

November 30, 2017

Ms. Patricia J. Ramage
Legal Counsel
Manitoba Hydro
22nd Floor, 360 Portage Avenue
Winnipeg, MB R3C 0G8

-and-

Approved Interveners
(per attached list)

Re: Manitoba Hydro 2017/18 & 2018/19 General Rate Application – Confidential Information in Reports of Daymark Independent Expert Consultants and Manitoba Hydro’s Round II Information Requests Rule 13 Motion

On November 21, 2017, Manitoba Hydro filed a Motion with the Public Utilities Board (“Board”) seeking an Order that the Board will receive in confidence Manitoba Hydro’s responses (or portions thereof) to certain Board second round Information Requests. A panel of the Board consisting of Board Member Dr. Hugh Grant, acting as chairman for the sitting of the panel, and Larry Ring, Q.C., heard the Motion. By this letter, the Board grants the Motion.

By this letter, the same panel of the Board also adjudicates the redactions made by Manitoba Hydro to the Daymark Energy Advisors (“Daymark”) Independent Expert Consultant Reports on Load Forecast and Export Pricing and Revenues. These Reports were filed on the public record, with Manitoba Hydro’s redactions of information that is claimed as confidential, on November 17 and 18, 2017, respectively. On November 23, 2017, counsel for Daymark wrote to the Board to advise that Daymark takes no issue with the redactions of Manitoba Hydro. This letter also clarified that the redactions in the Reports were coded by Manitoba Hydro with the Utility’s redaction criteria to identify the basis for the particular redactions.

As set out below, the Board accepts the redactions made by Manitoba Hydro to the Daymark Load Forecast Report and accepts in part the redactions made to the Daymark Export Pricing and Revenues Report.

Manitoba Hydro is directed to file the Daymark Export Pricing and Revenues Report with redactions lifted as ordered by the Board within three days of this letter.

Rule 13 Motion – Second Round Information Requests

Manitoba Hydro filed the following responses to second round Information Requests with redactions to protect information that it claims as confidential or commercially sensitive:

- 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

Manitoba Hydro used its redaction criteria, previously used by the Utility in its September 7 and 21, 2017 Round I Rule 13 Motions, to identify the basis for the redactions in the responses. Pursuant to Rule 13(4), the Board examined the full, unredacted responses to the Information Requests in determining whether the claim for confidentiality would be sustained.

For the reasons set out below, the Board grants Manitoba Hydro's November 21, 2017 Rule 13 Motion.

PUB/MH II-25a-b, PUB/MH II-32c-d and PUB/MH II-45f

The redacted portions of the responses to these Information Request relate to export contracts and revenues, including a breakdown of export sales by product type. Manitoba Hydro states that, if disclosed, the information could be used to reverse engineer export contract prices and terms. Manitoba Hydro also claims that the information relates to sales and marketing strategies or initiatives. Specifically with respect to PUB/MH II-32c-d, the response provides an update to information that was accepted as confidential by the Board in Order 112/17.

The Board finds that the portions of the response to PUB/MH II-25a-b, PUB/MH II-32c-d and PUB/MH II-45f claimed as confidential by Manitoba Hydro will be received as confidential by the Board and Board-retained Independent Expert Consultant. The Board finds that the reasons for protecting as confidential information related to export contracts and revenues as accepted by the Board in Order 112/17 applies to equally to the redacted portions of the response to PUB/MH II-25a-b, PUB/MH II-32c-d, and PUB/MH II-45f.

In Order 112/17, the Board held that disclosure of information related to export contracts and revenue could reasonably be expected to result in undue financial loss to Manitoba Hydro and to harm significantly Manitoba Hydro's competitive position in future sales negotiations. The Board also held that Manitoba Hydro has consistently treated this information as confidential and that the Utility's interest in confidentiality outweighs the public interest in disclosure given the availability of aggregated information on the public record.

PUB/MH II-26a-b

The redacted portions of the response to this Information Request contain information related to the Great Northern Transmission Line. This information includes detailed business arrangements with third parties that is subject to contractual confidentiality provisions.

