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September 7, 2017

Mr. D. Christle
Secretary and Executive Director
Public Utilities Board
400-330 Portage Avenue
Winnipeg, Manitoba
R3C 0C4

Dear Mr. Christle:

**RE: MANITOBA HYDRO 2017/18 & 2018/19 GENERAL RATE APPLICATION (“GRA”) – CSI
MOTION**

Motion

Pursuant to Rule 13(2) of The Public Utilities Board Rules of Practice and Procedure, Manitoba Hydro is seeking an Order of the Public Utilities Board of Manitoba (“PUB”) confirming that it will receive in confidence Manitoba Hydro’s responses (or portions thereof) to the PUB Minimum Filing Requirements (“MFRs”) identified in the attached Appendices A through I.

Grounds

In general, the information which Manitoba Hydro seeks to be received and held in confidence by the PUB is:

- a) Third Party proprietary, confidential or otherwise commercially sensitive information which Manitoba Hydro is bound to maintain in confidence or is not authorized to reproduce or distribute by virtue of a contractual or fiduciary duty to the third party (Third Party Information); or
- b) Manitoba Hydro confidential or commercially sensitive information.

In either case, Manitoba Hydro expects that the release of the confidential or commercially sensitive information will:

Available in accessible formats upon request

- i) Result in undue financial loss to the third party of Manitoba Hydro;
- ii) Harm the competitive position of the third party or Manitoba Hydro;

And,

- iii) The information has been consistently treated as confidential;
- iv) The need to maintain the information in confidence outweighs the public interest in the disclosure of the information, particularly given the available alternative means of verifying and testing the information.

More detailed grounds for considering the identified MFRs as confidential can be found in the following Appendices:

- Appendix A – Export Contracts, Revenues and Related Information
 - PUB MFR 24, 81, 82, 83, 84, 197 and 198
- Appendix B – Export Price Forecasts
 - PUB MFR 79
- Appendix C – Internal Load Forecast
 - PUB MFR 97
- Appendix D – Corporate Risk Management Report
 - PUB MFR 9
- Appendix E – Credit Rating Agency Reports
 - PUB MFR 60 and 78 i)
- Appendix F – Construction of Major Projects – Keeyask and Bipole III
 1. Tenders, Proposals, Bids and Contracts
PUB MFR 131, 133, 137, 138, 141, 156, 159, 163
 2. Critical Energy Infrastructure Information
PUB MFR 156, 157, 159, 163, 188
 3. Reserves, Contingencies, Expenditures and Contract Costs
PUB MFR 123, 142, 145, 155, 165, 167, 168
 4. Productivity Rates
PUB MFR 143 and 144
 5. Risk Registry
PUB MFR 129 and 169
 6. Estimate Reports, Summary Reports and Reports to Management
PUB MFR 130, 134, 135, 136, 139, 140, 160, 161, 162, 164 and 166
 7. Environmental and Regulatory License Costs
PUB MFR 178
- Appendix G – Great Northern Transmission Line

- PUB MFR 20, 186, 187, 188, 189 and 192
- Appendix H - Manitoba – Saskatchewan Transmission Project
 - PUB MFR 195 and 196
- Appendix I – Boston Consulting Group Reports
 - PUB MFR 72

Background

On April 5, 2017, the Province of Manitoba issued Order in Council (“OIC”) 92/17 assigning the PUB the duty of considering capital expenditures by Manitoba Hydro as a factor in reaching its decision on Manitoba Hydro’s rates for service, in a manner that balances the interests of the ratepayers and the financial health of Manitoba Hydro. OIC 92/17 directed Manitoba Hydro to provide the PUB with a substantial amount of information regarding its capital expenditures, together with existing records related to revenues and incomes. OIC 92/17 contemplated that certain of the required information would be commercially sensitive and authorized the PUB to hold such information in confidence.

On March 31, 2017 and April 24, 2017, the PUB issued a number of MFRs requesting information from Manitoba Hydro for the upcoming GRA. Responses to the majority of MFRs were filed with the PUB between May 26, 2017 and June 30, 2017. Manitoba Hydro identified a number of MFRs which required the disclosure of Commercially Sensitive Information. To date, some responses were filed with Commercially Sensitive Information redacted and others have not been filed.

In many instances the Commercially Sensitive Information that was requested in the PUB’s MFRs was “Third Party Information”, meaning documents or information that is proprietary to parties other than Manitoba Hydro and to whom Manitoba Hydro owes a contractual or fiduciary duty to maintain the document or information in confidence or over which Manitoba Hydro lacks authority to reproduce and distribute.

Manitoba Hydro sought consent from third parties to file Third Party Information as part of the GRA proceeding. Consents received were generally on the condition that the information only be released to the PUB. In order to rely on these consents, on July 11, 2017 Manitoba Hydro filed a motion seeking to establish a process for the treatment of Third Party Information.

By Order 82/17, issued July 28, 2017, the PUB confirmed that in the event the PUB disagreed with Manitoba Hydro’s assessment of the confidential nature of information and intended to release the information to any other party, Manitoba Hydro would be entitled to retract the

Third Party Information. Thereafter the PUB can deal with the information pursuant to OIC 92/17 and in such case Manitoba Hydro will be afforded the opportunity to meet its notice of required production obligations to Third Parties. Manitoba Hydro has identified Third Party Information, or responses which reference Third Party Information, in the attached Appendices.

Order 82/17 also authorizes the release of certain documentation to the PUB appointed Independent Expert Consultants without the requirement to file the information with the PUB or the requirement that redacted copies of the documentation be placed on the public record. Manitoba Hydro has identified documentation requested in PUB MFRs that it proposes to provide to the Independent Expert Consultants pursuant to Order 82/17 in the attached Appendices.

The attached Appendices also identify the information which is Commercially Sensitive Information to Manitoba Hydro and that which has the added complexity of Third Party Information. In the attached Appendices, Manitoba Hydro has also provided the status of the MFR (e.g. whether consents are required or have been obtained, whether a redacted response has been filed), the justification for treating the information as confidential, and the proposed treatment of the confidential information in the context of the current hearing process.

If you have any questions or comments with respect to this submission, please contact the writer at 204-360-3946 or Odette Fernandes at 204-360-3633.

Yours truly,

MANITOBA HYDRO LEGAL SERVICES DIVISION

Per:



PATRICIA J. RAMAGE
Barrister & Solicitor

cc:

Odette Fernandes, Manitoba Hydro
Bob Peters, Board Counsel
Dayna Steinfeld, Board Counsel
All Interveners of Past Record

Appendix A

Export Contracts, Revenues and Related Information

PUB MFR 24, PUB MFR 81, PUB MFR 82, PUB MFR 83, PUB MFR 84, PUB MFR 197 and PUB MFR 198

a) Affected Documents and Information

Manitoba Hydro has entered into agreements for the firm supply of electricity with counterparties in the United States, and Canada, at negotiated, fixed prices. These contracts contain information on pricing, revenues, volumes (both energy and capacity) and other terms and conditions related to the sale or proposed sale of electricity to these counterparties which are considered confidential and commercially sensitive. Manitoba Hydro will be required to disclose information derived from these contracts in order to respond to the above noted MFRs.

In addition, copies of the following contracts have been requested:

- SaskPower 25 MW System Power Sale (June 30 2014)
- SaskPower 25 MW Amending Agreement dated December 19, 2016
- SaskPower 25 MW Second Amending Agreement dated May 1, 2017
- SaskPower 100 2020-2040 System Power Agreement dated January 29, 2016
- SaskPower 100 2020-2040 Amendment dated December 29, 2016

b) Status

Manitoba Hydro has obtained the consent of counterparties to file information derived from its export sales agreements with the PUB provided that confidential data is not disclosed publicly.

PUB MFR 24 – requests schedules of exports volumes, revenues/costs and average unit revenues for the 20 years of the current IFF and actual results for the three previous fiscal years. Manitoba Hydro has provided aggregated firm and opportunity sales volumes, revenue/cost data (in millions of dollars) and average unit revenue cost (\$/MWh) for both sales to Canada and the United States. Manitoba Hydro has redacted the further breakdown of this information as between opportunity and firm sales.

PUB MFR 82 – requests the incremental revenues and unit revenues from Keeyask broken down by firm and opportunity sales. Manitoba Hydro has provided aggregated Total Export Revenue, Total Export Energy and Total Export Average Unit Revenue but has redacted the breakdown of this information as between opportunity and firm sales.

PUB MFR 81 – requests a summary table of Manitoba Hydro’s export commitments showing the minimum annual energy obligation, dependable energy sales and environmental attributes to the buyer and pricing. This MFR requires Manitoba Hydro disclose contract specific information, which information has been redacted from the public version of the response.

PUB MFR 83 - requests an update to an NFAT CSI exhibit which set out anticipated export revenues broken down by contract, capacity, firm energy, contracted surplus energy and non-contracted surplus energy. With one exception, Manitoba Hydro has identified each of the contracts/counterparties and the associated capacity and energy product. One counterparty requested its identify not be disclosed publicly. Contract specific information identifying the capacity revenue, energy revenue and total revenue associated with each contract has been redacted.

PUB MFR 84 – requests an update to NFAT CSI exhibits providing schedules of export revenues, volumes (energy and capacity) and unit price by export contract, for each year of the contract, broken down by capacity, firm energy and contracted surplus energy. The response to this MFR, disclosing contract revenues at a detailed level, is confidential in its entirety.

PUB MFR 197 – requests copies of the SaskPower 25 MW and 100MW power sales contracts. Manitoba Hydro has filed copies of these contracts and amending agreements with pricing and specific contract details redacted.

PUB MFR 198 requests the forecasted annual revenues for the SaskPower 25 MW and 100MW power sales, segregated by firm energy, firm capacity and surplus revenues. The response to this MFR, disclosing contract revenues at a detailed level, is confidential in its entirety.

c) Justification

Manitoba Hydro seeks to protect:

- a. its marketing and sales strategies including how it prices its sales contracts;

- b. information relating to historical sales contracts;
- c. contracted power prices;
- d. specific terms and conditions within export sales contracts;
- e. customer name (upon request of the counterparty).

Long-term contracts contain confidential information and are protected by mutual non-disclosure agreements/confidentiality terms as between Manitoba Hydro and the respective counterparty. These contracts require parties to the contract to hold the confidential information in strict confidence and not to disclose the confidential information to any third party without prior written consent. Manitoba Hydro has received the required consents to file the SaskPower 25MW and 100MW power sales contracts with the PUB, provided the commercially sensitive information identified therein is not disclosed on the public record.

Manitoba Hydro has never disclosed pricing or other contract specific terms and conditions contained in export contracts in a public forum. During the NFAT process Manitoba Hydro filed export contracts and term sheets in confidence with the PUB. Counterparty consent was obtained and counterparties worked with Manitoba Hydro to provide redacted versions for the public record.

Compelling disclosure of contract specific terms without counterparty consent would harm the Corporation's relationship with the counterparty and cause reputational harm to Manitoba Hydro. Manitoba Hydro's relationship with counterparties has been established by building trust over many years. Manitoba Hydro has consistently acted in good faith and with the understanding of the intent under which these contracts and clauses were negotiated. The triggering of notice of forced disclosure under these contracts in order to protect the counterparty's Commercially Sensitive Information would cause irreparable harm to these relationships and impact future sales negotiations. Counterparties may be reluctant to deal with Manitoba Hydro or share critical information if they lack confidence that such information will be protected. Public awareness that Manitoba Hydro cannot always meet its confidentiality commitments would extend such negative impacts industry wide.

Evidence has been presented in previous proceedings that Manitoba Hydro's export customers follow PUB proceedings and obtain material from the PUB website in order to assist them in their negotiations with Manitoba Hydro. Any public disclosure of pricing or contract specific information could affect Manitoba Hydro's position in future negotiations and result in significant harm to Manitoba Hydro's competitive position. Counterparty knowledge of pricing

negotiated by other customers and details of product attributes purchased will negatively impact Manitoba Hydro's negotiations. The specific products purchased as part of a power sale are rarely identical. Trade-offs are made to accommodate the circumstances of both parties to the contract. The details of such trade-offs become irrelevant to third parties - they will want the same deal on specific components without making trade-offs on other fronts.

Knowledge of the average unit price or average unit revenues (actual or forecast) provides counterparties with insight into how Manitoba Hydro prices its products and will negatively impact the Corporation during negotiations. Counterparties will want the same or a better price than average unit prices or which they have seen in other export contracts. Counterparties who have contracted at higher prices may feel slighted, impacting relationships and willingness to enter contracts in the future. Disclosure of revenues or Net Present Value calculations could lead counterparties and/or their regulators to second guess their negotiations and believe they have paid too much. In the past, Counterparties have demanded to renegotiate Term Sheets or withdrawn from negotiations when this has occurred. Disclosure of volume information facilitates reverse engineering of revenues and pricing using other information in the public domain.

