

March 31, 2017

Mr. Greg Barnlund
Division Manager
Manitoba Hydro
PO Box 815
Winnipeg, MB R3C 2P4

VIA EMAIL

Dear Mr. Barnlund:

Re: Manitoba Hydro's Intentions in Respect of 2017 Rate Application

The Board acknowledges receipt of Manitoba Hydro's March 24, 2017 letter advising, amongst other matters, that Manitoba Hydro plans to file its next General Rate Application (GRA) in late April or early May 2017.

In its letter, Manitoba Hydro also indicates that it plans to include in its GRA filing updated responses and information to most of the Minimum Filing Requirement ("MFR") requests from the last two rate proceedings before the Board. To make efficient use of the time period before Manitoba Hydro's GRA filing, the Board attaches to this letter, a revised list of MFRs for Manitoba Hydro to address in its GRA filing. While the list may appear lengthy, please note that:

- MFR's have been sequentially numbered, under specific topics, for ease of reference. Responses should contain sub headings to identify the content;
- MFRs #1- #66 are intended as a restatement of the MFRs that have been asked in Manitoba Hydro's prior two rate applications and to which Manitoba Hydro has indicated in its March 24, 2017 letter the Utility will be responding to most with updated information in the GRA filing. Please also note that the wording of these MFRs has been revised to provide clarity to Manitoba Hydro and Interveners as to the information being requested. Additionally, there is an included reference to where Manitoba Hydro has previously responded to the MFR;
- Of the new MFRs at the end of the attached list:
 - six supplant information requests that have been made in previous proceedings;
 - seven are documents that Manitoba Hydro has typically filed in previous proceedings as part of its application;
 - one relates to an issue (KPMG financial targets report) deferred until this hearing by the PUB; and
 - four relate to reports by Manitoba Hydro that did not exist or were not available at the time of the last GRA.

The Board expects prior Interveners to review the attached list of MFRs, as well as the prior responses by Manitoba Hydro, to be familiar with the type of information that Manitoba Hydro is to update in its GRA filing. Should any prior Intervener have additional MFRs that it suggests be advanced to Manitoba Hydro, those past Interveners are to forward their additional MFRs to the Board by April 7, 2017 and copy Manitoba Hydro and other Interveners on the attached list. The Board will consider the additional requested MFRs from past Interveners and will determine whether Manitoba Hydro is to provide responses in its GRA filing.

As to the matters of process and procedure included in Manitoba Hydro's March 24, 2017 letter (as well as in the March 28, 2017 letter from the Consumers Coalition), the Board has requested Board Counsel convene a meeting with Manitoba Hydro counsel and Intervener counsel to consider and provide recommendations to the Board on such matters including:

1. Scope of issues to be included and excluded in the GRA
2. GRA filing format
3. Pre Hearing Conference(s) - at which all Parties can address process issues
4. Confidential Information (also referred to as Commercially Sensitive Information) and process
5. MFRs
6. Workshops and Technical Conferences and timing
7. Information Request processes, format and timing
8. Intervener evidence and process and timing
9. Qualification of experts
10. Key Issues vs. Non-Key Issues and process for each
11. Undertakings and process
12. Oral evidence (including concurrent evidence) and written evidence process
13. Any Other Matters to be brought to the Board's attention at this time

Yours truly,

"Original Signed By:"

Kurt Simonsen
Associate Secretary

KS/aw

cc: Interveners of record (per attached list)
Shannon Gregorashuk, Manitoba Hydro
Odette Fernandes, Manitoba Hydro
Patricia Ramage, Manitoba Hydro