For the reasons set out in Order 112/17, the Board finds that the portions of the response to PUB/MH II-26a-b claimed as confidential by Manitoba Hydro will be received in confidence by the Board and Board-retained Independent Expert Consultant.

PUB/MH II-50b

This Information Request seeks information related to the Internal Load Forecast, which contains a forecast of the electricity consumption of Manitoba Hydro's top consumers and is based on business information voluntarily provided by those consumers. Information on top consumer load is available publicly in aggregate form.

For the reasons set out in Order 112/17, the Board finds that the portions of the response to PUB/MH II-50b claimed as confidential by Manitoba Hydro will be received in confidence by the Board and Board-retained Independent Expert Consultant.

PUB/MH II-64a-b

This Information Request seeks an update to the Keeyask Risk Registry, which was accepted as confidential in its entirety in Order 112/17.

For the reasons set out in Order 112/17, the Board finds that the portions of the response to PUB/MH II-64a-b claimed as confidential by Manitoba Hydro will be received in confidence by the Board and Board-retained Independent Expert Consultant.

Confidential Information in the Daymark Reports

In order to facilitate the review of Manitoba Hydro's load forecast and export pricing and revenues, Daymark was given access to information that Manitoba Hydro claims as confidential. In a letter dated October 5, 2017, the schedule for the filing of the Daymark Reports incorporated initial filings with Manitoba Hydro to allow the Utility to identify any necessary redactions, followed by filing of the unredacted Reports with the Board and in redacted form on the public record.

The Board reviewed the redactions made by Manitoba Hydro to the Daymark Reports and accepts in part the claim to confidentiality.

Daymark Report: Load Forecast Review

A portion of each of page 17 and page 55 of the Report is redacted. Manitoba Hydro indicates that these redactions relate to specific domestic customer load information, current or forecast. Following review of the unredacted Report, the Board concludes that the redactions obscure the identities of specific consumers who have been moved from the Top Consumer category to the General Service Mass Market category due to smaller annual usage. The Board finds that this information will be kept in confidence by the Board and Daymark pursuant to Rule 13(2)(a)(ii). Disclosure of information could reasonably be expected to harm significantly the competitive positions of the consumers through revealing information about their operations and business plans. Confidential treatment of this information is consistent with the Board's findings in order 112/17.

With respect to the footnotes that Manitoba Hydro initially redacted in the Report, Manitoba Hydro is no longer seeking confidential treatment of the information in the footnotes and that has filed the information on the public record. As such, no adjudication of this issue is required.

Daymark Report: Export Pricing and Revenues

This Report sets out Daymark's analysis and findings on its review of the accuracy and reasonableness of Manitoba Hydro's forecast export revenues as well as the assumptions included in the Utility's request for rate increases and its long-term financial forecasts. In general, but not exclusively, Manitoba Hydro's redactions to the Report are to information that is proprietary to third party forecasters or would reveal the identities of third party forecasters, or is part of Manitoba Hydro's consensus export price forecast.

In Order 112/17, the Board accepted as confidential information related to the purchased and consensus export price forecasts. The Board held that the identities of the forecasters must be kept confidential in order to prevent counterparties from recreating the consensus forecast. The Board further held that disclosure of the consensus export price forecast would significantly harm Manitoba Hydro's competitive position in export power sale negotiations.

The Board accepts in part the redactions made by Manitoba Hydro to the Report. The Board's findings with respect to each redaction are set out in Appendix "A" to this letter.

Should any party have questions of clarification, please contact our office.

Board decisions may be appealed in accordance with the provisions of Section 58 of The Public Utilities Board Act, or reviewed in accordance with Section 36 of the Board's Rules of Practice and Procedure ("Rules"). The Board's Rules may be viewed on the Board's website at www.pubmanitoba.ca

Yours truly,

"Original Signed By:"

