as --
25 directive. My specific point wasn't -- we had -- we had

1 taken out.

2 MR. ERIC HOAKEN: Okay. But tell me you
3 -- you see, I read this, you say:

4 "I do not think we directly address
5 those in the survey."

6 "Those" is a reference to those two (2)
7 objectives that you bullet-pointed. I take that -- tell
8 me if I'm reading too much into this -- I take that as a
9 concern that the editing process that lead to the removal
10 of certain questions is such that you are not doing what
11 the Board has asked you to do. Is that a fair summary of
12 the concern you were trying to express?

13 MR. ANDREW ENNS: There were --
14 throughout this, there was -- I think at this point, we
15 made a conscious effort to go back and look at some of
16 the -- the directive -- or the -- the -- the points that
17 we pulled out that the -- the PUB had mentioned in that
18 executive summary that we looked at, just to ensure that
19 we were covering the point.

20 And this was one (1) specific element that
21 I noticed and -- and raised with Mr. Meder; that we
22 weren't -- we weren't spec -- we weren't directly
23 addressing -- we were direct -- we were addressing the
24 nature -- the -- the perceptions of competition and --
25 and we -- I feel we did a good job in the benefits and --

1 and why, but we didn't address this notion of is there --
2 is there enough --

3 MR. ERIC HOAKEN: Well, the question is--

4 MR. ANDREW ENNS: -- it's more -- more
5 competition.

6 MR. ERIC HOAKEN: -- would customers like
7 to see more competition for primary gas?

8 MR. ANDREW ENNS: Right, correct.

9 MR. ERIC HOAKEN: And you're concerned,
10 as of this date, was that that wasn't being addressed in
11 the survey?

12 MR. ANDREW ENNS: Correct.

13 MR. ERIC HOAKEN: And there were no
14 questions that were subsequently added that would've
15 addressed that concern, is that fair?

16 MR. ANDREW ENNS: No, the point backed by
17 Mr. Meder was that they would prefer to address that in a
18 different -- other than the survey.

19 MR. ERIC HOAKEN: Okay. But let's stick
20 with my question for a minute.

21 MR. ANDREW ENNS: Right.

22 MR. ERIC HOAKEN: Because I was --

23 MR. ANDREW ENNS: No, there was -- it was
24 not added in.

25 MR. ERIC HOAKEN: Okay. Thank you. So

1 the survey didn't change to go back and try and capture
2 that directive from the Board?

3 MR. ANDREW ENNS: No, it did not.

4 MR. ERIC HOAKEN: Okay. And then let's -
5 - let's look at that response, 'cause I think it's worth
6 looking at. You then get a response from Mr. Meder about
7 five (5) days later, and it looks as though he's had some
8 -- some opportunity to have a discussion with Mr. Kuczek,
9 correct?

10 MR. ANDREW ENNS: Yeah, in the email he
11 says he spoke to -- to Mr. Kuczek.

12 MR. ERIC HOAKEN: Right. And in fact he
13 also looked at the PUB order to get a sense of the
14 directive, one presumes?

15 MR. ANDREW ENNS: That's what it would
16 state, yes.

17 MR. ERIC HOAKEN: Right. I -- I'm not
18 going to ask you to presume what he did. I'll ask Mr.
19 Meder that. But in the second line he says:

20 "Regarding customer preference for more
21 competition, it was the consensus of
22 CAC/MSOS and Manitoba Hydro at our May
23 2nd review meeting that this would be
24 better answered by experts."

25 And then he goes on. And that question

1 9/11 -- those are the three questions that you and I
2 have been talking about, could be removed. So that's his
3 explanation for why the questions came out, right?

4 MS. MARLA MURPHY: I think we'll just
5 have to be careful here that Mr. Enns speak to his
6 knowledge rather than Mr. Meder's motives.

7 MR. ANDREW ENNS: You read the email, and
8 that's what the email states.

9 MR. ERIC HOAKEN: Right. And I'm not
10 trying to be unfair --

11 MR. ANDREW ENNS: Yes.

12 MR. ERIC HOAKEN: -- I guess what I want
13 to understand, there wasn't any other explanation that
14 was provided to you, to the extent you had an explanation
15 for why 9 through 11 were taken out; this was it.

16 MR. ANDREW ENNS: And there may have been
17 some discussion when they were actually phys -- taken out
18 in that meeting.