Manitoba Hydro has provided aggregate information to enable Intervenors to compare the aggregate information with that in Manitoba Hydro's IFF. Knowledge of contract pricing and contract specific terms and conditions is not necessary for this purpose.

d) Proposed Treatment

Manitoba Hydro is filing on blue paper, responses to PUB MFR 24, PUB MFR 81, PUB MFR 82, PUB MFR 83, PUB MFR 84, and PUB MFR 198 with redactions removed.

Manitoba Hydro is also filing, in response to PUB MFR 197, copies of the SaskPower 25 MW and 100MW power sales contracts with redactions removed and on blue paper.

Manitoba Hydro requests a ruling from the PUB that contract specific information (pricing and contract specific terms and conditions) found within Manitoba Hydro export contracts and contained in responses to MFRs, together with average unit price, contract revenue information and other information which could be used to reverse engineer Manitoba Hydro's export contract pricing and revenue information be received in confidence by the PUB under Rule 13(2) (a) and (b) and not be placed on the public record. Manitoba Hydro submits that

holding this information in confidence outweighs the public interest in the disclosure of the information.

As noted, aggregated information has been filed. Manitoba Hydro does not propose any further disclosure of this confidential information to Intervenors or on the public record. To such extent as is necessary, Manitoba Hydro proposes Parties rely on a PUB engaged Independent Expert Consultant to verify this information and address any concerns raised by Intervenors in its report.

Appendix B

Export Price Forecasts

PUB MFR 79

a) Affected Documents

Five purchased export price forecasts and Manitoba Hydro's Electricity Export Price Forecast. Information related to methodology changes and carbon pricing is also commercially sensitive.

b) Status

PUB MFR 79 requests Manitoba Hydro's electricity export price forecast be filed along with the supporting forecasts of third-party forecasting firms. An explanation of changes to the Corporation's forecasting methodology is also required.

Manitoba Hydro filed a response to the above noted MFR on the public record, with the third party forecast and Manitoba Hydro's Electricity Price Forecast information redacted. Information regarding changes in forecasting methodology and how carbon pricing is incorporated into the forecast was also redacted.

At the time Manitoba Hydro filed its response to PUB MFR 79, four of the five purchased export price forecasters had agreed to disclosure of price forecast information to the PUB. The fifth forecaster declined to consent to its information being filed with the PUB. As such, Manitoba Hydro prepared a response relying only on the consenting forecasters' information (and redacted that information from the public response). An updated PUB MFR 79 was filed together with MH16 Updated, again with commercially sensitive information redacted.

Manitoba Hydro worked with the fifth forecaster and has secured its agreement to file the requested information "Subject to Manitoba Hydro's agreement to provide written confirmation to [Owner Name] from the Manitoba Public Utility Board that it will return the forecast to Manitoba Hydro if it does not grant such forecast the status of "Commercially Sensitive Information", [Owner Name] consents to the request to give Manitoba Hydro the right to file [Forecaster's Name]'s forecasts with the Manitoba Public Utility Board."

Manitoba Hydro is enclosing a revised response to PUB MFR 79 referencing each of the five purchased price forecasts.

c) Justification

Purchased Price Forecasts

Manitoba Hydro purchased external price forecasts from a number of forecasters in order to create the Manitoba Hydro Electricity Export Price Forecast. Four of the five price forecasts purchased by Manitoba Hydro are “off-the-shelf” meaning they have not been prepared specifically for Manitoba Hydro or its target market and are available for purchase without restriction. The cost of off-the-shelf forecasts ranges from approximately \$25,000 to \$40,000 each. Manitoba Hydro is obliged by contract to treat the forecasts and the methodologies utilized therein as confidential. The forecasts cannot be provided to any third parties without prior written consent. The purchased forecasts are proprietary, generated using proprietary modeling formulas. Public disclosure of the documents would result in a substantial financial loss to the creators of the forecasts. The four off-the-shelf export price forecasters have consented to the release of their forecasts to the PUB, provided they be held in confidence.

The creators of the purchased forecasts actively protect their work product. Samples of the terms contained in agreements between Manitoba Hydro and the forecasters include:

This report constitutes and contains valuable trade secret information. Disclosure of any information contained in this report by you and your Company to anyone other than the employees of your Company ("Unauthorized Persons") is prohibited unless authorized in writing. You will take all necessary precautions to prevent this report from being available to Unauthorized Persons, as defined above, and will instruct and make arrangements with employees of your Company to prevent any unauthorized use of this report. You will not lend, sell, or otherwise transfer this reports (or information contained therein or parts thereof) to any Unauthorized Person without prior written approval.

.....

These materials, including any updates to them, are published by and remain subject to the copyright, and are made available to clients under terms agreed between Consultant and those clients. The use of these materials is governed by the terms and conditions of the agreement under which they were provided. The content and conclusions contained are confidential and may not be disclosed to any other person without prior written

permission.

Manitoba Hydro notes that the fifth purchased export price forecasts was customized for Manitoba Hydro and its target market. The price of the customized forecast was in excess of \$100,000 USD. Manitoba Hydro has authority to release this forecast to the PUB.

Manitoba Hydro Electricity Export Price Forecast

Manitoba Hydro's consensus Electricity Price Forecast is derived from the combined results of five purchased export price forecasts. The Manitoba Hydro Electricity Export Price Forecast is used for financial modelling purposes and forms the basis for negotiation of Manitoba Hydro's long term firm export contracts.

The Manitoba Hydro Electricity Export Price Forecast is confidential to Manitoba Hydro as is the identity of the price forecasts used to create the corporate forecast. Knowledge of the Corporation's views regarding the future price of power will harm Manitoba Hydro's competitive position and negatively impact export power sale negotiations. It would be difficult to imagine a party entering an export sale agreement at prices higher than Manitoba Hydro's forecast values if those were known to the counterparty. It should be understood that input forecasts typically provide divergent future views hence the identities of the forecasters must be protected to avoid facilitating counterparties recreating Manitoba Hydro's consensus forecast. This is a significant risk in an environment where relatively small differences in export price expectations can equate to millions or tens of millions of dollars over the term of a contract.

Manitoba Hydro notes that in previous proceedings the PUB has held export price forecasting information, including the identities of the forecasters, in confidence.

d) Proposed Treatment

Manitoba Hydro is requesting a ruling from the PUB that Manitoba Hydro's Electricity Export Price Forecast and information derived from the five purchased electricity export price forecasts, including the identities of the purchased price forecasters be received and held in confidence by the PUB pursuant to Rule 13(2)(a) and (b). Manitoba Hydro submits that holding this information in confidence outweighs the public interest in the disclosure of the

information.

Manitoba Hydro is filing, on blue paper, with redactions removed, its original response to PUB MFR 79 (dated June 21, 2017), and its updated response (dated July 11, 2017) referencing the information of four external price forecasters. Manitoba Hydro is also filing, on blue paper, an updated response (dated September 2017) referencing the information of the five external price forecasters. A redacted copy of this response will be provided to Intervenors.

Manitoba Hydro is not proposing any further disclosure to Intervenors or on the public record. To such extent as is necessary, Manitoba Hydro proposes Parties rely on a PUB engaged Independent Expert Consultant to verify this information and address any concerns raised by Intervenors in its report.

Appendix C

Internal Load Forecast

PUB MFR 97

a) Affected Documents and Information

Appendix “A” to Manitoba Hydro’s 2016 Load Forecast

b) Status

Manitoba Hydro’s 2016 Load Forecast without Appendix “A” attached (referred to as the “External” Load Forecast) has been placed on the public record in this proceeding.

Manitoba Hydro has advised Top Consumers whose confidential and commercially sensitive information is summarized in Appendix A to the 2016 Internal Load Forecast (also referred to as the “Internal” Load Forecast) that it is required to file Appendix A as part of its GRA pursuant to OIC 92/17, and that Manitoba Hydro is seeking confidential treatment of the information contained in Appendix “A”.

c) Justification

The only difference between the Internal and External versions of the Load Forecast is that the internal version has attached Appendix A which contains a forecast of the electricity consumption of Manitoba Hydro’s Top Consumers based upon Manitoba Hydro’s analysis of individual operating plans and expansion or contraction plans collected from industry news and publications, company prospectuses and confidential disclosure of business plans made to Manitoba Hydro.

Public disclosure of this information could result in harm to the businesses which voluntarily provided their confidential business plans to Manitoba Hydro which helps to inform and improve the quality of Manitoba Hydro’s Load Forecast.

Public release of this information could signal to customers that Manitoba Hydro cannot guarantee its confidentiality commitments, thereby risking the benefit of customer cooperation in the future. The confidential information provided by these Top Consumers with respect to

their future plans provides substantive value to Manitoba Hydro as it establishes and refines plans for future transmission and distribution infrastructure improvements. Changes to Top Consumer loads have a substantial impact on both the transmission and distribution system, and the associated lead times (3 – 5 years) required for planning and implementation of system improvements. If this type of information sharing is not forthcoming in the future, it will invariably negatively impact Manitoba Hydro's ability to serve the transmission and distribution needs of its customers in a timely and cost-effective manner.

There is no legal requirement obliging customers to share their confidential information with Manitoba Hydro. Customers do so based on Manitoba Hydro's assurance that the information will remain confidential. While Manitoba Hydro does not enter written Non-Disclosure Agreements with these customers, there exists a long standing practice and understanding that the Top Consumer's information will be afforded confidential treatment. Manitoba Hydro has advised these customers that it has been directed by OIC 92/17 to file their information and that the utility will be seeking confidential treatment of that information. Feedback received to date suggests Top Consumers have serious concerns with their information being compelled through Manitoba Hydro. There exists a strong expectation on the part of Top Consumers that Manitoba Hydro (and the PUB) will protect their Commercially Sensitive Information. No Top Consumer has expressed a willingness to allow further disclosure on the public record.

Manitoba Hydro believes it critical that the Internal Load Forecast Appendix A information be afforded the same treatment in this proceeding as it has in the past, that is, limit access to the PUB, its staff and professional advisors (including PUB appointed Independent Expert Consultants). All of the top consumers participate in a competitive market and some are competitors with each other within the relatively small Manitoba market. The release of information related to business plans and consumption projections will impact these customers' competitive position. Manitoba Hydro was advised in the past that public release of this information could have securities compliance implications.

Manitoba Hydro's External Load Forecast contains aggregate information which can be used by Intervenors to compare to the information in Manitoba Hydro's IFF. The PUB has consistently treated this information as confidential in previous proceedings and no other parties to the proceeding except the PUB have had access to this third party, confidential information.

d) Proposed Treatment

Manitoba Hydro is enclosing Appendix A to the 2016 Load Forecast, reproduced on blue paper. Manitoba Hydro requests a ruling from the PUB that Appendix A of the Load Forecast be deemed to be received in confidence by the PUB pursuant to Rule 13(2)(a) and (b). Manitoba Hydro submits that holding this information in confidence outweighs the public interest in the disclosure of the information.

Manitoba Hydro is not proposing any further disclosure to Intervenors or on the public record. To such extent as is necessary, Manitoba Hydro proposes Parties rely on a PUB engaged Independent Expert Consultant to verify this information and address any concerns raised by Intervenors in its report.

Appendix D

Corporate Risk Management Report

PUB MFR 9

a) Affected Documents and Information

Manitoba Hydro commercially sensitive information contained in Manitoba Hydro's Corporate Risk Management Report

b) Status

The information contained in this document falls within the control of Manitoba Hydro and no third party consents to disclose are required.

Manitoba Hydro has filed a redacted copy of its Corporate Risk Management Report on the public record of this proceeding.

c) Justification

The Corporate Risk Management Report contains information on the major risks facing Manitoba Hydro as it carries out its mandate. The report identifies and assesses each risk, describes the activities used to manage the risks and provides estimates of the potential residual impact to Manitoba Hydro in terms of likelihood and consequences after mitigation actions have been taken. Manitoba Hydro's tolerance for each risk and an assessment of whether the risk is within or outside the desired tolerance level is also provided.

Manitoba Hydro has reviewed the Corporate Risk Management Report and is proposing confidential treatment be afforded to a very limited amount of information contained in the report. Manitoba Hydro notes that numerous parties, including parties to the current proceedings may have a direct interest in the specific risk treatments outlined in the Corporate Risk Management Report. Redactions are limited to:

- references which could harm third party relationships and future negotiations with Manitoba Hydro;
- specific comments on export prices which could harm negotiations and counterparty relationships;
- references to regulatory, licensing and legal risks all of which would typically be protected from public disclosure;
- detailed information related to security of assets that could harm future operations.