Minimum Filing Requirements for 2017 GRA

Corporate Overview

1. Listing of past Board Directives and copies of all letters and reports to be in compliance with Board Directives. [Attachment 26, 2016/17 Interim Application]
2. An analysis which details of all material changes in the Corporation's operations since the last GRA hearing.
3. Corporate Organization chart indicating all affiliated companies, subsidiaries, joint ventures and other ownership interests.
4. Detail of all related-party transactions with subsidiaries since the last GRA. [Appendix 11.3, 2015/16 GRA]
5. Copies of Financial Statements for each of the subsidiaries in which MH has a material interest. [Appendix 11.4, 2015/16 GRA]
6. Updated ownership schematics for WPLP and KHLP. [Appendix 11.5, 2015/16 GRA]
7. Most current Financial forecasts for WPLP and KHLP. [Attachment 27, 2016/17 Interim Application]
8. 2016 or 2017 Corporate Strategic Plan and report card. [Attachment 15, 2016/17 Interim]
9. Corporate Risk Analysis Report and Specific Risk Management Plans for all major risks including drought. [Appendix 11.7, 2015/16 GRA]

Financial Information

10. A 20 year IFF for electric operations only, indicating the financial ratios (including both interest coverage ratios under EBIT and EBITDA.) [Appendix 3.4, 2015/16 GRA]. Please compare and contrast Manitoba Hydro's latest IFF with IFF15.
11. Summary of Reasons for Application table of operating results (Tables 2.1.1 and 2.1.2 from the 2010 GRA) including a ten year record (7 year actual, current year, and test years) including the retained earnings for electric operations and the financial ratios (interest coverage, capital coverage, and debt to equity ratio for electric operations only). [Appendix 11.8, 2015/16 GRA]
12. For the years 1999/00 through the test years, details of rate increases requested and approved, the annual revenue increase, and prevailing Manitoba CPI. [Appendix 11.9, 2015/16 GRA]
13. Quarterly Financial Statements for the previous and current fiscal year. [Appendix 11.10, 2015/16 GRA]

Minimum Filing Requirements for 2017 GRA

14. A table which details the financial ratios (debt to equity ratio, capital coverage ratio and interest coverage ratio), net assets, net income, total debt, retained earnings, DBRS bond ratings, total Provincial Debt, and ratio of total MH debt to total Manitoba debt in each year since 1992. [Attachment 29, 2016/17 Interim Application]
15. A table which details the debt to equity ratio, capital coverage ratio and interest coverage ratio, net assets, net income, total debt and retained earnings for the last five fiscal years and each of the years in the 20-year electric IFF. [Appendix 11.12, 2015/16 GRA]
16. A table, which details the debt to equity ratio, capital coverage ratio and interest coverage ratio, net assets, net income, total debt and retained earnings for each of the years in the 20-year electric IFF – reflecting the scenarios from MFR #73 below. [Appendix 11.12, 2015/16 GRA]
17. Details of the determination of each of the financial ratios for the last five fiscal years and for each of the years in the 20 year forecast. [Appendix 11.13, 2015/16 GRA]
18. Details of the determination of each of the financial ratios for each of the years in the 20 year forecast for each of the scenarios in MFR#73. [Appendix 11.13, 2015/16 GRA]
19. Charts and respective data tables for each of the financial ratios. [Appendix 11.14, 2015/16 GRA]
20. 20 year forecasts of revenue requirements including cost components (Finance/Depreciation/ Operating/Water Rentals/F&PP/Taxes) for:
 - Keeyask generating station
 - Manitoba-Minnesota Transmission Project
 - Great Northern Transmission Line
 - Wuskwatim overall project
 - Bipole III and Riel station
 - Sunk costs related to Conawapa
 - Pointe du Bois spillway & powerhouse
 - DSM
 - Sustaining Capital[Appendix 11.15, 2015/16 GRA]
21. A schedule detailing General Consumer Revenue for 2005 through the test years detailing rate increases granted. [Appendix 11.16, 2015/16 GRA]
22. A schedule detailing the statement of Income (Schedule 5.1.0, 2012 GRA) with five year historical through the forecast test years. The schedule should provide two columns for the compound annual growth rate for the historical period and for the

Minimum Filing Requirements for 2017 GRA

forecast period using the final year historical as a starting period. [Appendix 11.17, 2015/16 GRA]

