



360 Portage Ave (22) • Winnipeg, Manitoba Canada • R3C 0G8
Telephone / N° de téléphone: (204) 360-3946 • Fax / N° de télécopieur: (204) 360-6147 • pjramage@hydro.mb.ca

September 21 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 to the following Information Requests:

- PUB/MH I-6a-b
- PUB/MH I-50a-c
- PUB/MH I-51
- PUBMH I-52
- PUB/MH I-131b-c
- PUB/MH I-43

Grounds

The information which Manitoba Hydro seeks to be received and held in confidence by the PUB is confidential and commercially sensitive information to Manitoba Hydro. Manitoba Hydro expects that the release of the confidential or commercially sensitive information will result in undue financial loss to Manitoba Hydro (or Third Parties) and/or harm the competitive position of the Manitoba Hydro (or Third Parties). Manitoba Hydro notes that in all cases the information of nature described herein has been consistently treated as

confidential. As such, Manitoba Hydro submits that the need to maintain the information in confidence outweighs the public in the disclosure of the information.

Background

On September 5, 2017, Manitoba Hydro filed responses to 1547 First Round Information Requests posed by the PUB and registered Intervenors. Ten of the responses filed in response to PUB Information Requests contain confidential and commercially sensitive information and were therefore filed with such information redacted or not provided.

On September 7, 2017 Manitoba Hydro filed a motion seeking an Order that responses to certain PUB Minimum Filing Requirements (“MFR”) be received and held in confidence. As part of that process, Manitoba Hydro relied upon a Redaction Criteria and in some instances, inserted codes corresponding to categories in the Redaction Criteria on the pages containing redactions in order to identify the basis for the redaction.

In the interests of efficiency and in order to provide the PUB with responses with redactions removed as soon as possible, Manitoba Hydro has applied this same Redaction Criteria for the purpose of identifying the basis for redactions in the responses to the PUB First Round Information Requests identified above. For ease of reference, a copy of the Redaction Criteria is attached to this motion as Appendix A. The basis for the Redaction Criteria was explained in detail in Manitoba Hydro’s September 7, 2017 motion and Manitoba Hydro relies on these explanations for the purpose of this motion.

The response to PUB/MH I-6a is not redacted but instead contains a statement advising that disclosure of the requested information (Keeyask Recovery Plan, reports, and presentations by and to BBE since August 2016) is confidential and commercially sensitive information. By letter of today’s date Manitoba Hydro revised this response to specifically identify the documents being filed in confidence with the PUB. Manitoba Hydro does not propose to file redacted versions of these documents on the public record.

The recovery plan provides Manitoba Hydro with a strategy to respond to the project delays and cost overruns for the Keeyask Project. The plan identifies and evaluates root causes (including work processes and service providers) and outlines tactics and strategies to address risks at a detailed level. The analysis reviews various alternatives for dealing with specific issues, including references to legal opinions regarding contractual rights and obligations. Disclosure of the recovery plan strategy could harm the Corporation’s competitive position and put Manitoba Hydro at risk of undue financial loss. Critical

relationships would also be harmed. Due to the level of detail and focus on critical issues, these documents are not conducive to redaction as no meaningful information, (eg. headings, general subject matter) areas can be disclosed.

PUB/MH I-43 does not contain redactions but instead provides a brief explanation of why the requested insurance program information is confidential. Manitoba Hydro notes that the response to PUB/MH I-43 deals with the Corporation's liability insurance program, a topic not specifically dealt with in the context of the September 7, 2017 MFR CSI motion. Knowledge of Manitoba Hydro's insurance coverage, liability limits and deductibles could be used against the Corporation when settling claims, developing negotiating strategies against Manitoba Hydro and to undermine Manitoba Hydro's own negotiating strategies. Disclosure of insurance coverage limits and the coverage limit structure could also negatively impact competition when Manitoba Hydro goes to market for liability insurance coverage.

Manitoba Hydro is enclosing, for purposes of the public record, copies (on white paper) of PUB/MH I-6a-b (Revised), PUB/MH I-50a-c, PUB/MH I-51, PUBMH I-52, PUB/MH I-131b-c and PUB/MH I-43 with redaction codes inserted thereon.

Manitoba Hydro is also enclosing copies (on blue paper) of each of the above referenced responses, with redactions removed, which copies Manitoba Hydro requests be received and held in confidence pursuant to Rule 13 of The Public Utilities Board Rules of Practice and Procedure.

In the event the PUB rejects Manitoba Hydro's request that the information provided herein, or any part thereof, be held in confidence and determines that it intends to release such information on the public record, Manitoba Hydro requests that the information be returned to the Corporation in accordance with the process set out in Order 82/17 so as to allow the Corporation the opportunity to fulfil its commitments to inform affected Third Parties of the PUB's determination.

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:

Bob Peters, Board Counsel
Dayna Steinfeld, Board Counsel
All Interveners of Past Record

APPENDIX "A"

Manitoba Hydro 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 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 benefits with details on relative significance, quantification, strategic actions and timeframes. Identification of specific parties who have an interest in or ability to influence the risk/benefit outcomes.

- 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 (i.e. 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