Manitoba Hydro notes that in previous proceedings before the PUB, Manitoba Hydro has filed a redacted copy of the Corporate Risk Management Report on the public record and that the PUB has held the Corporate Risk Management Report with redactions removed, in confidence.

d) Proposed Treatment

Manitoba Hydro is filing, on blue paper, a copy of the Corporate Risk Management Report with redactions removed.

Manitoba Hydro is requesting a ruling from the PUB that the commercially sensitive information contained in PUB MFR 9, that is the information that has been redacted in the publicly available version of the Corporate Risk Management Report, be received and held in confidence by the PUB pursuant to Rule 13(2)(a) and (b). This information has consistently been treated as confidential. Manitoba Hydro submits that holding this information in confidence outweighs the public interest in the disclosure of the information.

Manitoba Hydro is not proposing any further disclosure to Intervenor or on the public record. To such extent as is necessary, Manitoba Hydro proposes Parties rely on a PUB engaged Independent Expert Consultant to verify this information and address any concerns raised by Intervenor in its report.

Appendix E

Credit Rating Agency Reports

PUB MFR 60 and PUB MFR 78i)

a) Affected Documents

Moody's Investor's Service Reports
Standard and Poor's Reports

b) Status

PUB MFR 60 requests current credit rating reports for Manitoba Hydro and the Province.

PUB MFR 78i) requests all credit and/or debt rating agency reports on Manitoba Hydro and the Province of Manitoba since the NFAT.

Manitoba Hydro sought consent from the credit rating agencies reporting on the Province of Manitoba/Manitoba Hydro to file their reports as part of its General Rate Application materials. PUB MFRs 60 and 78 were issued prior to the filing of the GRA and requested the credit rating reports be filed.

Dominion Bond Rating service consented to this request and its reports were included in Manitoba Hydro's filing (Appendix 4.4) and PUB MFR 78i).

Manitoba Hydro has been advised that Moody's will not provide consent to file the reports on the public record but that Manitoba Hydro has approval to file the Moody's credit rating reports in confidence with the PUB.

Standard and Poor's has consented to the filing of its credit rating reports with the Public Utilities Board provided they are held in confidence. Standards & Poor's will not permit re-posting of reports. Standard & Poor's has also advised that the ratings and reports are available for purchase by the public through their partnership with Alacra.

c) Justification

Manitoba Hydro's authorization to use and release Moody's and Standard & Poor's Credit Rating Reports is dictated by contract. There exists commercial value to Moody's and Standards & Poor's in their credit rating reports. Moody's and Standards & Poor's have changed their processes regarding provision of reports to non-purchasing parties. While fairly broad consents were granted in the past, the credit rating agencies are being more restrictive, particularly with respect to non-regulator access, re-posting and reproduction of their credit rating reports. This issue was also discussed with Intervenor's at the Manitoba Hydro workshop of May 31, 2017 and at the CSI Motion Hearing Day on July 18, 2017.

While Moody's recently changed their process, Manitoba Hydro has been dealing with this issue with Standards and Poor's since the 2015/16 General Rate Application. Manitoba Hydro sought consent of Standard & Poor's during the 2015/16 General Rate Application to file the Standard & Poor's Credit Rating Report and no consent was provided. As such, no report was provided during the course of the 2015/16 General Rate Application proceeding¹.

Moody's

Under the terms and condition of the Master Agreement between Manitoba Hydro and Moody's, the following provisions apply:

1. All reports, manuals, CUSIP numbers and standard descriptions, other publications, products and/or services, and all research, analysis, and data therein contained (collectively, "Information"), furnished by Moody's Investors Service, Inc. ("Moody's") pursuant to this subscription agreement are copyrighted in the name of Moody's (or Moody's licensors) and are so furnished at subscriber's request and for subscriber's exclusive use. No information so furnished may be copied or otherwise reproduced, repackaged, further transmitted, transferred, disseminated, distributed, redistributed, sold, resold, leased, rented, licensed, sublicensed, altered, modified, adapted, or stored for subsequent use for any such purpose, in whole or in part, in any form or manner or by any means whatsoever, by subscriber or any other person or entity, without Moody's prior written consent.

¹ Pg. 20 of Tab 3 of the 2014/15 & 2015/16 General Rate Application indicated "Manitoba Hydro is awaiting permission from Standards & Poor's to provide copies of the most current credit rating reports."

15. Notwithstanding the provisions of Section 1 of this Agreement Subscriber may, as part of and in the ordinary course of its business, redistribute (orally, in writing or by electronic means) to its clients and in its own business applications, reports, presentations, graphs and other publications, limited excerpts of the Information without Moody's prior written consent, *provided, however*, that (i) the information utilized is only supportive and incidental in nature to the substance of such presentations, reports and exhibits, (ii) subscriber agrees and acknowledges that Subscriber will assume full liability for any such redistribution of the Information, and (iii) Subscriber agrees not to use the limited right to redistribute the Information granted hereunder or the Information provided pursuant to this Agreement either (a) on a recurrent basis or (b) to develop for sale and/or distribution or otherwise a produce that competes with any Moody's product, or in the case of CUSIP Numbers and Standard Descriptions a product that substitutes for CUSIP Master Tape, Print, Electronic and/or CD-ROM Services. In the event Subscriber makes such use of limited excerpts as permitted above, it shall give appropriate credit to Moody's as the source of such information.

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- b) All access to and use of each of the Services subscribed to hereunder shall be subject to the restrictions stated in each applicable Services Attachment(s). Any capitalized terms used and defined in this Agreement shall have the same meaning when used in the applicable Services Attachment(s) unless otherwise

stated therein. For the purpose of this Agreement, the following terms shall have the meanings given below:

(vi) “Authorized User” means an employee of Subscriber authorized by S&P (or by Subscriber’s System Administrator as permitted in the applicable Services Attachment(s)) to access the Services.

(xi) “Subscriber” means the entity or entities (either Client and/or any Affiliate(s)) identified on any Services Attachment.

c) Only Subscriber is authorized to access and/or otherwise use the Services under this Agreement and the applicable Services Attachment(s). For the avoidance of doubt, only those entities that are expressly identified in the applicable Services Attachment(s) as Subscriber will have access to or use of the Services. Except as may be specifically provided in a Services Attachment, the Services shall be used exclusively for Subscriber’s own internal business. Subscriber shall not (i) publish, reproduce, and/or otherwise redistribute the Services or any components thereof in any manner (including, but not limited to, via or as part of any Internet site); or (ii) provide access to the Services or any portion thereof to any person, firm or entity other than an Authorized User, including, without limitation, any entity that is affiliated with Subscriber and not expressly identified in the applicable Services Attachment(s).

d) Except as may be specifically provided in a Services Attachment, the Services shall not be used as part of Subscriber’s intranet or other internal network. Subscriber shall take all precautions that are reasonably necessary to (i) prevent access to the Services or any component thereof by any individual who is not an Authorized User; (ii) prevent any unauthorized distribution or redistribution of the Services; and (iii) protect the proprietary rights of S&P, its affiliates, and their third party licensors in the Services. Subscriber shall not modify, reverse-engineer, disassemble, decompile or store the Services or any software contained therein. Except as may be specifically provided in a Services Attachment, Subscriber shall not create archival or derivative works based on the Services or any portion thereof.

g) Client and Subscriber shall each ensure compliance with the terms and conditions of this Agreement and the applicable Services Attachment(s). Client and each Subscriber shall be jointly and severally liable for failure of either Client or Subscriber to comply with the terms and conditions of this Agreement and the applicable Services Attachment(s).

7 a) All proprietary rights (including, but not limited to, copyrights, trade secrets, database rights and trademark rights) in the Services, including all information, data, ratings and ratings symbology, software, products and documentation contained or included therein, are and shall remain the sole and exclusive property of S&P, its affiliates and their third-party licensors. The Services are compiled, prepared, revised, selected and arranged by S&P, its affiliates and their third-party licensors through the application of methods and standards of judgment developed and applied through the expenditure of substantial time, effort and money, and the Services constitute valuable intellectual property of S&P, its affiliates and their third party licensors. Subscriber shall protect the copyright, trade secrets, database right, trademarks, and other proprietary rights of S&P, it affiliates, and their third-party licensors in the Services, including but not limited to, any contractual, statutory, or common-law rights, during and after the term of this Agreement or of any Services Attachment. Subscriber shall honor and comply with all reasonable requests made by S&P to protect the rights of S&P, its affiliates and their third-party licensors in the Services.

b) Copying of, use of, access to or distribution of the Services or any information, data or software contained therein in breach of this Agreement and/or the applicable Services Attachment(s) shall cause S&P, its affiliates and/or their third-party licensors irreparable injury that cannot be adequately compensated for by means of monetary damages. Any breach hereof by Subscriber may be enforced by S&P, its affiliates or their third-party licensors by means of equitable relief (including, but not limited to, injunctive relief) in addition to any other rights and remedies that may be available. In the event S&P has reasonable grounds to believe Subscriber is violating the terms and/or conditions set forth in this Agreement and/or the applicable Services Attachment(s), S&P shall have the right to suspend delivery of, or Subscriber's

access to, the Services. Client and each Subscriber shall be jointly and severally liable to indemnify and hold harmless S&P, its affiliates and their third-party licensors from and against any and all costs, claims, damages or liabilities (including reasonably attorneys fees) arising from any breach of the limitations or restrictions set forth in this Agreement and the applicable Services Attachment(s).

The Services Attachment to the Master Subscription Agreement provides as follows:

C USE AND RESTRICTIONS ON USE

(1) Authorized Users listed on the Authorized User Attachment or those who, subsequent to the Commencement Date, have been issued password(s) by S&P may access and use the Service(s) pursuant to the Entitlement(s) (as defined below) set forth in the Pricing Schedule. Except as expressly permitted herein, Authorized Users may not share or distribute any information that s/he downloads or exports from the Service(s) with or to any individual who is not an Authorized User of the Service(s). The maximum number of Entitlements through which the Service(s) may be accessed shall not exceed the aggregate number of Entitlements set forth on the Pricing Schedule. An “Entitlement” is the unit of value assigned to the content sets that comprise the Service(s). The number of Entitlements for each content set is calculated by multiplying the applicable content set value by the number of Authorized Users who may access or use a content set. The total number of Entitlements indicated on the attached Pricing Schedule is equal to the sum of Entitlements for each content set.

(2) Notwithstanding anything to the contrary in the Agreement or herein, Subscriber may, as part of and in the ordinary course of its internal operations, provide and distribute (orally, in writing, electronically or otherwise) on an infrequent, occasional and incidental basis, to individuals who are not Authorized Users and on a no-charge basis only, information, reports, presentations and other publications (individually and collectively, “Subscriber Materials”) that utilize and display de minimus amounts (both in terms of the amount of material obtained from the Service(s) and the proportionate amount of such material used within the Subscriber Materials) of information or data from the Service(s) (the “Excerpt”) subscribed to hereunder without the prior written consent from and without

payment of additional fees to S&P, provided, however: (a) Subscriber shall give appropriate credit to S&P as the source of the Excerpt and (b) Subscriber shall include, in a clear and conspicuous manner, the disclaimer of liability set forth on the S&P Disclaimer of Liability Exhibit which is attached hereto, on behalf of S&P or its third-party information providers generally in relation to the Excerpt and the context from which it is drawn. Subscriber shall indemnify S&P from any damages or loss arising out of any dissemination or use of, the Service (s) in Subscriber Materials that do not contain the disclaimer notice set forth in the S&P Disclaimer of Liability Exhibit. Subscriber shall provide S&P with copies of sample Subscriber Materials containing the Excerpt upon S&Ps request. Nothing herein shall permit Subscriber to provide or distribute data or information from the Service(s) or portions thereof on a systematic basis or in any manner, including the provision of full articles from the Service(s) or commercial resale that competes with any distribution by S&P of the Service(s) in any form or format, or of any derivative works based thereon. For the avoidance of doubt, recipients of Subscriber Materials may not further disseminate Subscriber Materials.

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d) Proposed Treatment

The Credit Rating Agency reports were not commissioned by Manitoba Hydro. These reports are completed for the benefit of investors and lenders. Credit ratings have the ability to materially impact the cost of borrowing for the Corporation, which in turn impacts rates. As such, the PUB is rightfully concerned with ratings assigned to Manitoba Hydro and statements made by these agencies regarding the Corporation's financial health.