23. A schedule detailing the actual MH Electric Operations financial statements (i.e. Operating Statement, Balance Sheet and Cash Flow Statement) for last five fiscal years in the same format as the IFF, including the actual electric financial ratios. [Appendix 11.18, 2015/16 GRA]

Export & Domestic Revenues

24. Schedules of export volumes, revenues/costs, and average unit revenues for the 20 years of the current IFF and actual results for 2014/15, 2015/16, and 2016/17. Split firm and opportunity volumes, revenues, and average revenues for each year. [Attachment 16, 2016/17 Interim; PUB/MH-71a, 2016 COSS]
25. The most current Resource Planning Assumptions and Analysis with supply and demand tables [Attachment 17, 2016/17 Interim Application] including:
 - System firm winter peak demand (MW) and capacity resources at generation
 - System firm energy demand (GWh) and dependable energy resources
 - System firm energy demand (GWh) and resources at generation for 2016/17 expected water flow conditions, 2017/18 at median flow conditions, and 2018/19 to 2035/36 at average water flow conditions
 - July 2017, 2018, and 2019 peak demand and capacity resources at generation
26. Resource Planning Assumptions and Analysis supply and demand tables reflecting Keeyask in-service dates of August 2021 and July 2022 and with Manitoba Hydro's current expectation of export contract deliveries. [Attachment 17, 2016/17 Interim Application]
27. Monthly NEB data on firm and interruptible sales plus imports by export permit number beginning January 2015 to the most current month. Cross-reference Manitoba Hydro's export contracts with the NEB export permit numbers. Separately, summarize summer and winter sales for each year. [Attachment 31, 2016/17 Interim]
28. Tables 1 to 7 from Attachment 21, 2016/17 Interim Application showing:
 - a) Export revenues showing Opportunity Bilateral, Day Ahead, Market, Real Time Market and Merchant Trading, separately showing summer and winter components for each year beginning 2014/15.
 - b) Fuel and Power purchases showing system merchant purchases, import power purchases (without wind), wind energy purchases, fuel purchases, and transmission charges for each year beginning 2014/15.
 - c) Export revenues showing Opportunity Bilateral, Day Ahead, Market, Real Time Market and Merchant Trading, separately showing summer and winter components split by summer and winter seasons beginning 2014/15.

Minimum Filing Requirements for 2017 GRA

- d) Fuel and Power purchases showing system merchant purchases, import power purchases (without wind), wind energy purchases, fuel purchases, and transmission charges split by summer and winter seasons beginning 2014/15.
 - e) Total dependable, opportunity, and merchant export volumes, sales, and average price by season, beginning in 2005/06.
 - f) Total dependable, opportunity, and merchant U.S. export volumes, sales, and average price by season, beginning in 2005/06.
 - g) Opportunity export volumes, sales, and average prices differentiated by season and by on-peak/off-peak.
29. Updated response to Order 43/13 Directive 5 (October 2015 to current data) showing:
- Hydraulic generation by watershed
 - Energy in storage and Lake Winnipeg water levels (tabular and graphically, including forecasted levels to the end of the current fiscal year)
 - Average monthly flow data
 - Monthly extraprovincial energy exchange data
 - Updates to financial results relative to forecasts
30. Updated generation and energy purchase quarterly and annual summaries including back to 2014/15. [Appendix 11.22, 2015/16 GRA]
31. Monthly physical export volumes by firm sales (5x16), opportunity sales (5x16), weekend sales (2x16), and off-peak sales (7x8) from January 2015 to present. [Appendix 11.45 2015/16 GRA]

Operating Expenses

32. Schedule comparing the historical OM&A actual with IFF forecasts with explanations of variances for 2015/16 and 2016/17. [Attachment 32, 2016/17 Interim Application]
33. Details on all cost containment actions to reduce the growth in OM&A over the last five fiscal years and forecast through the test years. [Attachment 33, 2016/17 Interim Application]
34. EFT staffing level information for the last five fiscal years and that forecast through the test years by business unit. [Attachment 34, 2016/17 Interim Application]
35. Schedule which indicates the salary, wages and benefits as a percentage of OM&A, percentage of domestic revenue, and salary wages and benefits capitalized for each of the years 2014/15 through the test years. This analysis should include the total labour and benefits capitalized for each year, total labour and benefits and the percentage of labour and benefits capitalized. [Appendix 5.5, 11.24; 2015/16 GRA]