19 MR. ERIC HOAKEN: But you weren't
20 involved in that.

21 MR. ANDREW ENNS: I don't -- I don't --
22 oh no, I was involved in that to -- I was involved in
23 that -- I was at that meeting, and I was involved in that
24 discussion. I don't -- I don't recall specifically what
25 those points were, but that was the direct reference to

1 my question. Five (5) days later, Mr. Meder came back
2 and provided that information, and that was basic on this
3 issue, that was the end of it.

4 MR. ERIC HOAKEN: Okay. Did you have any
5 appreciation at all when you got this email, as to what
6 experts? I -- I'm sorry, Mr. Peters, I have -- didn't
7 give you the decoding. It's batch 2, page 121. Sorry
8 about that. MR. ANDREW ENNS: I did not pursue what -
9 - what was envisioned with -- with experts.

10 MR. ERIC HOAKEN: Okay. Quite apart from
11 pursuing it, did -- did you have any understanding of
12 what experts they had in mind?

13 MR. ANDREW ENNS: No, I assumed they were
14 economic experts or market experts. I mean, that's what
15 I -- that's what I interpreted it to be.

16 MR. ERIC HOAKEN: Right.

17 MR. ANDREW ENNS: I didn't discuss it
18 with anybody.

19 MR. ERIC HOAKEN: But not market research
20 experts?

21 MR. ANDREW ENNS: No, that wasn't what I
22 thought.

23 MR. ERIC HOAKEN: Okay, but to the extent
24 you had an understanding of the Board's directive, you
25 understood that it was -- that market research be done to

1 explore customer preferences for competition?

2 MR. ANDREW ENNS: Yes.

3 MR. ERIC HOAKEN: All right. And did you
4 have any concern, then, that that explanation was not
5 quite consistent with the Board's directive?

6 MR. ANDREW ENNS: I didn't really -- no,
7 I didn't have concern. It's -- it's difficult for me to
8 interpret what -- what the implications are in terms of
9 Board directives. I'm relying on Mr. Meder to make that
10 determination in terms of that would be the better way to
11 respond to that directive.

12 MR. ERIC HOAKEN: All right. So even
13 though you had though these would be worth while
14 questions to help accomplish the originally stated
15 research objectives, you deferred to him on the removal
16 of those questions?

17 MR. ANDREW ENNS: Ultimately, yes, I did.

18 MR. ERIC HOAKEN: Yes, thank you. And I
19 think I've asked you this, and I apologize if I already
20 have, but no draft after draft three (3) was shared with
21 any of the external stakeholders, including CAC/MSOS or
22 the retailers, correct?

23 MR. ANDREW ENNS: Not to my knowledge,
24 and not by me.

25 MR. ERIC HOAKEN: All right. Now, if you

1 look at an email dated May 28, 2007, 10:31 a.m., from Mr.
2 Meder to you; this is about blocking off time -- I'm
3 sorry, it's batch 1, page 121 of the IR Response.

4 And can you just tell me as you look at
5 this, do you remember what the purpose of this meeting
6 was?

7 MR. ANDREW ENNS: I believe it was to
8 discuss elements of the focus group. I don't know
9 whether -- in terms of chronology, I'm just sort of
10 glancing over -- I'm not sure whether there was a draft
11 moderator's guide at that particular time or whether it
12 was sort of an initial meeting to discuss the -- the
13 focus groups. But I do believe it was tied to focus
14 groups.

15 MR. ERIC HOAKEN: Okay. And you see
16 there's a reference to the -- the possibility of external
17 parties being invited.

18 Do you have any recollection of whether
19 external parties ultimately did attend that meeting?

20 MR. ANDREW ENNS: I don't believe -- no,
21 in fact no, because there were -- I didn't have any
22 meetings with external parties beyond the -- the 26th of
23 -- of April.

24 MR. ERIC HOAKEN: So, just so we're clear
25 on the record, yes, you have a recollection and no they

1 weren't advised?

2 MR. ANDREW ENNS: That's right.

3 MR. ERIC HOAKEN: Right.

4 MR. ANDREW ENNS: That's right and quite
5 frankly, I'm not actually sure this was a physical
6 meeting. It may have been a -- I may have attended this
7 by conference call, because at the time I was doing a
8 fair amount of travelling on some focus group work, so I
9 think I was in Vancouver.