Commercial reality is that credit reports have value and certain creators are no longer prepared to consent to their placement in the public domain (as was done in the past) without substantial compensation. Nevertheless, contract terms clearly allow authorized users to reference and extract quotations from the reports. With this in mind, Manitoba Hydro proposes the following treatment:

Prior to the change in policy by Moody's and Standard & Poor's Credit Rating Agencies, Manitoba Hydro was permitted to file Credit Rating Agency Reports on the public record. The following reports were provided as Appendix 3.8 of the 2014/15 & 2015/16 General Rate Application and can be found at the link below:

https://www.hydro.mb.ca/regulatory_affairs/electric/gra_2014_2015/pdf/appendix_3_8.pdf

- DBRS Rating Report, Province of Manitoba, dated October 17, 2014
- DBRS Rating Report, Manitoba Hydro Electric Board, dated October 23, 2014
- Moody's Investors Service Credit Analysis Province of Manitoba, dated October 17, 2014
- Moody's Investors Service Credit Opinion: Manitoba Hydro Electric Board dated November 6, 2014

Standards & Poor's declined to consent to the filing of their report as part of the 2014/15 & 2015/16 General Rate Application.

Manitoba Hydro is filing on blue paper the following credit agency reports as part of PUB MFR 60:

- Standard & Poor's Province of Manitoba Research Summary report dated

December 10, 2014

- Standard & Poor's Province of Manitoba Research Supplementary Analysis report dated December 10, 2014
- Standards & Poor's Province of Manitoba Ratings Direct report dated December 21, 2015
- Standards & Poor's Province of Manitoba Research Update report dated July 14, 2016
- Standards & Poor's Province of Manitoba Ratings Direct report dated July 29, 2016
- Standards & Poor's Province of Manitoba Ratings Direct report dated July 21, 2017

- Moody's Investors Service Province of Manitoba Credit Opinion dated August 3, 2016
- Moody's Investors Service Province of Manitoba Credit Opinion report dated July 16, 2015
- Moody's Investors Service Province of Manitoba Rating Action report dated July 10, 2015
- Moody's Investors Service Credit Opinion: Manitoba Hydro Electric Board dated November 16, 2016
- Moody's Investors Service Credit Opinion: Manitoba Hydro Electric Board dated November 6, 2015

Manitoba Hydro notes that the DBRS Rating Reports (The Manitoba Hydro Electric Board) dated November 26, 2015 and November 25, 2016 have been filed on the public record as Appendix 4.4 in the current proceeding and Manitoba Hydro proposes that these documents be maintained on the public record.

Manitoba Hydro is requesting a ruling from the PUB that the most current Moody's and Standards & Poor's Credit Rating Reports be deemed to be information of a financial and commercial nature under Rule 13(2)(a)(i) and (2)(b)(i) and be received in confidence by the PUB pursuant to Rule 13(2)(a).

Manitoba Hydro does not propose any further disclosure of this information to Intervenors or on the public record as this is information belonging to a third party for which consent to release has not been received. Manitoba Hydro proposes that parties rely upon the

Independent Expert Consultant retained by the PUB to review this information and as necessary, verify the information and address any concerns raised by Intervenors in its report. Given both Moody's and Standard & Poor's allow the provision of excerpts to non-authorized users, the Independent Expert Consultant will be in a position to verify and provide context to those portions of the reports referenced by Manitoba Hydro.

Appendix F

Construction of Major Projects - Keeyask and BiPole III

1. Tenders, Proposals, Bids and Contracts

PUB MFR 131, PUB MFR 133, PUB MFR 137, PUB MFR 138, PUB MFR 141, PUB MFR 156, PUB MFR 159, PUB MFR 163

a) Affected Documents and Information

The above noted MFRs request that copies of the following tenders, proposals and contracts be filed for both Keeyask and BiPole III Projects (with page count estimates where readily available):

PUB MFR 131

- Keeyask General Civil Tender Package (6500 pages)

PUB MFR 133

- Keeyask General Civil Proposals (4) (33,500 pages)

PUB MFR 141 (ii)

- Keeyask General Civil Contract (9000 pages)

PUB MFR 137

- Keeyask Turbines and Generators Tender Package

PUB MFR 138

- Keeyask Turbines and Generators Proposals (3) (6000 pages)

PUB MFR 141 (iii)

- Keeyask Turbines and Generators Contract (1900 pages)

PUB MFR 156

- HVDC Converter Equipment Tender Package (4700 pages)

PUB MFR 159

- HVDC Converter Equipment Proposals (3) (12,000 pages)

PUB MFR 163(i)

- HVDC Converter Equipment Contract (11,300 pages)

PUB MFR 163(ii)

- Keewatinohk AC Switchyard Contract (4300 pages)

PUB MFR 163(iii)

- Keewatinohk Camp Construction Contract (1350 pages)

PUB MFR 163(iv)

- Keewatinohk Camp Services Contract (500 pages)

PUB MFR 163(v)

- Keewatinohk Site Development Contract (525 pages)

PUB MFR 163(vi)

- Riel Synchronous Condensers Contract (3700 pages)

b) Status

Manitoba Hydro has sought consents to file contracts and/or disclose information derived from contracts from counterparties and proponents. Where consents have been provided, they have been on the condition that disclosure be to the PUB and no other parties.

Some contractors and proponents did not respond to Manitoba Hydro's request or requested that certain information, including in some cases pricing, be withheld from the PUB. Manitoba Hydro has since advised these contractors and proponents that pursuant to OIC 92/17 the PUB has engaged an Independent Expert Consultant to review Manitoba Hydro's capital expenditures and has directed Manitoba Hydro to provide the Independent Expert Consultant with access to all information in Manitoba Hydro's possession relevant to the review, including confidential and commercially sensitive information. Manitoba Hydro further notified contractors and proponents that upon execution of a non-disclosure agreement, the Independent Expert Consultant would be provided access to the information without delay. Manitoba Hydro also indicated its expectation that to the extent the Independent Expert Consultant relies upon commercially sensitive and confidential information to arrive at its conclusions in its public report, the information will be reported at a level of summary or aggregation which will not serve to disclose confidential information and that as per past practice, the Corporation expected to be afforded the opportunity to redact and confidential or commercially sensitive information from the report prior to it being issued publicly.

On the strength of this notice and the consents received, Manitoba Hydro has or is prepared to provide the Independent Expert Consultant access to the information where requested.

c) Justification

As noted in Manitoba Hydro's CSI Process Motion materials, dated July 11, 2017, the Keeyask General Civil Works Request for Proposals and Contract, the Keeyask Turbines and Generators Request for Proposals and Contract and as well as the HVDC Converter Equipment Request for Proposals and Contract each contain terms which address property ownership, use rights and confidentiality obligations. These rights and obligations are complex. They are different under each of the projects. They are also different within a project depending on the nature of the property in question. Generally, Manitoba Hydro is obliged to protect a proponent or contractor's proprietary information as identified in the tender materials and contract. This can include such information as pricing, designs, drawings and methodologies. Disclosure in a manner not contemplated in the tender materials and contracts exposes Manitoba Hydro to liability. Public disclosure also has the potential to materially impact future Manitoba Hydro's competitive bid process. Qualified proponents may be reluctant to bid on projects due to the perception that Manitoba Hydro cannot provide assurance that information will be maintained in confidence.

These materials are voluminous (roughly 100,000 pages in total) and contain a substantial amount of Commercially Sensitive Information, notably pricing and proprietary information which in many cases Manitoba Hydro is contractually bound to protect. Given the volume of materials and number of parties involved (successful and unsuccessful proponents) a redaction process would be unmanageable.

Manitoba Hydro notes that in the NFAT, a number of these documents were made available to the PUB's appointed Independent Expert Consultant but were not filed on the record of the proceeding.

d) Proposed Treatment

Manitoba Hydro is requesting a ruling from the PUB, pursuant to Rule 13(2)(a) and (b), that the tender packages, proposals and contracts related to the Keeyask and Bipole III projects be designated as confidential by the PUB.

Manitoba Hydro further requests that due to their size and commercial sensitivity, the documents requested in PUB MFR 133, 138, 141, 156, 159 and 163 be treated in accordance with PUB Order 82/17, that is they be made available to the Independent Expert Consultant engaged by the PUB for the purpose of reviewing Manitoba Hydro's Major Project information, without the requirement that a copies be filed with the PUB at this time and without the requirement that redacted copies be placed on the public record. Manitoba Hydro requests that the information redacted from the public copies of PUB MFR 131 and 137 (redacted and filed prior to Manitoba Hydro preparing its CSI process motion and the issuance of Order 82/17) also be made available to the Independent Expert Consultants without the requirement that copies be filed on blue paper with the PUB.

This information has consistently been treated as confidential. Manitoba Hydro submits that holding this information in confidence outweighs the public interest in the disclosure of the information.

Manitoba Hydro does not propose any further disclosure of this confidential information to Intervenors or on the public record. To such extent as is necessary, Manitoba Hydro proposes Parties rely on a PUB engaged Independent Expert Consultant to verify this information and address any concerns raised by Intervenors in its report.

2. Critical Energy Infrastructure Information

PUB MFR 156, PUB MFR 157, PUB MFR 159, PUB MFR 163, PUB MFR 188

a) Affected Documents and Information

- HVDC Converter Equipment Tender Package (4700 pages) (PUB MFR 156)
- HVDC Converter Equipment Proposals (3) (12,000 pages) (PUB MFR 159)
- HVDC Converter Equipment Contract (11,300 pages) (PUB MFR 163)
- GNTL Multi Party Facilities Construction Agreement (PUB MFR 188)

b) Status

The documents requested in PUB MFRs 156, 159 and 163 have not been filed and are included within Section 1 dealing with Tenders, Proposals and Contracts.

Manitoba Hydro prepared and filed a response to PUB MFR 157 with Critical Energy Infrastructure Information redacted.

Manitoba Hydro prepared and filed a response to PUB MFR 188 (GNTL Multi Party Facilities Construction Agreement) with Critical Energy Infrastructure Information removed.

c) Justification

Manitoba Hydro proposal that it not be required to file copies of the Tenders, Proposals and Contracts related to the HVDC Project as set out in Section 1 herein is further warranted on the basis that the MFRs seeking the HVDC converter equipment tender package (PUB MFR 156), proposals (PUB MFR 159), and contracts (PUB MFR 163) contain Critical Energy Infrastructure Information. The response to PUB MFR 157 seeking performance guarantee specifications also contains Critical Energy Infrastructure Information and should be afforded confidential treatment.

PUB MFRs 156, 157, 159 and 163 request specific information on the HVDC Converter Equipment and the HVDC tender packages, including reports to senior management. The HVDC system is a Critical Cyber Asset that supports the reliable operation of the Bulk Electric System. The North American Electric Reliability Corporation, Inc. (NERC) maintains reliability standards

and an associated compliance monitoring and enforcement program for standards for all users, owners and operators of the Bulk Power System. In April 2012, mandatory adherence to the electric reliability standards become a legal obligation under the *Manitoba Hydro Act* (C.C.S.M. c.H190), Regulation 25/2012, most recently amended by Regulation 45/2017.

NERC Standard CIP-011 prohibits public disclosure of strategic critical infrastructure information which is identified as information about a cyber asset that could be used to gain unauthorized access or pose a security threat to the Bulk Electric System Cyber System. Standard CIP-011-2 states that its purpose is to prevent unauthorized access to Bulk Electric System Cyber System Information by specifying the information protection requirements in support of protecting Bulk Electric System Cyber Systems against compromise that could lead to mis-operation or instability in the Bulk Electric System. The PUB's regulatory authority with respect to Manitoba Hydro is such that it may access this information. Others must comply with a documented information protection program.

Manitoba Hydro has provided aggregate, higher level information on the BiPole III project on the record of these proceedings and can provide answers to Information Requests on the public record at a similar level. The specific information contained in the tender packages, proposals and contracts, and information related to forced outage rates, guaranteed loss values and guaranteed thyristor and capacitor failure rates cannot be placed on the public record. Such disclosure would place Manitoba Hydro at risk of violating NERC Standards regarding strategic critical infrastructure. Violation of these standards could result in risks to reliability, penalties against Manitoba Hydro and the imposition of mandatory mitigation plans to address the violation.