Minimum Filing Requirements for 2017 GRA

36. Schedule that shows average salary per EFT by business unit for the last five fiscal years through the test years including the compound annual growth rate for the last five historical years and the growth for each of the test years. [PUB/MH I-7, 2016/17 Interim Application]
37. Details of the contracted wage settlements currently in place. [Attachment 18, 2016/17 Interim Application]
38. A table or matrix of EFTs per 1,000 GWh of domestic supply, per million dollars of domestic revenue, and per 1000 domestic customers for the last five years through the test years. [Appendix 11.26, 2015/16 GRA]
39. Schedule detailing the breakdown of Operating and Administrative expenses by division for the last five years through the test years. Provide two columns for the compound annual growth rate for the historical period and for the forecast period using the final year historical as a starting period. [Appendix 11.27, 2015/16 GRA]
40. Schedule detailing the capitalized OM&A costs by business unit for the years 2013/14 through the test years. [Appendix 11.28, 2015/16 GRA]
41. A comparison of the OM&A per customer (actual and forecast) with that presented at the previous GRA (IFF14) for comparable years for each year through the test years. [Appendix 11.29, 2015/16 GRA]
42. A schedule which compares OM&A cost for the forecast years at the previous GRA to actual results presented in this application in both dollar change and percentage change by:
 1. Cost element
 2. Business unitand explain any variances in excess of 5%. [Appendix 11/30, 2015/16 GRA]
43. A schedule detailing the operating and administration costs charged to Centra for each of the last five fiscal years through the test years (actual/forecast) by:
 1. Cost Element
 2. Business Unit[Appendix 11.31, 2015/16 GRA]

Payments to Government

44. A schedule of actual and forecast payments made to the Province and Municipalities for five historical years and for the 20-year forecast period. [Appendix 11.32, 2015/16 GRA]
45. A schedule detailing the calculation of the net Debt Guarantee Fee for five historical years and through the twenty year forecast period. [Appendix 11.33, 2015/16 GRA]

Minimum Filing Requirements for 2017 GRA

46. A schedule detailing the calculation of the water rental payments for the last five historical years and through the twenty year forecast period. [Appendix 11.34, 2015/16 GRA]

Capital Expenditures

47. The most current Capital Expenditure Forecast.
48. List and details of all capital projects in excess of \$1 million. [Order 73/15 Directive 15]
49. A schedule detailing the breakdown of the balances by component of capitalized costs (wages, overhead etc.) in construction work in process, for each major Generation and Transmission project consistent with the last Annual Report. [Appendix 11.35, 2015/16 GRA]
50. Provide a breakdown of major Generation and Transmission projects by capitalized cost components and identify the balance related to base capital. [Appendix 11.36, 2015/16 GRA]
51. A schedule that indicates the amount of cash flow from electric operations, forecast electric base capital spending, and net cash flow available to finance each Major Generation & Transmission Project in the past five years and in each of the 20 forecast years. Include the (electric) capital coverage ratio. [Appendix 11.37, 2015/16 GRA]

Finance Expense/ Debt Levels

52. Table(s) detailing the relied-upon interest forecasts by forecaster for both short term and long term interest rates indicating: the date of the forecast, whether the forecast represents end of period or average data, and if any adjustments were made to end of period data forecasts to average the results. [Attachment 21, 2016/17 Interim Application]
53. The most current Economic Outlook.
54. Copies of all interest rate forecasts relied upon for preparing Manitoba Hydro's interest rate forecast. [Attachment 23, 2016/17 Interim Application]
55. A schedule that details, for the last five fiscal years through the 20 year current forecast, a summary of total interest and finance cost incurred or forecasted by major category (debt charges, foreign currency gains/losses etc.) both capitalized and expensed. [Attachment 37, 2016/17 Interim Application]
56. A continuity schedule of the short and long-term debt for the fiscal years 2004 to 2032 detailing the retirement of existing debt and the issue of new debt, including the debt ratio. Indicate the proportion of short-term debt to total debt for each of the years. [Attachment 38, 2016/17 Interim Application]