10 MR. ERIC HOAKEN: Okay. Now, the next
11 touchstone in the chronology that I wanted to visit with
12 you is June 11th, 2007 12:30 p.m.; an email that Mr.
13 Meder sends to you attaching, what I believe to be,
14 version 2 of the customer research report. Mr. Peters,
15 it is batch 1 page 132. I'll just get Ms. Ruzycki to
16 kick me each time I forget.

17 And I'm sorry. Actually, just before we
18 go to that, probably it would be more accurate if we're
19 doing this chronologically, which I'm trying to do would
20 be to look at the first draft. I -- I just realized this
21 is version 2, so let's look at the first draft.

22 Looking at the IR Response that Centra has
23 provided to DEML/ESMLP/CENTRA-47 -- I don't know if you
24 have that available to you -- perhaps Ms. Murphy can take
25 a look at it.

1 (BRIEF PAUSE)

2

3 MS. MARLA MURPHY: We have that.

4 MR. ERIC HOAKEN: Okay. And just very
5 briefly, what this tells us is that there were two (2)
6 drafts of the customer research report in addition to the
7 final version which was then filed with this Board,
8 correct?

9 MR. ANDREW ENNS: Correct.

10 MR. ERIC HOAKEN: And tell me if I've got
11 this right. Was the first draft dated June 6, 2007? And
12 just so you know, I'm now looking -- just for a change of
13 pace -- I'm now looking at the attachments to
14 DEML/ESMLP/CENTRA-47 and I'm at attachment 2, which I
15 believe to be the black-lined or track-changed version.

16 MR. ANDREW ENNS: That would be -- that's
17 correct, yes.

18 MR. ERIC HOAKEN: Okay.

19 MR. ANDREW ENNS: That's the one I was
20 looking at too.

21 MR. ERIC HOAKEN: All right. So, just so
22 we're all on the same page so to speak, that's the one
23 that I wanted to just look at with you very briefly. So
24 this actually is your first draft which then embeds
25 comments back from certain people at Centra about the

1 draft?

2 MR. ANDREW ENNS: Correct.

3 MR. ERIC HOAKEN: Okay.

4 MR. ANDREW ENNS: If it's -- I just want
5 to ensure -- I'm not sure if this had multiple --
6 comments from multiple people or from perhaps just Mr.
7 Meder.

8 MR. ERIC HOAKEN: I'm happy for Ms.
9 Murphy's confirmation on this, but my understanding it
10 was just Mr. Meder. I don't know if you're in a position
11 to confirm that or take it subject to check.

12 MS. MARLA MURPHY: My understanding is
13 that Mr. Meder combined the comments of several people at
14 Centra. He's communicated them all, so they all appear
15 from his machine as GM, but they are the culmination of
16 responses internally.

17 MR. ERIC HOAKEN: And -- and is that the
18 case for both draft 1 and draft 2?

19 MS. MARLA MURPHY: I have to check that,
20 but I believe so.

21

22 CONTINUED BY MR. ERIC HOAKEN:

23 MR. ERIC HOAKEN: Okay. So I take it
24 from that, Mr. Enns, you -- you couldn't tell as you read
25 this who specifically was making what comment?

1 MR. ANDREW ENNS: Not on this draft 1
2 that we're looking at currently.

3 MR. ERIC HOAKEN: All right.

4 MR. ANDREW ENNS: I mean I -- I took it
5 to be Mr. Meder and I don't have that email. He may have
6 prefaced anything.

7 MR. ERIC HOAKEN: And what did you make
8 of the comment on page 4 about point 9 that you drafted
9 under Key Discoveries and Conclusions? There's a comment
10 GM-2. Now, I had just assumed that was Mr. Meder, but it
11 may have been somebody else. The comment is:

12 "There is other evidence beyond this
13 survey that suggests in many cases
14 selecting a fixed rate does not lead to
15 saving money."

16 Now, what would the significance or --
17 that's the wrong word I suppose in this context -- what
18 would the relevance of that observation be to your
19 attempt to fairly and accurately interpret the survey
20 results?

21 MR. ANDREW ENNS: He's alerting me to the
22 fact that there's other evidence available and making --
23 interpreting the comments made with respect -- or the
24 findings with respect to satisfaction and tying them to
25 the reason for signing up. And he's suggesting that

1 there may be evidence to suggest otherwise.

2 MR. ERIC HOAKEN: And so he's, therefore,
3 suggesting that you effectively water down the conclusion
4 you've expressed. You previously expressed it as the --
5 the primary reasons for signing up with a marketer are
6 being met and you are being told to change it to are
7 perceived by marketer customers as being met?