The GNTL Multi Party Facilities Construction Agreement, filed in response to PUB MFR 188 contains at Exhibit A1 "Overall CUU One Line Diagram" which diagram has been removed from the filing. Minnesota Power advises that this diagram contains Critical Energy Infrastructure Information and that the Federal Energy Regulatory Commission in the United States has accepted that this information must be treated as confidential. Please see Appendix G for further commentary regarding Great Northern Transmission Line related documents.

d) Proposed Treatment

PUB MFR 156, PUB MFR 159 and PUB MFR 163 each also fall within the category of Tenders,

Proposals, Bids and Contracts. That they contain Critical Infrastructure is further justification for the confidential treatment to be afforded these documents.

Manitoba Hydro is enclosing on blue paper, its response to PUB MFR 157 and PUB MFR 188 with redactions removed.

Manitoba Hydro is requesting a ruling from the PUB that the commercially sensitive information contained in PUB MFR 157 and PUB MFR 188, that is the information that has been redacted in the publicly available version of this response, be received and held in confidence by the PUB pursuant to Rule 13(2)(a) and (b). Manitoba Hydro also requests confirmation that PUB MFR 156, PUB MFR 159 and PUB MFR 163 also be afforded confidential treatment although public versions will not be filed. This information has consistently been treated as confidential. Manitoba Hydro submits that holding this information in confidence outweighs the public interest in the disclosure of the information.

Manitoba Hydro opposes further disclosure of these documents. To such extent as is necessary, Manitoba Hydro proposes Parties rely upon the Independent Expert Consultant retained to review Manitoba Hydro's Major Project information to verify this information and address any concerns raised by Intervenors in its report.

3. Reserves, Contingencies, Expenditures and Contract Costs

PUB MFR 123, PUB MFR 142, PUB MFR 145, PUB MFR 155, PUB MFR 165, PUB MFR 167, PUB MFR 168

a) Affected Documents and Information

Responses to the MFRs disclose Manitoba Hydro commercially sensitive information. Information is drawn from Manitoba Hydro records. No specific documents are disclosed. No Third Party Information is affected by these MFRs.

b) Status

PUB MFRs 123, 142, 145, 155, 165, 167, and 168 request detailed breakdowns including reserves, contingencies, escalation, interest, and major contract costs by expense category, as well as a summary of the forecast contract values including actual expenditures to date and forecast expenditures at completion and draw down remaining and allocated amounts including which contracts they are assigned to and for what purpose.

Manitoba Hydro has filed responses on the public record with redacted information as follows:

PUB MFR 123 – requests a breakdown of the revised Keeyask budget by contract/project component. Budget amounts associated with each contract have been redacted. Budget amounts related to escalation, interest, base contingency, labour management reserve and escalation management reserve remain publicly available.

PUB MFR 142 – requests itemizes forecasted contract values, actual costs to date and forecasted cost at completion at the contract/project component level for Keeyask. All amounts (provided at the contract level) have been redacted. Explanations for the variances remain publicly available.

PUB MFR 145 - requests allocated and unallocated contingency amounts, drawdown amounts and contingency remaining on a project and contract basis for Keeyask. All amounts at the contract level are redacted as are contingency allocated and unallocated amounts, draw downs and amounts remaining at the project level. Project level base contingency, escalation, interest, total contingency, management reserve and escalation reserve remain publicly available.

PUB MFR 155 – requests the original Capital Project Justification and all Addendums for Bipole III Transmission Line, Converter Stations, Collector Lines, Community Development Initiative, Bipole III western Route and Converter Upgrade to 2300MW. The Capital Project Justification and addendums have been filed with contingency and Community Development Initiative participant details redacted.

PUB MFR 165 – requests the variance amounts and explanations for each Bipole III expense category. Portions of the explanation related to Other Expenses have been redacted. All variance amounts and other expense category explanations remain publicly available.

PUB MFR 167 – requests an itemized summary of the Bipole III contingency budget including draw down, amount remaining and amount allocated at the contract/project component level. All figures have been redacted.

PUB MFR 168 – requests the amounts and justification for revised contingency, escalation and interest amounts in the revised Bipole III project cost. Contingency estimates at the P50 and P75 probability levels have been disclosed on the public record as has base contingency and total contingency. Contingency estimates at the P90 and P95 have been redacted.

c) Justification

Manitoba Hydro has provided on the public record the full amount of contingency estimated for each project. Disclosing further detailed breakdowns at the project component/contract level on the public record could harm the Corporation's competitive position and put Manitoba Hydro at risk of undue financial loss. Similarly, detailed expense breakdowns at the project component/contract level provides counterparties with insight into the amount of monies allocated to their contract and provides insight into the upper limits for negotiations of changes to work or contracts. In some circumstances work orders related to the delay impact have not yet been negotiated and as such, Manitoba Hydro may pay more if the counterparty is made aware of what is included in the estimate for their contracts. Simply put, no one is likely to offer to do a job for \$10, if they know the budget is \$15. If detailed contingency dollars are disclosed, less scrupulous contractors may be incited to plan work so as to gain access to those sums. Parties may seek to renegotiate if they receive details regarding arrangements made with other Community Development Initiative participants.

Provision of probabilities assigned to contingency estimates gives third parties insight into Manitoba Hydro's estimate of its exposure to higher than budgeted costs. In PUB MFR 168 Manitoba Hydro has disclosed two sets of contingency estimates (P50 and P75). Provision of further probability estimates provides counterparties insight into Manitoba Hydro's view the likelihood and amount the project could part from current budgets. Knowledge of the Corporation's worst case estimates can undermine negotiations, particularly at critical junctures in the timeline when compensation for additional work is being negotiated.

Manitoba Hydro notes that the Capital Project Justification and Addendums requested in PUB MFTR 155 also contains information related to Community Development Initiatives. Modest redactions have been made to this information as it would negatively affect Manitoba Hydro's relationship with certain communities.

d) Proposed Treatment

Manitoba Hydro is filing on blue paper, responses to PUB MFR 123, 142, 145, 155, 165, 167 and 168 with redactions removed.

Manitoba Hydro is requesting a ruling from the PUB that the commercially sensitive information contained in the responses to these MFRs, that is the information that has been redacted in the publicly available versions of these responses, be received and held in confidence by the PUB pursuant to Rule 13(2)(a) and (b). This information has consistently been treated as confidential. Manitoba Hydro submits that holding this information in confidence outweighs the public interest in the disclosure of the information.

To such extent as is necessary, Manitoba Hydro proposes Parties rely upon the Independent Expert Consultant retained to review Manitoba Hydro's Major Project information to verify this information and address any concerns raised by Intervenors in its report.

4. Productivity Rates

PUB MFR 143 and PUB MFR 144

a) Affected Documents and Information

Responses to the MFRs disclose Manitoba Hydro commercially sensitive information. Information is drawn from Manitoba Hydro records. No specific documents are disclosed.

b) Status

PUB MFR 143 requests an explanation regarding how Manitoba Hydro calculated productivity in various Keeyask Contracts together with forecast versus actual productivity for those contracts and a variance explanation. Manitoba Hydro has filed a detailed explanation of how productivity was calculated but redacted the figures contained in the comparison of forecast versus actual productivity.

PUB MFR 144 requests Manitoba Hydro contrast productivity for various Keeyask contracts with those of Wuskwatim. Manitoba Hydro filed a response referencing comparable major contracts within the Keeyask and Wuskwatim projects. The comparison of concrete and earthworks productivity figures (four figures) were redacted from the response.

c) Justification

Productivity rates are specific to each contractor. Contractors provide forecasts of productivity rates in their initial bids. Manitoba Hydro monitors and tracks productivity for cost reimbursable forms of contract. Disclosure of forecast productivity rates on the public record could harm a contractor's competitive position in the market when bidding on future work, allowing competitors' to unfairly best a contractor's forecasted productivity rate. Where Manitoba Hydro Requests for Proposal are involved, such manipulative activity could financially harm the Corporation.

d) Proposed Treatment

Manitoba Hydro is filing, on blue paper, responses to PUB MFR 143 and 144 with redactions removed.

Manitoba Hydro is requesting a ruling from the PUB that the commercially sensitive

information contained in these MFRs, that is the information that has been redacted in the publicly available versions of these responses, be received and held in confidence by the PUB pursuant to Rule 13(2)(a) and (b). This information has consistently been treated as confidential. Manitoba Hydro submits that holding this information in confidence outweighs the public interest in the disclosure of the information.

To such extent as is necessary, Manitoba Hydro proposes Parties rely upon the Independent Expert Consultant retained to review Manitoba Hydro's Major Project information to verify this information and address concerns raised by Intervenors in its report.

5. Risk Registry

PUB MFR 129 and PUB MFR 169

a) Affected Documents and Information

Keeyask Risk Registry (PUB MFR 129)

Bipole III Risk Registry (PUB MFR 169)

Responses to the MFRs disclose Manitoba Hydro commercially sensitive information. Information is drawn from Manitoba Hydro records. No specific documents are disclosed. No Third Party Information is affected by these MFRs.

b) Status

PUB MFR 129 and 169 requests copies of the Risk Registry for the Keeyask and Bipole III projects be filed together with a description regarding risks that have materialized, how Manitoba Hydro addressed the risk and its financial impact.

Manitoba Hydro's response to PUB MFR 129 identifies material risks, summarises mitigation actions and estimates current and future financial impacts associated with the Keeyask Project. Mitigation actions related to specific contractor involvement and ongoing contracts has been redacted, as have estimated dollar values. Manitoba Hydro has not disclosed the Keeyask Risk Registry on the public record.

Manitoba Hydro's response to PUB MFR 169 identifies material risks, summarises mitigation actions and estimates current and future financial impacts associated with the Bipole III Project. Due to the nature of this project and because it is much closer to completion, the time for material risks has effectively passed, mitigation actions have been taken and financial impacts are known such that it is not necessary to redact the summary information. Manitoba Hydro does however request the Bipole III Risk Registry be held by the PUB in confidence.

c) Justification

A risk registry outlines the risks associated with a project, identifies parties associated with those risks and provide details regarding strategic actions to be taken and timeframes associated with any actions. If released on the public record, Manitoba Hydro's relationships with customers, counterparties, stakeholders or partners could be significantly impaired.

Allowing a third party access to Manitoba Hydro's perspectives regarding the significance assigned to specific risks and its strategy to address those risks is likely to negatively impact future negotiations and accommodations or arrangements associated with mitigating those risks. Allowing parties adverse in interest access to Manitoba Hydro's strategies to mitigate risks will place those parties in a better position to undermine such plans or otherwise further their own interests at the expense of the utility. Further, risk mitigation plans sometimes expose harsh assessments of potential issues. Such assessments are not conducive to the maintenance of positive business relationships which Manitoba Hydro must carefully foster with contractors, customers and the like in order to keep projects on time and on budget, and to facilitate profitable export sales. Manitoba Hydro has ongoing relationships with these contractors, customers and other stakeholders hence it is important that the Risk Registries remain confidential even once the project specific risk has passed.

Manitoba Hydro notes during the NFAT, the Keeyask Risk Registry was held in confidence by the PUB.

d) Proposed Treatment

Manitoba Hydro is filing on blue paper, responses to PUB MFR 129 and PUB MFR 169 with redactions removed together with the Keeyask and Bipole III Risk Registries in their entirety.

Manitoba Hydro is requesting a ruling from the PUB that the commercially sensitive information contained in these MFRs, that is the information that has been redacted in the publicly available versions of these responses, together with the Keeyask and Bipole III Risk Registries in their entirety, be received and held in confidence by the PUB pursuant to Rule 13(2)(a) and (b). This information has consistently been treated as confidential. Manitoba Hydro submits that holding this information in confidence outweighs the public interest in the disclosure of the information.

To such extent as is necessary, Manitoba Hydro proposes Parties rely upon the Independent Expert Consultant retained to review Manitoba Hydro's Major Project information to verify this information and address concerns raised by Intervenors in its report.

