

November 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 - MANITOBA HYDRO RESPONSES TO SECOND ROUND INFORMATION
REQUESTS**

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 certain PUB second round Information Requests as detailed below.

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:

- 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 in the disclosure of the information, particularly given the available alternative means of verifying and testing the information.

Background

On October 16, 2017 Manitoba Hydro filed its responses to second round Information Requests in this matter. The following responses were filed with redactions to protect commercially sensitive information:

- PUB-MH II-25a-b
- PUB-MH II-26a-b
- PUB-MH II-32c-d
- PUB-MH II-45f
- PUB-MH II-50b
- PUB-MH II-64a-b

On October 24, 2017 the PUB issued Order 112/17 with respect to Manitoba Hydro's earlier September 7, 2017 Rule 13 Motion (dealing with responses to certain PUB Minimum Filing Requirements (MFR)) and September 21, 2017 Rule 13 Motion (dealing with responses to certain PUB and Intervenor first round Information Requests). With relatively few exceptions, the PUB accepted Manitoba Hydro's submission, including the use of Manitoba Hydro's numbered Redaction Criteria to identify the basis for particular redactions.

Given the PUB's direction in Order 112/17 and in the interests of efficiency, Manitoba Hydro has used its Redaction Criteria to identify the basis for the proposed redactions in the above noted Information Requests. For ease of reference, a copy of the Redaction Criteria is attached as Appendix "A". Manitoba Hydro further relies on the detailed explanations provided in its September 7, 2017 Rule 13 Motion, its September 21, 2017 Rule 13 motion and its Reply submission with respect to these motions.

PUB-MH II-25a-b: Please see September 7, 2017 Rule 13 Motion, Appendix A (Export Contracts, Revenues and Related Information) and Redaction Criteria 3a, 4a and 5c. A reader could use this information to reverse engineer export contract prices and terms.

PUB-MH II-26a-b: Please see September 7, 2017 Rule 13 Motion, Appendix G (Great Northern Transmission Line) and Redaction Criteria 1a and 1d.

PUB-MH II-32c-d: Please see September 7, 2017 Rule 13 Motion, Appendix I (Boston Consulting Group Materials) and Redaction Criteria 1d, 3a and 3b. This Information Request seeks an update to information that was received in confidence by the PUB pursuant to Order 112/17.

PUB-MH II-45f: Please see September 7, 2017 Rule 13 Motion, Appendix A (Export Contracts, Revenues and Related Information) and Redaction Criteria 3a, 4a and 5c. A reader could use this information to reverse engineer export contract prices and terms.

PUB-MH II-50b: The grounds for holding this information in confidence are the same as identified in Manitoba Hydro's September 7, 2017 Rule 13 Motion, Appendix C with respect to its Internal Load Forecast and Redaction Criteria 1a 4b and 8.

PUB-MH II-64a-b: Please see September 7, 2017 Rule 13 Motion, Appendix F-5 (Construction of Major Projects – Keeyask and Bipole III – Risk Registry). This Information Request seeks further detail and an update to information (PUB MFR 169) that was received in confidence by the PUB pursuant to Order 112/17. Redaction Criteria 1a, 4b and 8 apply.

Manitoba Hydro has previously filed copies of the above noted IRs (white paper), with redactions, on the public record. Manitoba Hydro is enclosing, for the public record, copies (white paper) of these IRs 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.

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 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