8 MR. ANDREW ENNS: That's his -- That
9 would -- would appear to be his suggestion.

10

11 (BRIEF PAUSE)

12

13 MR. ERIC HOAKEN: And it -- it looks to
14 me -- tell me if I'm wrong about this, but when I look at
15 the final draft, it looks like the --the comment that is
16 comparable to the one that you and I are looking at is at
17 item 10, am I right about that?

18 MR. ANDREW ENNS: Correct.

19 MR. ERIC HOAKEN: Okay. And so there, it
20 was a shorter and simpler version of the same comment,
21 effectively?

22 MR. ANDREW ENNS: Corre -- well, the same
23 comment as nine (9) in draft 1, what you're saying, the
24 initial. In the final draft, point 10 reads:

25 "Customers with independent marketers

1 are currently very satisfied with their
2 current supply arrangement."

3 Is that the -- is that point?

4 MR. ERIC HOAKEN: Yeah, and --

5 MR. ANDREW ENNS: Yes. And in draft 1,
6 it reads:

7 "Customers with independent marketers
8 are currently very satis -- very
9 satisfied with their current supply
10 arrangement."

11 MR. ERIC HOAKEN: Okay. And I'm sorry, I
12 -- I didn't ask my question as precisely as I should
13 have.

14 MR. ANDREW ENNS: The subpoint is
15 missing.

16 MR. ERIC HOAKEN: Exactly.

17 MR. ANDREW ENNS: Exactly.

18 MR. ERIC HOAKEN: It's that you -- you
19 added some interpretative gloss to that in the first
20 draft and by the final draft that was gone?

21 MR. ANDREW ENNS: Correct.

22 MR. ERIC HOAKEN: And was -- was that as
23 a result of this comment, do you remember?

24 MR. ANDREW ENNS: It -- it -- possibly.
25 Reading through and -- and revising in my own I -- I

1 don't recall there being another reference to it, but I
2 may have just decided to eliminate the sub-bullet and
3 keep it fairly straightforward. I thought the finding
4 ten (10) in the final was a -- was a fairly
5 straightforward and clear and -- clear statement.

6 MR. ERIC HOAKEN: All right. Can I just
7 ask you to flip to page 10 then -- or, I'm sorry, page
8 11. This is, as I understand it -- at the top of the
9 page -- this is a comment that is being suggested to you
10 should be added executive summary?

11 MR. ANDREW ENNS: The reference to the
12 2003?

13 MR. ERIC HOAKEN: Yes.

14 MR. ANDREW ENNS: Right.

15 MR. ERIC HOAKEN: And I -- I think what
16 you told me earlier is that if -- if -- if you're
17 comparing things that have changed, you have to make sure
18 that you're really comparing apples and apples, right?

19 MR. ANDREW ENNS: Correct. Which is why
20 in the final report I -- I provided a sub -- a subnote
21 noting that the -- the wording had changed.

22 MR. ERIC HOAKEN: I -- and I was going to
23 ask you about that, okay. So then go, if you will, to
24 page 48 of this draft, under the heading Natural Gas
25 Marketers, second paragraph, you have drafted it to read:

1 "79 percent of marketer-supplied
2 customers have been with a marketer for
3 two (2) or more years, therefore, they
4 should now be reaping the benefits of
5 locking in at a fixed rate on commodity
6 which has steadily increased for many
7 years."

8 Now, just before even we get to the
9 comment that you were receiving on this, I take it that
10 this is part of the effort that you and I discussed
11 earlier today, that you make to interpret the data that
12 you get from conducting the study?

13 MR. ANDREW ENNS: Correct.

14 MR. ERIC HOAKEN: This is an
15 interpretation that you thought was fair and reasonable
16 having regard to the questions that have been asked, the
17 information or answers that have been received, and the
18 other information you had about what was going on in the
19 marketplace?

20 MR. ANDREW ENNS: Correct. I'm making an
21 -- I'm making an assumption. An interpretation.

22 MR. ERIC HOAKEN: Isn't it more than
23 that? Isn't it really an explanation? You're trying to
24 explain -- you're -- you're trying to lay some
25 foundation, perhaps is a better way of putting it, for

1 some of the responses that are being given by marketer
2 customers about the satisfaction that they have with
3 their arrangements?