Kurt Simonsen
Associate Secretary

cc: Board Counsel
Counsel to the Independent Expert Consultants

Appendix A

Adjudication of Redactions to Daymark Export Pricing and Revenues Review Report

Page # Ref. for Redaction	Board Decision	Reasons for Board Decision
iv	Redacted information will be received in confidence by the Board and Independent Expert Consultant (“IEC”) pursuant to Rule 13(2)(a)(ii).	If disclosed, the information would reveal the identity of a third party forecaster. As held in Order 112/17, the identities of the forecasters must be kept confidential in order to prevent counterparties from recreating Manitoba Hydro’s consensus forecast.
6	Redacted information will <u>not</u> be received in confidence by the Board and will be filed on the public record.	Manitoba Hydro relies on redaction criterion 3a to assert that disclosure of the information would facilitate back calculation of Manitoba Hydro’s consensus forecast. However, the redacted information is general and could be derived from information that is already publicly available. The Rule 13(2) criteria are not met.
33	Redacted information will be received in confidence by the Board and IEC pursuant to Rule 13(2)(a)(ii).	If disclosed, the information would reveal the identity of a third party forecaster. As held in Order 112/17, the identities of the forecasters must be kept confidential in order to prevent counterparties from recreating Manitoba Hydro’s consensus forecast.
34	Redacted information will be received in confidence by the Board and IEC pursuant to Rule 13(2)(a)(ii).	If disclosed, the information would reveal the identity of a third party forecaster. As held in Order 112/17, the identities of the forecasters must be kept confidential in order to prevent counterparties from recreating Manitoba Hydro’s consensus forecast.
35	Redacted information will be received in confidence by the Board and IEC pursuant to Rule 13(2)(a)(ii).	If disclosed, the information would reveal the identity of a third party forecaster. As held in Order 112/17, the identities of the forecasters must be kept confidential in order to prevent counterparties from recreating Manitoba Hydro’s consensus forecast.
36 – 39	Redacted information will be received in confidence by the Board and IEC pursuant to Rule 13(2)(a)(i) and (ii).	The redactions protect information that is proprietary to the forecasters. If disclosed, the information would reveal the identity of a third party forecaster. As held in Order 112/17, the identities of the forecasters must be kept confidential in order to prevent counterparties from recreating Manitoba Hydro’s consensus forecast. The redactions also protect information that is proprietary to the forecasters.
40	Redacted information will be received in confidence by the Board and IEC pursuant to Rule 13(2)(b)(i), (ii) and (iii).	The redaction conceals Manitoba Hydro’s consensus natural gas price forecast. Manitoba Hydro has confirmed that it relies on redaction criterion 3(b) as the information is the Utility’s commodity price forecasts for natural gas including annual pricing escalators including third party proprietary input forecasts. In Order 112/17, the Board received natural gas forecast information in confidence on the basis that it is sensitive proprietary intellectual property. Manitoba Hydro has also consistently kept this information confidential.
41	Redacted information will be received in confidence by the Board and IEC pursuant to Rule 13(2)(a)(i) and (ii).	The redactions protect information that is proprietary to the forecasters. If disclosed, the information would reveal the identity of a third party forecaster. As held in Order 112/17, the identities of the forecasters must be kept confidential in order to prevent counterparties from recreating Manitoba Hydro’s consensus forecast. The redactions also protect information that is proprietary to the forecasters.