6. Estimate Reports, Summary Reports and Reports to Management

PUB MFR 130, PUB MFR 134, PUB MFR 135, PUB MFR 136, PUB MFR 139, PUB MFR 140, PUB MFR 160, PUB MFR 161, PUB MFR 162, PUB MFR 164 and PUB MFR 166

a) Affected Documents and Information

- Keyask Generating Station Final Design Phase Basis of Cost Estimate Report, December 2009 Cost Estimate, KGS Acres, dated June 1, 2009 (“KGS Acres Report”) (PUB MFR 130)
- The Chant Group Report dated November 1, 2013 - Basis of Estimate, General Civil works for the Keyask Generation Project, Contingency Estimate – Keyask Generation Project Risk Assessment and Summary Table – Quality Price Total, The Chant Group (PUB MFR 134)
- Manitoba Hydro Engineer’s Estimate Contract Breakdown, Engineer’s Estimate Network Summary, Bill of Quantities and Comparison Tables [NFAT CSI Manitoba Hydro-3] (PUB MFR 135)
- Keyask Generating Station General Civil Contract Procurement Presentation dated November 26, 2013 (PUB MFR 136)
- Executive Committee Recommendation Keyask Project – General Civil Works Contract 016203, dated February 11, 2014 (PUB MFR 136)
- Executive Committee Recommendation Keyask Project – General Civil Works Contract 016203, dated February 24, 2014 – Revised (PUB MFR 136)
- Keyask Generating Station General Civil Contract Procurement Presentation dated February 26, 2014 (PUB MFR 136)
- Manitoba Hydro Summary Table of Keyask Turbines and Generator proposals and price (PUB MFR 139)
- Manitoba Hydro Briefing Note Re: Pre-Qualification for Keyask Design, Supply and Installation of Turbines and Generators dated December 20, 2010 (PUB MFR 140)
- Manitoba Hydro Executive Committee Recommendation re: Keyask Generating Station Project – Turbine and Generator Equipment dated April 25, 2012 (PUB MFR 140)
- Third party HVDC converter equipment reference estimates (PUB MFR 160).
- Manitoba Hydro HVDC Proposal Comparison Table (PUB MFR 161)
- Manitoba Hydro Board Recommendation – Bipole III HVDC Converter Equipment Contract and Bipole III Keewatinoow & Riel HVDC Converter Equipment, Presentation to the Manitoba Hydro-Electric Board dated August 27 (PUB MFR 162)

- Bipole III Keewatinoow & Riel HVDC Converter Equipment, Presentation to the Manitoba Hydro-Electric Board dated August 27, 2014 (PUB MFR 162)
- The Rashwan Report - A Review of Manitoba Hydro Cost Estimates for Bipole III Converter Stations and Associated Facilities, Rashwan Consultant, Energy Initiatives Group and Cross Sound Cable Company, dated February 18, 2011 (PUB MFR 164)
- Manitoba Hydro Summary of Forecasted Contract Values for the Bipole III transmission and Collector Lines as of April 30, 2017 (PUB MFR 166)

b) Status

Responses to the MFRs require a mix of externally commissioned and internally prepared reports and documents.

PUB MFR 130 – requests the KGS Acres 2009 Basis of Cost Estimate Report. This report (174 pages) contains commercially sensitive information. The report has not been filed. The PUB appointed Independent Expert Consultants have access to this report.

PUB MFR 134 – requests the third party estimate report (November 13) used in the evaluation of Keeyask general civil work bids. Manitoba Hydro has identified three reports (96 pages) used in the evaluation of Keeyask general civil works bids: The Chant Group Basis of Estimate for the Keeyask General Civil Works; Contingency Estimate – Keeyask Generation Project Risk Assessment; and Summary Table – Quality Price Total Reports, dated November 1, 2013. These reports contain commercially sensitive information. The reports have not been filed. The PUB appointed Independent Expert Consultants have access to these reports.

PUB MFR 135 – requests a summary table of the four Keeyask general civil works proposals, engineer's estimate and third party estimate. Manitoba Hydro has identified Engineer's Estimate Contract Breakdown, Engineer's Estimate Network Summary, Bill of Quantities and Comparison tables as between the Engineer's Estimate, Third Party Estimate and the Proponent's Bid amounts which are responsive to this request. These documents contain detailed cost information at a granular level (35 pages including 14 page detailed spreadsheet). These documents contain commercially sensitive information. The documents have not been filed. The PUB appointed Independent Expert Consultants have access to these documents.

PUB MFR 136 - Manitoba Hydro has identified four reports provided to senior management detailing the Keeyask general civil works proposals:

- Keeyask Generating Station General Civil Contract Procurement Presentation dated November 26, 2013 (45 pages) – no redactions
- Executive Committee Recommendation Keeyask Project – General Civil Works Contract 016203, dated February 11, 2014 (5 pages) – the target price submitted by each proponent is redacted, as is the Purchase Order Upset Limit and the values attributed to each of its components. The value of the labour management reserve is also redacted.
- Executive Committee Recommendation Keeyask Project – General Civil Works Contract 016203, dated February 24, 2014 - Revised (5 pages) – same redactions as above
- Keeyask Generating Station General Civil Contract Procurement Presentation dated February 26, 2014 – Manitoba Hydro estimate of initial target price and the target price submitted by each proponent is redacted (p. 64). The Total purchase order upset limit and values attributed to each of its components are redacted (p.65). The project contingency and contingency breakdown values are redacted (p.66 -69). Negotiation values (p.107), supervisor cost comparisons (p.112) and all in concrete cost comparison between proponents (p. 114) are redacted.

Redacted copies of these reports have been filed.

PUB MFR 139 – requests a summary table of Keeyask turbines and generator proposals together with any third party estimates. Manitoba Hydro filed a summary table, identifying approved proponents and their estimated price, together with Manitoba Hydro's estimated price for the Keeyask Turbines and Generators project. The proposed prices and estimated price have been redacted from the response.

PUB MFR 140 – requests reports to senior management detailing the turbines and generators proposals and bids. Manitoba Hydro has identified two documents, Pre-Qualification for Keeyask Design, Supply and Installation of Turbines and Generators Briefing Note dated December 20, 2010 and Executive Committee Recommendation re: Keeyask Generating Station Project – Turbine and Generator Equipment dated April 25, 2012 which are responsive to this request (3 pages). These documents contain commercially sensitive information.

PUB MFR 160 – requests any third party estimate reports used in the evaluation of HVDC converter equipment bids. Manitoba Hydro's response indicates that it did not obtain any third party estimates but explains the methodology used in place of third party estimates. Proprietary third party vendor information is redacted from the response.

PUB MFR 161 – requests a table comparing HVDC converter equipment proposals with any engineer’s or third party estimates. Manitoba Hydro has prepared a summary table, identifying approved proponents and their estimated price, together with Manitoba Hydro’s estimated price for the HVDC Converter Station project. All values associated with proponents bids for specific cost items and total bid values have been redacted from the response.

PUB MFR 162 – requests copies of reports to senior management detailing the HVDC converter equipment proposals. Manitoba Hydro has identified two documents, Board Recommendation – Bipole III HVDC Converter Equipment Contract and Bipole III Keewatinooow & Riel HVDC Converter Equipment, Presentation to the Manitoba Hydro-Electric Board dated August 27, 2014, which are responsive to this request (24 pages). These documents contain commercially sensitive information and have not been filed. The PUB appointed Independent Expert Consultants have or will, upon request, be provided access to these documents.

PUB MFR 164 – request a copy of the Rashwan Consultant report on the Bipole III cost estimate. Manitoba Hydro filed portions of the Rashwan Consulting Report on the public record (pages 1 – 11), noting that appendices to the report (pages 12 – 32) are confidential. The appendices include Rashwan’s base estimate, contingency estimate, escalation estimate and total estimate together with recommendations re project delivery strategy, details regarding Budgetary Estimate and Management Reserve for project components.

PUB MFR 166 – requests a summary of the forecast contract values underpinning the \$4.65 billion Bipole III capital cost, actual expenditures to date and forecast expenditures at completion for every contract related to Bipole III. Manitoba Hydro has prepared a response including a summary table and variance explanations. All contract values, actual cost to date values and forecast expenditures at completion amounts have been redacted from the public version of the response.

c) Justification

Project proponents carefully safeguard proprietary rights in bid information such as pricing and subject to the terms of specific contracts, Manitoba Hydro is obliged to protect such information. Whether this information is contained in a third party report or estimate or a Manitoba Hydro prepared briefing note, presentation or summary table, proponents require the information remain confidential on the same basis as the bid/proposal itself. Disclosure of

pricing information on the public record could harm a contractor's competitive position in the market when bidding on future work, allowing competitors' insight into that contractor's pricing strategy.

Similarly, the information sought to be protected in PUB MFR 160 (Vendor Budgetary Proposal values) were based on Manitoba Hydro's pricing information from HVDC vendors on the costs of an HVDC Equipment Contract equivalent to Bipole III. These values provide specific information about pricing from the HVDC vendor and would provide insight between vendors as to whether they are within the price range of their competitors. The "CIGRE Standard Pricing" is derived from information that would only be available to CIGRE members.

Disclosing cost breakdowns at the project component/contract level could harm the Corporation's competitive position and put Manitoba Hydro at risk of undue financial loss. Detailed cost estimates related to the construction of the projects provide insight into methodologies used to estimate the costs of the projects. Proponents could use this information to undermine negotiations or gain advantage both against Manitoba Hydro and each other in the competitive tender processes related to future procurement processes.

Detailed expense breakdowns at the project component/contract level provide contractors with insight into the amount of monies allocated to their contract and provides insight into the upper limits for negotiations of changes to work or contracts. In some circumstances work orders related to delay impacts have not yet been negotiated and as such, Manitoba Hydro may pay more if the counterparty is made aware of what is included in the estimate for their contracts. If forecasted expenditures are revealed, less scrupulous contractors may be incented to plan work so as to gain access to those sums.

It is of note that summary tables, engineer's estimates, third party estimates and related information were treated as confidential during the NFAT review. This information was not filed on the public record and was instead reviewed by the Independent Expert Consultants engaged by the PUB.

d) Proposed Treatment

Manitoba Hydro is filing on blue paper, responses to PUB MFR 136, 139, 140, 160, 161, 164 and 166 with redactions removed. Redacted responses to these MFRs were previously filed.

Manitoba Hydro is requesting a ruling from the PUB that the commercially sensitive information contained in these MFRs, that is the information that has been redacted in the publicly available versions of these responses, be received and held in confidence by the PUB pursuant to Rule 13(2)(a) and (b).

Manitoba Hydro further requests that that due to their size and commercial sensitivity, the documents and reports requested in PUB MFR 130, 134, 135 and 162 be treated in accordance with PUB Order 82/17, that is they be made available to the Independent Expert Consultant engaged by the PUB for the purpose of reviewing Manitoba Hydro's Major Project information, without the requirement that copies be filed with the PUB at this time and without the requirement that redacted copies be placed on the public record.

The information contained in the above referenced MFRs has consistently been treated as confidential. Manitoba Hydro submits that holding this information in confidence outweighs the public interest in the disclosure of the information.

Manitoba Hydro does not propose any further disclosure of this confidential information to Intervenor or on the public record. To such extent as is necessary, Manitoba Hydro proposes Parties rely on a PUB engaged Independent Expert Consultant to verify this information and address any concerns raised by Intervenor in its report.

7. Environmental and Regulatory License Costs

PUB MFR 178

a) Affected Documents and Information

Responses to the MFRs disclose Manitoba Hydro commercially sensitive information. Information is drawn from Manitoba Hydro records. No specific documents are disclosed. No Third Party Information is affected by these MFRs.

b) Status

PUB MFR 178 requests Manitoba Hydro identify environmental and regulatory licence conditions and corresponding costs incorporated into CEF 14. Manitoba Hydro's response identifies various Environmental monitoring, engagement and educational activities as well as net project costs related to construction conditions and tower placement/routing. The estimated values for these projects have been redacted.

c) Justification

The costs related to environmental and regulatory license conditions have been structured to satisfy specific license conditions. Public release of this information may serve to identify the treatment of specific affected parties including mitigation and compensation information by region. Disclosure of this information will negatively impact Manitoba Hydro's ability to negotiate these settlements. The release of this information also Manitoba Hydro to strained relationships and potentially additional costs for those communities who perceive that they should be provided additional compensation in order to be equal to other communities, (regardless of distinguishing factors impacting the settlements).

d) Proposed Treatment

Manitoba Hydro is filing, on blue paper, its response to PUB MFR 178 with redactions removed.

Manitoba Hydro is requesting a ruling from the PUB that the commercially sensitive information contained in this MFRs that is the information that has been redacted in the publicly available version of the response, be received and held in confidence by the PUB pursuant to Rule 13(2)(a) and (b). This information has consistently been treated as confidential. Manitoba Hydro submits that holding this information in confidence outweighs the public

interest in the disclosure of the information.

To such extent as is necessary, Manitoba Hydro proposes Parties rely upon the Independent Expert Consultant retained to review Manitoba Hydro's Major Project information to verify this information and address any concerns raised by Intervenors in its report.