4 MR. ANDREW ENNS: I was providing
5 interpretation about this table, using some of that
6 information.

7 MR. ERIC HOAKEN: And I take it you
8 wouldn't have proposed it if you thought it wasn't a
9 valid one?

10 MR. ANDREW ENNS: No.

11 MR. ERIC HOAKEN: But it looks to me that
12 somebody at Centra didn't agree with you and, as a
13 result, it came out, right?

14 MR. ANDREW ENNS: The point made was that
15 it was going beyond -- the -- the interpretation is
16 drawing on information beyond what the data was
17 suggesting so desire to take it out.

18 MR. ERIC HOAKEN: Okay. So although
19 you'd thought it was a valid and appropriate
20 interpretation to include, you felt you could just easily
21 take it out?

22 MR. ANDREW ENNS: I accepted the point
23 that to try to keep the interpretations to the -- to the
24 results in the tables and the questions, which is fair.

25 MR. ERIC HOAKEN: I'm sorry. Say that

1 again?

2 MR. ANDREW ENNS: The request that --
3 from Mr. Meder was to keep the narrative focussed on the
4 results in the tables --

5 MR. ERIC HOAKEN: And not to provide any
6 discussion about what --

7 MR. ANDREW ENNS: -- and at that
8 particular -- and not on top of the tables. I hadn't
9 done it in -- throughout most of the report. Most of the
10 report is -- is a narrative describing the results in the
11 tables, depicting the -- the results and significant
12 findings underneath.

13 In a few instances -- in this case in
14 particular, provided some additional narrative drawing in
15 things extraneous to the -- to the questions asked, and
16 he suggested taking that out and I accepted that
17 suggestion.

18 MR. ERIC HOAKEN: Now, am I correct --
19 and this question, I suppose, is really for Ms. Murphy.
20 I just want to make sure we're talking apples and apples
21 here, but is attachment 4 to DEML/ESMLP/CENTRA-47, is
22 that the marked-up version of version 2?

23 MS. MARLA MURPHY: I think that's
24 essentially correct. There is one (1) distinction to be
25 made that I should be clear on, and that is the version

1 that was provided to Mr. Enns identified comments that
2 were made by myself and the vice-president. And in this
3 filed version, indications of who made those responses
4 within the company were removed.

5 MR. ERIC HOAKEN: Can you just help me
6 understand --

7 MS. MARLA MURPHY: If I --

8 MR. ERIC HOAKEN: -- when?

9 MS. MARLA MURPHY: If I'd had my way,
10 litigation privilege would have meant that my comments
11 came out entirely. However, others responded to my
12 comments which made it difficult to remove that without
13 confusing the flow of the documents, so that's why it was
14 done the way it was done.

15 MR. ERIC HOAKEN: All right. Thank you
16 for that.

17 MS. MARLA MURPHY: The other -- the other
18 view of course, sorry, is that those are the comments of
19 the company and it was felt that it wasn't necessary to -
20 - to separate those out completely and that was part of
21 the contribution to that thought process.

22 MR. ERIC HOAKEN: Okay. Thank you. Let
23 me just explore that then with the witness.

24

25 CONTINUED BY MR. ERIC HOAKEN

1 MR. ERIC HOAKEN: I -- I had been about
2 to, a few moments ago, take you to an email and now I'm
3 going to do that. It's an email dated Monday, June 11,
4 2007 at 12:30 p.m. Mr. Peters, it's batch 1, page 132.
5 And you'll see in the email -- this is an email to you
6 and your associate, Mr. Souque, is it?

7 MR. ANDREW ENNS: Correct.

8 MR. ERIC HOAKEN: Am I pronouncing that
9 correctly?

10 MR. ANDREW ENNS: Yes, you are.

11 MR. ERIC HOAKEN: Yes. And what Mr.
12 Meder is telling you is actual -- it sounds a little bit
13 different than Mr. Murph -- Ms. Murphy just stated on the
14 record is that he -- he -- sh -- he is telling you that
15 the comments that have been made by both Mr. Rose and Ms.
16 Murphy should be given extra attention. Isn't that
17 essentially what he's saying?

18 MR. ANDREW ENNS: Significantly weight.

19 MR. ERIC HOAKEN: Should be given
20 significant weight?

21 MR. ANDREW ENNS: Yeah.

22 MR. ERIC HOAKEN: Yes. And so you
23 understood, in receiving this draft, that there were some
24 comments that you were at liberty to do with what you
25 wanted, but other comments that there was perhaps more of

1 an expectation on Centra's part that you would adopt, is
2 that fair?