Minimum Filing Requirements for 2017 GRA

57. Term sheets related to long term debt issued in the last two fiscal years. [Attachment 39, 2016/17 Interim Application]
58. A schedule detailing the maturities of MH's current long-term debt issues. [Attachment 40, 2016/17 Interim Application]
59. A schedule detailing the current refinancing plans, the weighted average term of outstanding debt, the principle amount and proportions of debt maturing in 10 years, 20 years and greater than 20 years. [Attachment 41, 2016/17 Interim Application]
60. Current Credit Rating Reports for Manitoba Hydro and the Province. [Appendix 3.8, 2015/16 GRA)

DSM & Power Smart Plans

61. The most current Power Smart Plan and 15 Year Supplement.
62. A continuity schedule showing spending, amortization expense, amortization rates, and balances for demand side management since 2013/14. [Appendix 11.43, 2015/16 GRA]
63. An update on the Affordable Energy Fund (AEF) including the projected use of the funds by program and a detailed description of the programs, including a schedule of program spending since inception. [Appendix 11.44, 2015/16 GRA]
64. An update of the year-end DSM Deferral Account balances and DSM spending (targeted and actual), with a forecast to the end of the test year(s). [Attachment 42, 2016/17 Interim Application]

Load Forecast

65. 2016 Electric Load Forecast.
66. Total domestic load by the 12 Surplus Energy Program time periods for 2014/15 to present. [Appendix 11.45 2015/16 GRA]

New MFRs

Corporate Overview

67. Copies of agreements and amendments to the agreements related to WPLP and KHLP including a summary of major terms.
68. Detailed description of and supporting calculations of funding revenue and expense sharing formulas with WPLP and KHLP partners reflected in determination of IFF provided in MFR#7.

Minimum Filing Requirements for 2017 GRA

69. Details of Manitoba Hydro's consultations with ratepayers with respect to the rate increases sought in this application. Please include copies of analysis and reports of the impact of any proposed rate increases on the Manitoba economy, each of Manitoba Hydro's customer classes/sub-classes, lower income customers, Manitoba Hydro's delinquent customers, and Manitoba Hydro's bad debt allowance.
70. Bill Affordability report and Manitoba Hydro's proposals.
71. MHEB's four presentations to the public at the public information sessions in October and November, 2016.
72. Copies of all Boston Consulting Group's reports, presentations, scope of work, retainer, and correspondence to the MHEB.

Financial Information

73. Electric operations-only IFF scenarios, indicating the financial ratios, to show equal annual rate increases that result in the following debt-to-equity ratios at the end of fiscal year 2033/34. [Attachment 46, 2016/17 Interim Application]
 - i. 75/25 in 20 years, 15 years, 10 years and 5 years
 - ii. 70/30 in 20 years, 15 years, 10 Years and 5 years
 - iii. 80/20 in 20 years, 15 years, 10 years and 5 years
74. Any updates or follow-up reports to the May 2015 Financial Target Review Report prepared by KPMG or the December 2015 Financial Target Review Report prepared by Manitoba Hydro.
75. IFRS implementation status update.
76. List of Canadian electric transmission and major distribution utilities and whether they have adopted IFRS.
77. Graphs and supporting IFF details of retained earnings over the 20 year forecast period for the following scenarios:
 - i. 50% of proposed DSM investments and 50% of expected savings
 - ii. 100% of proposed DSM investments but only 50% of expected savings
 - iii. 0% of proposed DSM investments and 0% of expected savings
 - iv. Most current IFF forecast[PUB/MH I-59, 2015/16 GRA]
78. Please provide the following:
 - i. All of the credit and/or debt rating agency reports on Manitoba Hydro and the Province of Manitoba since the NFAT hearing
 - ii. All commentaries from market analysts (such as from the Big 5 Canadian banks) on Manitoba's debt, budgets, performance of Manitoba Hydro, etc