Appendix G

Great Northern Transmission Line

PUB MFR 20, PUB MFR 186, PUB MFR 187, PUB MFR 188, PUB MFR 189, PUB MFR 192

a) Affected Documents and Information

Capital Project Justification for GNTL;
GNTL Facilities Construction Agreement;
GNTL Project Development Agreement;
GNTL Construction Management Agreement;
and related commercially sensitive information derived from these agreements or provided by Minnesota Power.

b) Status

Minnesota Power has been advised that Manitoba Hydro is seeking confirmation from the PUB that the PUB will treat as confidential any confidential information filed by Manitoba Hydro in response to the MFRs related to the GNTL project. Minnesota Power's response is attached as Schedule A to this Appendix.

c) Justification

The U.S. portion of the new 500 kV interconnection connecting at the Manitoba-U.S. border to north-eastern Minnesota is known as the Great Northern Transmission Line ("GNTL"). Manitoba Hydro's subsidiary, 6690271 Manitoba Ltd. ("6690271") and Minnesota Power are responsible for funding the costs of the GNTL. On April 12, 2016, 6690271 executed a GNTL Construction Management Agreement with Minnesota Power that appointed Minnesota Power as the Construction Manager of the GNTL project and outlines the governance structure during the completion of the certification phase and during the construction phase for the GNTL project. As the Construction Manager, Minnesota Power is responsible for the provision of construction management services, real property management services and contracting with third party vendors and sub-contractors to complete all certification and construction activities to

construct and place in-service the GNTL.

6690271 Manitoba Ltd. has provided Minnesota Power with a copy of the MFRs that the PUB is requesting in respect of the GNTL project. Minnesota Power has been advised that Manitoba Hydro is seeking confirmation from the PUB that the PUB will treat as confidential any confidential information filed by Manitoba Hydro in response to the MFRs related to the GNTL project.

Under the terms of the GNTL Construction Management Agreement, Minnesota Power and 6690271 are subject to confidentiality provisions with respect to the release of GNTL project costs and other confidential information related to the GNTL project. The GNTL Construction Management Agreement provides that confidential information shall be kept in confidence and not disclosed by either party without the prior written permission of the other party. In addition, if either party (or any affiliate) is required to disclose confidential information pursuant to applicable law or in connection with any proceeding before a governmental body with jurisdiction over that party's rates, operations or other aspects of its business, it shall provide reasonable notice to the other party and will cooperate with the original disclosing party's efforts to obtain a protective order or other similar remedy. There are also additional provisions where, in the absence of a protective order or other similar remedy, upon the original disclosing party's request, the party called upon to make further disclosure shall cooperate, at its own expense, with the original disclosing party to obtain assurances that confidential treatment shall be accorded to such information. It should further be noted that the GNTL Construction Management Agreement grants parties, upon a breach of obligations, the ability to seek an injunction without proof of damages.

6690271 had previously obtained Minnesota Power's consent for Manitoba Hydro to provide updated GNTL project status reports to the PUB in confidence commencing June 30, 2016. This was prior to the issuance of OIC 92/17. Minnesota Power's consent was provided solely for release of the confidential information to the PUB for the purpose of reviewing Manitoba Hydro's IFF and GRA. This consent was limited to members, support staff and advisors of the PUB and did not extend to any other third parties participating in the GRA. The redactions to PUB MFR 20, 186 and 187 protect Minnesota Power's commercially sensitive information.

The GNTL Facilities Construction Agreement referred to in PUB MFR 188, the GNTL Project

Development Agreement referred to in PUB MFR 189, and the GNTL Construction Management Agreement (also included in the response to PUB MFR 188) will also be filed in order to respond to these MFRs and may be referenced in responses to other information requests in the GRA. Manitoba Hydro is requesting a ruling that confidential information in those agreements be redacted and be treated as confidential information by the PUB. The requested redactions are the same redactions that were made to the redacted public filings of those agreements by Minnesota Power with the Federal Energy Regulatory Commission.

6690271 has provided Minnesota Power with a copy of the MFRs that the PUB is requesting for the GNTL project. Minnesota Power has been advised that Manitoba Hydro is seeking confirmation from the PUB that the confidential information that will be provided to the PUB in response to those MFRs, as set out above, will be treated as confidential on the same basis as the project status reports. Minnesota Power has advised 6690271 that such confidential treatment of the confidential information is necessary to protect: (i) the competitive business practices in respect of the GNTL project and without such protections the costs of the GNTL project could increase; (ii) proprietary engineering information of vendors for the GNTL project which would otherwise be disclosed with risk to the GNTL project; (iii) preliminary information that is under development which would otherwise be disclosed with the risk to the GNTL project; (iv) vendors continuing to bid on work for the GNTL project; (v) Minnesota Power's relationship with Manitoba Hydro and particularly the continued sharing of confidential GNTL project information, wherein 6690271 was provided with significant access to confidential information of Minnesota Power on a project being constructed by Minnesota Power in Minnesota and with such access Minnesota Power also agreed to provide 6690271 with significant oversight on the GNTL project through the governance provisions in the GNTL Construction Management Agreement; and (vi) Minnesota Power had no expectation that any of its confidential information would be publicly disclosed. A copy of Minnesota Power's June 15, 2017 correspondence to 6690271 concerning the MFRs that the PUB is requesting in respect of the GNTL project is attached as Schedule A.

Manitoba Hydro's relationship with Minnesota Power has been established over many years of building trust and without resorting to legal interpretations or processes in order to enforce rights. Manitoba Hydro has consistently acted in good faith and with the understanding of the intent under which the GNTL Construction Management Agreement was negotiated with its subsidiary. Any triggering of legal rights under the GNTL Construction Management Agreement

without protecting Minnesota Power's confidential information could cause irreparable harm to Manitoba Hydro's relationships with Minnesota Power and undoubtedly will have an impact on any future negotiations, with significant potential for harm to Manitoba Hydro.

Minnesota Power, as Construction Manager, is responsible for the provision of construction management services, real property management services and contracting with third party vendors and contractors to complete all pre-construction and construction activities to construct and place in-service the GNTL. As such, with the exception of the base agreements directly between Minnesota Power and 6690271, 6690271 is not a party to the agreements concerning the construction of the GNTL requested in PUB MFR 192.

Manitoba Hydro is able to discuss, in public and in detail, the controls in place and its oversight role in terms of the GNTL project. However, Minnesota Power cannot allow contracts related to its construction activities into the public domain for the same reasons Manitoba Hydro cannot do so with respect to its projects - it will harm their competitive position and cause financial harm to Minnesota Power and the GNTL project. Further there exists concern with a foreign regulator commenting on Minnesota Power's construction practices and activities. Manitoba Hydro submits that the appropriate focus of the GNTL inquiry is with respect to the relationship between the entities, their respective roles and the controls in place to ensure Manitoba Hydro's interests through its subsidiary are adequately addressed.

d) Proposed Treatment

Manitoba Hydro requests a ruling from the PUB that confidential information related to the GNTL project be received in confidence by the PUB pursuant to Rule 13(2)(a) and (b). Manitoba Hydro submits that holding this information in confidence outweighs the public interest in the disclosure of the information.

Redacted responses to PUB MFR 20, 186 and 187 together with redacted versions of the GNTL Facilities Construction Agreement (PUB MFR 188), the GNTL Project Development Agreement (PUB MFR 189) and the GNTL Construction Management Agreement (PUB MFR 189) have been filed on the public record. This allows parties to gain insight into the GNTL project and the oversight role that 6690271 has with respect to the GNTL project. Manitoba Hydro proposes to file each of these MFRs, on blue paper, with redactions removed.

Manitoba Hydro proposes that the tender and request for proposal documents requested in PUB MFR 192 be treated on the same basis as Keeyask and Bipole III tender documents. That is, pursuant to Order 82/17, the documents will be made available to the PUB appointed Independent Expert Consultants without the requirement that copies be filed with the PUB at this time and without the requirement that redacted copies be placed on the public record at this time. Manitoba Hydro opposes the release of these documents to any party other than the PUB, its staff and advisors (including any Independent Expert Consultant engaged by the PUB). To such extent as is necessary, Manitoba Hydro proposes Parties rely on a PUB engaged Independent Expert Consultant to verify this information and address any concerns raised by Intervenors in its report.



AN ALLETE COMPANY

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June 15, 2017

VIA OVERNIGHT DELIVERY AND EMAIL

Daryl Maxwell
General Manager
6690271 Manitoba Ltd.
P.O. Box 1886
Winnipeg, Manitoba
R3C 3R2

RE: Additional PUB Minimum Filing Requirements from Order in Council 92/2017 related to the Great Northern Transmission Line

Dear Mr. Maxwell,

Minnesota Power has reviewed the Minimum Filing Requirements (“MFR”) issued on April 24, 2017 by the Public Utilities Board (“PUB”) including MFRs Nos. 186 through 194 specific to Minnesota Power’s Great Northern Transmission Line (“GNTL”) being constructed in Minnesota and for which Minnesota Power has obtained, among other requirements, a Presidential Permit issued on November 16, 2016 by the United States Department of Energy. Minnesota Power confirms its understanding that Manitoba Hydro is seeking a ruling from the PUB that the PUB treat as confidential any confidential information filed by Manitoba Hydro in response to the MFRs related to the GNTL. Minnesota authorizes the release of this letter to Manitoba Hydro and the filing of this letter with the PUB in support of such motion.

Minnesota Power confirms that it had previously advised 6690271 that such confidential treatment of the confidential information related to the GNTL is necessary to protect:

- (i) the competitive business practices in respect of the GNTL project and without such protections the costs of the GNTL project could increase;
- (ii) proprietary engineering information of vendors for the GNTL project which would otherwise be disclosed with risk to the GNTL project;
- (iii) preliminary information that is under development which would otherwise be disclosed with the risk to the GNTL project;
- (iv) vendors continuing to bid on work for the GNTL project;
- (v) Minnesota Power’s relationship with Manitoba Hydro and particularly the continued sharing of confidential GNTL project information, wherein 6690271 was provided with significant access to confidential information of Minnesota Power on a project being constructed by Minnesota Power in Minnesota and with such access Minnesota Power also agreed to provide 6690271 with significant oversight on the GNTL

- project through the governance provisions in the GNTL Construction Management Agreement; and
- (vi) Minnesota Power had no expectation that any of its confidential information would be publicly disclosed.

In addition, public disclosure of confidential information related to GNTL may harm the forward-looking and long-standing relationship between Minnesota Power and Manitoba Hydro. As previously discussed in Minnesota Power's September 8, 2011 letter in *Manitoba Hydro-Electric Board v. Consumers' Association of Canada (Manitoba) Inc. et al*, Suit No. AI 11-30-07612, public disclosure of confidential information would significantly harm Minnesota Power's customers through potentially higher resource acquisition costs as well as interfere with any future agreements between Minnesota Power and Manitoba Hydro.

Minnesota Power respectfully requests that the PUB grant Manitoba Hydro's motion to treat confidential information filed by Manitoba Hydro in response to the MFRs related to the GNTL as confidential with such information only to be viewed by the PUB.

If you have any questions regarding this letter, please do not hesitate to contact me at the number above.

Yours truly,



David R. Moeller

DRM:sr
Attach.

Appendix H

Manitoba - Saskatchewan Transmission Project

PUB MFR 195 and PUB MFR 196

a) Affected Documents and Information

Capital Project Justification for Manitoba – Saskatchewan Transmission Project dated September 4, 2015

Saskatchewan Power 100/140 MW Sale Evaluation dated January 5, 2016

b) Status

Manitoba Hydro has obtained the consent of SaskPower to file information derived from its export sales agreements made between Manitoba Hydro and SaskPower (the “SaskPower Sale Contracts”) with the PUB provided that confidential data is not disclosed publicly.

PUB MFR 195 – requests the Capital Project Justification for the MB-SK Transmission Project. The Capital Project Justification has been provided with commercially sensitive information derived from the power sale agreement and projected revenue information redacted.

PUB MFR 196 – requests the economic justification, including NPV, IRR, and revenue requirement analyses, demonstrating that the MB-SK Transmission Project is favourable to ratepayers. A copy of Manitoba Hydro’s Sale Evaluation has been filed, with information related to pricing, sale benefits, system benefits, Net Present Value Analysis and risk analysis redacted.

c) Justification

The Capital Project Justification for the Manitoba Saskatchewan Transmission Line discloses specific contract terms and commercially sensitive information. The SaskPower Sale Contracts contain confidential information that is protected by, and the use of which is governed by mutual confidentiality provisions. The SaskPower Sales Contracts require the parties to hold the confidential information in strict confidence and not to disclose the confidential information to any third party without prior written consent of the other party. Manitoba Hydro has received the required consents to file the SaskPower Sales Contracts and respond to related inquiries by the PUB, provided such responses do not disclose the confidential information as identified in

the SaskPower Sales Contracts on the public record.