3 MR. ANDREW ENNS: An email like that,
4 just as general course, isn't that uncommon in my
5 business, when I'm providing drafts for feedback. And
6 you'll get some feedback and then you'll get some
7 feedback, if that has weight. The -- from my
8 perspective, the -- the treatment of -- of that is, if
9 it's -- and it's the way I trea -- treat feedback on a
10 report.

11 I'm not a -- and -- and you'll see in a
12 lot of changes, there's grammatical changes or there's
13 use this word or use that word, and it's not necessarily
14 -- and I appreciate some words are -- are very important
15 words to change, but other words aren't, and it's a just
16 a preference for a -- a particular word.

17 I'm not a -- I don't -- I'm not a real
18 stickler for little things, and so I don't spend a lot of
19 time arguing on that stuff. Where I do go back with --
20 with clients is if I'm being asked to make a -- make a
21 change that is not representative of the data, and when
22 I'm being asked to -- to change something that does not
23 reflect what the data -- data says.

24 And so, and I just -- the -- in this case,
25 or in other cases that I've had where -- where I'm told

1 that these people or this -- this colour of balloon is an
2 important one, it -- if I'm going to disagree, get your
3 ducks in a row. Because this isn't one where you can
4 come back and say I don't -- I'm not -- I'm not saying it
5 -- that that's always the case, but it's -- it's one that
6 if you do want to come back and say I don't like that
7 change, do a little homework first.

8 And so that's -- that's the way I -- I
9 look at that. I can't recall all the -- the changes that
10 -- that came forward that were identified. The -- but
11 looking at the changes in that draft, I don't -- my
12 recollection was there weren't ones that I had to --
13 there weren't material changes like changing a fi -- like
14 a finding in some way that I didn't agree with in -- in
15 that sense.

16 But you'll -- you'll have other questions
17 on that, but that was my -- my point on the -- on the --
18 when you -- when you get an email like that, I wasn't
19 taken entirely aback, I guess, is what I wanted to say.

20 MR. ERIC HOAKEN: Well, I guess, though,
21 if the suggestions being made to you are simply in the
22 order or changes commas and changing words, no one needs
23 to tell you to pay significant weight to those, right?

24 You're going to figure it out that you can
25 make those changes without affecting the impact of the

1 study?

2 MR. ANDREW ENNS: Correct.

3 MR. ERIC HOAKEN: And it's really only
4 comments that are substantive in nature that you would
5 expect someone to draw to your attention and tell you
6 need to give them significant weight, otherwise it
7 wouldn't make sense.

8 MR. ANDREW ENNS: Except that changes
9 from senior people aren't always -- I mean, they can be as
10 -- as likely as I like -- I prefer this word versus that
11 word, or I think we should have. I mean, it's not --
12 they don't always just make the big com -- the big
13 change, I guess, would be my point.

14 MR. ERIC HOAKEN: All right. So if
15 someone like Mr. Meder told you to change a word from
16 like to prefer you might not do it, but if the comment
17 was coming from Mr. Rose, you'd do it because you were
18 told to give significant weight to his comment?

19 MR. ANDREW ENNS: I'd consider it.

20 MR. ERIC HOAKEN: But I take it that
21 we're not now in a position to know what specific
22 comments that were made came from either Ms. Murphy or
23 Mr. Rose, is that right?

24 MR. ANDREW ENNS: Correct.

25

1 (BRIEF PAUSE)

2

3 MR. ERIC HOAKEN: And if you can look,
4 then, at this draft -- I'm sorry, that was a long
5 preamble to getting you to actually at it -- but if you
6 look at page 5, as I understand the change that's being
7 proposed here, it's been suggested that you should modify
8 the language. I'm sorry, you've got it, Mr. Peters?
9 This -- this is attachment 4 to DEML-47. You've got it?

10 MR. BOB PETERS: Yeah.

11 MR. ERIC HOAKEN: This is a suggestion
12 that the statement you'd made about the level, or at
13 least the -- the experience with door-to-door, should be
14 qualified somewhat, right?

15 MR. ANDREW ENNS: I believe that's the --
16 the gist of the -- the bubbled (phonetic) GM-3.

17 MR. ERIC HOAKEN: Yeah. And so this
18 wasn't something that you had in either of your two (2)
19 drafts thought was necessary, but now it was being
20 suggested to you that this point should be changed. This
21 is a point I take it in the executive summary?