Minimum Filing Requirements for 2017 GRA

- iii. The spreads between Manitoba bonds and federal government bonds since 2013
- iv. The total debt issued by the Province of Manitoba over the past ten years, including a breakdown of debt raised for Manitoba Hydro vs. all other Government of Manitoba debt (please present both gross and net)
- v. The current (and since 2012) average cost of debt for the Government of Manitoba's total debt portfolio
- vi. The current (and since 2012) average cost of debt for the Manitoba Hydro debt portfolio (including the PDGF) together with the forecast average cost of debt for the IFF years

Export & Domestic Revenue

79. Manitoba Hydro's electricity export price forecast including the supporting forecasts of any third-party forecasting firms. Explain any changes in Manitoba Hydro's forecasting methodology since the NFAT. Provide additional details of how carbon pricing is incorporated into the forecast.
80. Update of year-over-year comparisons of price and volume components for unit revenues for total export sales, beginning with the NFAT forecast (i.e. NFAT, IFF13, IFF14, IFF15, current IFF). [NFAT Exhibit MMF-31 p.10]
81. Summary table of Manitoba Hydro's export commitments showing the minimum annual energy obligation, maximum annual achievable energy sales, annual free clean energy credits to buyer, and pricing. [NFAT PUB/MH I-028]
82. Incremental revenues and unit revenues from Keeyask by year, broken down by firm and opportunity sales.
83. NFAT CSI Exhibit MH-2 and an update showing the anticipated export revenues broken down by contract and by capacity, firm energy, contracted surplus energy, and non-contracted surplus energy.
84. NFAT CSI Exhibits MH-37 and MH-38 and updates of each of these schedules of export revenues, volumes (energy and capacity), and unit price by export contract for each year of the contracts and broken down by capacity, firm energy, and contracted surplus energy. [NFAT CSI Exhibits MH-37 and MH-38]

Operating Expenses

85. The 2015 and 2016 compensation disclosure reports in compliance with the Public Sector Compensation Disclosure Act.
86. The 2015 and 2016 Reports on Executive Compensation.
87. Schedule of planned EFT reductions and anticipated cost savings for the past five years and for the test years.

Minimum Filing Requirements for 2017 GRA

Capital Expenditures

88. Capital Project Justifications including addenda for each project listed in the current CEF.
89. For each project listed in CEF14, a variance analysis comparing the forecast annual and total expenditures from CEF14 to the actual spending to date and updated forecast. Explain any material variances.
90. A detailed breakdown and justification of any cost revisions to each of the major new G&T capital projects that have occurred since CEF14. The breakdown of costs should be into major categories including details by major component (i.e. steel, concrete, conductors, other materials, labour, services, etc.) comparing the estimate from CEF14 to the actuals to date and to the updated forecast in CEF16 and explain all variances.
91. Any and all reports, policies, or documents that relate to Manitoba Hydro's capital investment, planning, and prioritization processes.
92. Any asset condition assessment reports for generation, transmission, or distribution assets prepared since 2012 (including internal reports or reports from external consultants).
93. Reports or documents that relate the expenditures in the CEF with the asset condition assessments.

Depreciation

94. The most current depreciation study for electric operations.
95. Updated summary tables of depreciation rates based on the Average Service Life methodology excluding provision for recovery of asset retirement costs.

DSM & Power Smart Plans

96. The most current Power Smart Annual Review.

Load Forecast

97. CSI version of the 2016 Load Forecast.
98. Monthly degree days heating and degree days cooling for the past five years, the normal monthly DDH and DDC for each of those years, and the normal monthly DDH and DDC for the test year.

COSS and Rate Design

99. The most current PCOSS and PCOSS allocation program tables reflecting Order 164/16.