As outlined in Appendix A, compelling disclosure of confidential, commercially sensitive contract specific terms without counterparty consent would harm the Corporation's relationship with SaskPower and the government of Saskatchewan and cause reputational harm to Manitoba Hydro as it is in ongoing discussions over future opportunities.

Manitoba Hydro has never disclosed pricing or other contract specific terms and conditions contained in export contracts in a public forum. During the NFAT process Manitoba Hydro filed export contracts and related information in confidence with the PUB and an in camera process was conducted to review contract specific details and benefits.

The economic justification requested in PUB MFR 196 serves to disclose the benefits, revenues and risks associated with proceeding with the transmission project. Also as noted in Appendix A, Manitoba Hydro's export customers follow PUB proceedings and obtain material from the PUB website in order to assist them in their negotiations with Manitoba Hydro. Any public disclosure of sale/system benefits, NPV, pricing or contract specific information has the potential to adversely affect Manitoba Hydro's position in ongoing negotiations with both SaskPower and other customers and result in significant harm to Manitoba Hydro's competitive position and reputation.

Similarly, knowledge of the revenues and benefits Manitoba Hydro expects to achieve pursuant to a sale transaction or project undermines future negotiations with a counterparty and can negatively impact the relationship between the parties. Disclosure of revenues leads counterparties and/or their regulators to second guess their negotiations, believing they may have paid too much, creates opportunities for public embarrassment and provides competitors with anti-hydro leverage when lobbying for their own resource. In the past, some counterparties have demanded to reopen contracts, and demanded additional value in the negotiation of Term Sheets when this has occurred.

d) Proposed Treatment

Manitoba Hydro is filing on blue paper, responses to PUB MFR 195 and PUB MFR 196 with redactions removed.

Manitoba Hydro requests a ruling from the PUB that all confidential information, including

contract specific information (pricing and contract specific terms and conditions) contained in responses to MFRs, together with projected revenue information be received in confidence by the PUB under Rule 13(2) (a) and (b) and not be placed on the public record. Manitoba Hydro submits that holding this information in confidence outweighs the public interest in the disclosure of the information.

Manitoba Hydro does not propose any further disclosure of this confidential information to Intervenor or on the public record. To such extent as is necessary, Manitoba Hydro proposes Parties rely on a PUB engaged Independent Expert Consultant to verify this information and address any concerns raised by Intervenor in its report.

Appendix I

Boston Consulting Group Reports

PUB MFR 72

a) Affected Documents

- June 2, 2016 engagement letter from BCG to Manitoba Hydro Re: BCG support for Keeyask and Bipole 3 assessment;
- July 5, 2016 Project Heartbeat Appendix documentation – July 5 draft for internal review (101 pages);
- July 6, 2016 Project Heartbeat Board Review –July 5th Sub-Committee Draft – (35 pages)
- July 12, 2016 engagement letter from BCG to Manitoba Hydro Re: BCG support for Keeyask and Bipole 3 assessment;
- August 9, 2016 Project Heartbeat Interim Checkpoint and Appendix (145 pages);
- August 22, 2016 Project Heartbeat Capital Sub Committee Review – August 25 BoD Draft and Workout Plan Appendix (100 pages);
- August 25, 2016 Project Heartbeat Board Meeting readout (68 pages);
- September 13, 2016 engagement letter from BCG to Manitoba Hydro Re: BCG support for US Tie Line assessment;
- October 4, 2016 Tie Line Economics Review Management meeting (56 pages);
- October 11, 2016 Tie Line Economics review Capital Sub Committee (80 pages).

b) Status

Manitoba Hydro has previously filed, on the public record, the following documents related to the Boston Consulting Group in response to PUB MFR 72:

- September 19, 2016 Boston Consulting Group (BCG) Bipole III, Keeyask and Tie-Line review Executive Summary;
- September 19, 2016 BCG Report of Bipole III, Keeyask and Tie-Line Project;
- November 3, 2016 Boston Consulting Group (BCG) Engagement Details.

The Affected Documents referenced above have been reviewed by Manitoba Hydro and commercially sensitive information has been redacted. Manitoba Hydro is filing copies of the redacted Affected Documents on the public record as part of PUB MFR 72. Manitoba Hydro is also filing copies of the Affected Documents on blue paper, with redactions removed, with the PUB in confidence.

c) Justification

The Boston Consulting Group (BCG) was retained for the purpose of providing advice to the Manitoba Hydro Electric Board in accordance with the terms of the letters of engagement referenced above. BCG's work was completed in three phases:

Phase 1 (Keeyask and Bipole III)

- “How sound was the the original rationale for the project?
- Can the projects be stopped without undue risks or “breakage” costs?
- What is the downside risk if the existing project scope is run to completion?
- What viable alternatives exist to maximize values?”¹

Phase 2 (Keeyask and Bipole)

- “Capital requirement to “weather the storm” (e.g.,5-year, 10 year) and long term equity ratio
- Quantification of what can be done “on our own” (e.g., improving the projects economic and risk profiles, strengthening the core business)
- Action required of the Province to “fill the gap”, i.e. appropriate balance of ratepayer contribution (e.g., support of rate increase plan) or taxpayer contribution (e.g. equity injection)
- Communication narrative and stakeholder management plan to address these immediate issues and longer term governance issues (Manitoba Hydro-led)”²

Phase 3 (US Tie Line Assessment)

¹ June 2, 2016 letter from BCG to Manitoba Hydro Re: BCG support for Keeyask and Bipole 3 assessment at p. 1

² July 12, 2016 letter from BCG to Manitoba Hydro Re: BCG support for Keeyask and Bipole 3 assessment at p. 1

- “How robust are the revenue projections associated with the US Tie Line investment and what risk or opportunities can impact the business case/
- Do cost estimates accurately reflect the likely capital requirements or are there further risks or opportunities present?
- Are higher value or lower risk alternatives available in place of proceeding with the project?”³

Manitoba Hydro staff were directed to provide BCG with access to any and all materials, including commercially sensitive information, necessary for BCG to complete their review. The reports provided by BCG to the Manitoba Hydro Electric Board address a broad range of topics and contain commercially sensitive information of the nature outlined in Appendices A – H herein and more. The BCG materials were not prepared for the purpose of assisting or advising Manitoba Hydro staff nor were they intended to be disclosed in a public forum.

Given the size of the BCG materials and breadth of information contained therein, Manitoba Hydro established the following criteria for the purpose of allowing different departments within the corporation to identify that information which is commercially sensitive to their area of operational responsibility:

Redaction Criteria

- 1 Party/Contract Specific Detail (information provided to MH with an expectation that confidentiality will be maintained) for example:**
 - a. Detailed business arrangements with third parties to construct/operate/own facilities. Specific pricing, terms, conditions in contracts or third party responses to request for proposals related to the construction/procurement of a generation, transmission or distribution resource on the MH system ;
 - b. Specific domestic customer load information, current or forecast;
 - c. Specific affected parties including mitigation or compensation not already available in public forum;
 - d. Information subject to statutory or contractual confidentiality provisions.
- 2 Technical Information or Intellectual Property**
 - a. Owned by Manitoba Hydro e.g. Consensus Export Price Forecast
 - b. Owned by a third party

³ September 13, 2016 letter from BCG to Manitoba Hydro Re: BCG support for US Tie Line assessment at p. 1

- 3 Power Contracts, Revenue & Price Forecast Information** *for example:*
 - a. Specific data, forecast, terms, conditions, prices, revenue projections contained in reports, agreements, contracts, proposals, term sheets together with information which facilitates back calculation of the foregoing information;
 - b. MH commodity price forecasts for electricity, natural gas and carbon including annual pricing escalators including third party proprietary input forecasts;

- 4 Documents Related to Risk/Benefit Identification, Quantification and Strategic Actions** *for example:*
 - a. Sales and marketing strategies/initiatives;
 - b. Identification of risks and/or benefits with details on relative significance, quantification, strategic actions or timeframes. Identification of specific parties who have an interest in or ability to influence the risk/benefit outcome.

- 5 Sensitive Analysis and Operational Data Facilitating Back Calculation** *for example:*
 - a. Resource planning assumptions and analysis, including the generation component of marginal cost;
 - b. Committed and uncommitted capacity and energy surplus quantities for export;
 - c. Breakdown of export sales quantity or revenue by product type, customer or province.

- 6 Utility Practice Techniques** *for example:*
 - a. Detailed solution techniques utilized in MH's short and long term planning of capacity, energy and water management with specific reference to the mathematical representation of the hydraulic or transmission system and the electricity market.

- 7 Resource, Project or Sale Cost and Benefit Analysis where such information could negatively impact Manitoba Hydro's negotiating power** *for example:*
 - a. Detailed cost estimates of new resources planned or in development on MH system, budget and contingency information related to projects and/or specific project components;
 - b. Estimate of economic or financial benefits (eg. Net Present Value, revenue projections, Internal Rate of Return) of development plans or sales evaluations.

- 8 Sensitive Relationship Management Information** *for example:*
 - a. Employment, labour relations, counterparty or stakeholder information, which if disclosed could result in labour issues, work stoppages, contract breach or demands for renegotiation.

Pages which contain redactions in the attached BCG materials have been coded in accordance with the above noted criteria. The critical element of each of the identified criterion is its ability to negatively impact Manitoba Hydro in such matters as operations, negotiations and financial performance. For example the Net Present Value of a development plan in aggregate is not likely commercially sensitive however, isolating the economic value of individual components, such as a new interconnection, provides the value of the component to the counterparty. Similarly, the Net Present Value of a sale in comparison with other options such as no sale serves to reveal the value of the sale to Manitoba Hydro and significantly weakens Manitoba Hydro's bargaining position.

The criteria was created prior to the review of the BCG Reports (which in many cases staff had not previously seen) based on previous PUB processes dealing with commercially sensitive information. In the end, not all of the listed criterion topic areas were found in the reports.

With the exception of the criteria identified in number 5 and 6, the criteria are generally addressed in Appendices A – H. With respect to Criteria #5, Manitoba Hydro notes that Manitoba Hydro Resource Planning document is not commercially sensitive and is filed with the PUB. However related information at a more detailed level could facilitate the completion of additional supply and demand analysis which in turn could provide detailed knowledge of Manitoba Hydro's energy/capacity position. Knowledge of a surplus energy or capacity position could weaken Manitoba Hydro's bargaining position- high surpluses reduce bargaining position. This information could also facilitate third parties conducting its own analysis of the economic or financial benefits of development plans or sales evaluations and obtain the information which Manitoba Hydro seeks to protect though Criterion # 7 (e.g. NPV analysis). Knowledge of the economic or financial benefits of a project or sale could significantly weaken Manitoba Hydro's bargaining position with counterparties seeking to extract as much of the available benefits as possible.

The breakdown of export sales quantity or revenue by product type, customer or province would also serve to undermine Manitoba Hydro in its export sale activities. Knowledge of sales quantities and revenues allow counterparties to assess availability of energy and capacity, provide insight into pricing offered to others and the benefits that may be extracted from a transaction. Breakdowns by customer or province discloses Manitoba Hydro's customer list and specific sales activities, providing information to competitors from which to undercut sales

activities.

Manitoba Hydro did not identify any commercially sensitive information in the BCG materials which matched Criterion #6. This criterion sought to protect the detailed solution techniques utilized in MH's short and long term planning of capacity, energy and water management with specific reference to the mathematical representation of the hydraulic or transmission system and the electricity market: Knowledge of this information allows for reverse engineering of Manitoba Hydro's system and system costs in the short and long term. Such information would provide competitors information from which to undercut your sales activities and counterparties insight into costs and benefits of proposed transactions. Depending on the nature of future discovery efforts in this proceeding, Manitoba Hydro may seek to protect information on this ground however thus far this concern has not arisen.

d) Proposed Treatment

Manitoba Hydro is filing on blue paper copies of those Boston Consulting Groups Reports to the Manitoba Hydro-Electric Board which contain commercially sensitive information as part of PUB MFR 72. Manitoba Hydro has provided these reports on the public record with commercially sensitive information redacted, with the category(s) of commercially sensitive information identified by numerical code on the page where the redaction is made, at the link below:

https://www.hydro.mb.ca/regulatory_affairs/pdf/electric/general_rate_application_2017/mfrs/pub_mfr_72_attachments.pdf

Manitoba Hydro requests a ruling from the PUB that the redacted information be received in confidence by the PUB under Rule 13(2) (a) and (b) and not be placed on the public record. Manitoba Hydro submits that holding this information in confidence outweighs the public interest in the disclosure of the information.

Manitoba Hydro proposes Parties rely on the PUB engaged Independent Expert Consultant(s) to verify this information and to address any concerns raised by Intervenors in the Independent Expert Consultant's Report.