22 MR. ANDREW ENNS: Correct.

23 MR. ERIC HOAKEN: So it's going to have
24 some prominence in the report, fair?

25 MR. ANDREW ENNS: Correct.

1 MR. ERIC HOAKEN: And it's now being
2 suggested to you that this statement about the door-to-
3 door experience having been positive should be qualified
4 somewhat to, as -- as I understand the comment, to try to
5 take into account the views of Manitoba Hydro
6 respondents.

7 MR. ANDREW ENNS: Correct.

8 MR. ERIC HOAKEN: And I take it then, the
9 -- the sole basis for any suggestion that Manitoba Hydro
10 customers were not satisfied, or at least had not had a
11 positive experience with door-to-door, was the answer to
12 the question that you and I discussed a little while ago
13 about feeling pressured.

14 MR. ANDREW ENNS: Right. And it's
15 certainly not a -- it's a -- it's a mixed result.

16 MR. ERIC HOAKEN: Yes, it is --

17 MR. ANDREW ENNS: It's a divided result.

18 MR. ERIC HOAKEN: Well, yeah, in fact
19 divided one might say in favour of the brokers, because
20 that was a set of four (4) questions and pretty
21 favourable responses on two (2) of the questions, right?

22 MR. ANDREW ENNS: Correct.

23 MR. ERIC HOAKEN: And the third question
24 again, less favourable, but certainly the majority of
25 respondents felt that the conduct of the brokers was

1 appropriate?

2 MR. ANDREW ENNS: Correct.

3 MR. ERIC HOAKEN: And it's only on this
4 question that you and I have debated the syntax of --

5 MR. ANDREW ENNS: Right.

6 MR. ERIC HOAKEN: -- the positive versus
7 the negative. It's only that question that provides any
8 basis at all for the suggestion that this experience was
9 not positive for Manitoba Hydro customers, correct?

10 MR. ANDREW ENNS: Correct.

11 MR. ERIC HOAKEN: All right. Thank you.

12 MR. ANDREW ENNS: For the record, the
13 change suggested wasn't accepted.

14 MR. ERIC HOAKEN: Was not accepted?

15 MR. ANDREW ENNS: Correct.

16 MR. ERIC HOAKEN: Right.

17 THE CHAIRPERSON: Mr. Hoaken, just to
18 guide you, and in no way to rush you, one (1) of us has
19 an appointment unrelated to this particular proceeding
20 that's going to cause us to have to break no later than
21 4:10.

22 MR. ERIC HOAKEN: I'm delighted to hear
23 that my cross-examination is not what's precipitated the
24 need for medical attention.

25 THE CHAIRPERSON: No, it is not.

1 MR. ERIC HOAKEN: I can tell you that
2 several of us in this room have appointments that involve
3 going to the airport, and what I was proposing to do, if
4 it's satisfactory, is continue to about four o'clock.
5 I'm not going to finish. The difference between stopping
6 now or going till 4:00 or going till 4:10 isn't going to
7 get me finished with Mr. Enns today, unfortunately.

8 THE CHAIRPERSON: Very good, Mr. Hoaken.

9 MR. ERIC HOAKEN: Thank you.

10

11 (BRIEF PAUSE)

12

13 CONTINUED BY MR. ERIC HOAKEN:

14 MR. ERIC HOAKEN: And just to complete
15 the loop there, the -- the final version that was then
16 prepared is the version bearing the date June 12th, which
17 appears at Tab 1 of the brief the I prepared and that you
18 and I have been looking at?

19 MR. ANDREW ENNS: Yes.

20 MR. ERIC HOAKEN: All right. And I'm
21 going to come back, obviously, to the contents of that
22 document, but just keeping on with my chronology. We see
23 then that the focus groups themselves were conducted -- I
24 believe I'm correct in this -- on June 6th and 7th?

25 MR. ANDREW ENNS: That is correct.

1 MR. ERIC HOAKEN: And if you look at the
2 IR Response that has been provided by Centra to
3 DEML/ESMLP-68, do you see that? It confirms that only
4 one (1) draft of the focus group report was prepared
5 before the -- the final version?

6 MR. ANDREW ENNS: I believe that was the
7 case -- there -- there was a -- a top line document and
8 then there was -- I believe we moved to the draft.

9 MR. ERIC HOAKEN: Right. Tell me what a
10 top line document is -- is -- I know what you're
11 referring to and we'll come to it in a minute, although
12 we may not. Maybe we'll have to wait till next day, but
13 what is a top line document?

14 MR. ANDREW ENNS: Often in -- in focus
15 group research, there's a request for the moderator to do
16 a fairly high-level summary of what he -- what he feels
17 are some -- some of the fine -- some the noteworthy
18 findings from the -- from the focus groups. It's
19 typically done within days, if not hours, after the
20 groups.

21 It's a fairly high-level document. In a
22 lot of cases it's used simply to give an indication of
23 what the report will -- will eventually move forward
24 with. In some cases, with focus groups, the -- the
25 matters at hand can be -- if you're dealing with, say,

1 advertising or things like that that -- the report can
2 come but, quite frankly, the decisions are being -- need
3 to be made quicker and so the -- the top line report can
4 feed into that.

5 That wasn't the ca -- the case in this --
6 in this instance, but there was a desire 'cause some --
7 some individuals weren't able to attend the sessions. So
8 it was requested of me to prepare, basically, a top line
9 summary, which I did within -- it's probably thirty-six
10 (36) hours or so of the -- of the report; maybe a bit --
11 maybe a bit later, but I know I started writing it fairly
12 quickly.

13 And it just -- it -- it provides an
14 overview and typically it will start to form the basis --
15 eventually it will form the basis of a -- of an exec
16 summary. There's usually some -- some building and
17 revisions. The -- the summary sometimes -- it also
18 doesn't always capture some of the things and it's an
19 opportunity for the client to -- to wade back and say
20 there's a few other things that were raised that we -- we
21 also felt were noteworthy.

22 And it's an indication for me that those
23 are some things that I should -- should consider, as
24 well. But it's -- it's not exhaustive, I guess, is the
25 key plan and --

1 MR. ERIC HOAKEN: Right.

2 MR. ANDREW ENNS: -- top line is
3 explanatory in that sense.

4 MR. ERIC HOAKEN: And -- and I think
5 you've -- you've covered it very well because I was
6 going to ask you that. The top line that you do forward
7 on clearly does become the basis of the executive summary
8 in this report, right?

9 MR. ANDREW ENNS: In this report it does,
10 yeah. It -- it varies -- I mean it does vary by clients,
11 --

12 MR. ERIC HOAKEN: Right.

13 MR. ANDREW ENNS: -- but in this report
14 it ended up moving into that area.

15 MR. ERIC HOAKEN: So just to look at that
16 IR Response then, it says, one (1) draft was prepared.

17 Would it be perhaps more accurate to put
18 an asterisk on that, because it looks to me like what
19 happens is you -- you provide the top line, comments are
20 made on the top line and then those comments get
21 incorporated into what become draft 1 of the focus group
22 report?

23 MR. ANDREW ENNS: I think that -- that's
24 probably fair. I mean, it's not always you get comments
25 back on a -- on a top line. A lot of times a top line is

1 -- is -- becomes a verbal convers -- discussion between
2 yourself and a client and -- and comments are made in
3 terms of when we go forw -- in the final report we want
4 this or see that.

5 In this case there was some comments made
6 directly back in the top line, which at that point you
7 start to get a feeling, well I'm not -- this now is
8 flushing out to the point where it could become the exec.
9 summary.

10 MR. ERIC HOAKEN: Okay. And I am now
11 going to turn to that document, so I suggest this would
12 be a logical place to break if that's acceptable, Mr.
13 Chair.

14 THE CHAIRPERSON: That will be fine, Mr.
15 Hoaken. So we'll be coming back then on the 17th and you
16 can finish up with your cross-examination and then
17 subsequent to that we'll move onto Centra's Panel.

18
19 (WITNESS RETIRES)

20
21 MR. ERIC HOAKEN: Yes, thank you very
22 much.

23 THE CHAIRPERSON: Thank you to all.
24 Thank you very much.

25 MS. MARLA MURPHY: Mr. Chair, I might

1 just note that I haven't canvassed with Mr. Enns whether
2 or not he's available on those days, so we'll have to
3 perhaps make some arrangements with counsel to try and
4 accommodate he schedule as well.

5 THE CHAIRPERSON: Please consult with
6 your colleagues. Once again, we stand adjourned.

7

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9 --- Upon adjourning at 4:00 p.m.

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11 Certified Correct,

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Wendy Warnock, Ms.

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