42	Redacted information will be received in confidence by the Board and IEC pursuant to Rule 13(2)(a)(ii).	If disclosed, the information would publicly reveal the Utility's on-peak energy forecast. This would harm significantly Manitoba Hydro's competitive position as it would allow counterparties to gain knowledge of Manitoba Hydro's views regarding the future price of power, limiting Manitoba Hydro's ability to negotiate favourable export sales agreements.
43	Redacted information will be received in confidence by the Board and IEC pursuant to Rule 13(2)(a)(ii).	If disclosed, the information would publicly reveal the Utility's off-peak energy and capacity price forecasts. This would harm significantly Manitoba Hydro's competitive position as it would allow counterparties to gain knowledge of Manitoba Hydro's views regarding the future price of power, limiting Manitoba Hydro's ability to negotiate favourable export sales agreements.
44	Redacted information will be received in confidence by the Board and IEC pursuant to Rule 13(2)(a)(ii).	The redactions protect information that is proprietary to the forecasters. If disclosed, the information would publicly reveal the Utility's on-peak energy forecast. This would significantly harm Manitoba Hydro's competitive position as it would allow counterparties to gain knowledge of Manitoba Hydro's views regarding the future price of power, limiting Manitoba Hydro's ability to negotiate favourable export sales agreements. As well, if disclosed, the information would reveal the identity of a third party forecaster. As held in Order 112/17, the identities of the forecasters must be kept confidential in order to prevent counterparties from recreating Manitoba Hydro's consensus forecast.
45	Redacted information will be received in confidence by the Board and IEC pursuant to Rule 13(2)(a)(ii).	The redactions protect information that is proprietary to the forecasters. If disclosed, the information would publicly reveal the Utility's on-peak energy forecast. This would significantly harm Manitoba Hydro's competitive position as it would allow counterparties to gain knowledge of Manitoba Hydro's views regarding the future price of power, limiting Manitoba Hydro's ability to negotiate favourable export sales agreements. As well, if disclosed, the information would reveal the identity of a third party forecaster. As held in Order 112/17, the identities of the forecasters must be kept confidential in order to prevent counterparties from recreating Manitoba Hydro's consensus forecast. As well, if disclosed, the information would reveal the identity of a third party forecaster. As held in Order 112/17, the identities of the forecasters must be kept confidential in order to prevent counterparties from recreating Manitoba Hydro's consensus forecast.
46	Redacted information will be received in confidence by the Board and IEC pursuant to Rule 13(2)(a)(ii), except for the sentence that states with "More specifically...", which is not accepted as confidential and will be placed on the public record.	With respect to the redactions accepted as confidential, the information would reveal the identity of a third party forecaster. As held in Order 112/17, the identities of the forecasters must be kept confidential in order to prevent counterparties from recreating Manitoba Hydro's consensus forecast. With respect to the information not accepted as confidential, this information has already been publicly disclosed and Manitoba Hydro has not established why confidential treatment is now required.
47	Redacted information will be received in confidence by the Board and IEC pursuant to Rule 13(2)(a)(ii).	If disclosed, the information would publicly reveal aspects of the Utility's export price forecast. This would harm significantly Manitoba Hydro's competitive position as it would allow counterparties to gain knowledge of Manitoba Hydro's views regarding the future price of power, limiting Manitoba Hydro's ability to negotiate favourable export sales agreements.

48	Redacted information will be received in confidence by the Board and IEC pursuant to Rule 13(2)(a)(ii).	If disclosed, the information would reveal or would facilitate back-calculation of the Utility's export price forecast. This would harm significantly Manitoba Hydro's competitive position as it would allow counterparties to gain knowledge of Manitoba Hydro's views regarding the future price of power, limiting Manitoba Hydro's ability to negotiate favourable export sales agreements.
49	Redacted information will be received in confidence by the Board and IEC pursuant to Rule 13(2)(a)(ii).	If disclosed, the information would publicly reveal the Utility's export price forecast. This would harm significantly Manitoba Hydro's competitive position as it would allow counterparties to gain knowledge of Manitoba Hydro's views regarding the future price of power, limiting Manitoba Hydro's ability to negotiate favourable export sales agreements.
50	Redacted information will be received in confidence by the Board and IEC pursuant to Rule 13(2)(a)(ii) and Rule 13(2)(b)(i), (ii) and (iii).	The information is, in part, third party proprietary information and, in part, the Utility's price forecast information, including regarding the export price forecast and the consensus natural gas forecast. Both justify confidential treatment.
51	Redacted information will be received in confidence by the Board and IEC pursuant to Rule 13(2)(a)(ii) and Rule 13(2)(b)(i), (ii) and (iii)	If disclosed, the information would publicly reveal the Utility's export price forecast. This would harm significantly Manitoba Hydro's competitive position as it would allow counterparties to gain knowledge of Manitoba Hydro's views regarding the future price of power, limiting Manitoba Hydro's ability to negotiate favourable export sales agreements. If disclosed, the information would also publicly reveal aspects of the consensus gas price forecast, which has been accepted by the Board as confidential.
55	Redacted information will be received in confidence by the Board and IEC pursuant to Rule 13(2)(a)(ii).	If disclosed, the information would reveal the breakdown between Manitoba Hydro's firm and opportunity sales, which could harm significantly Manitoba Hydro's competitive position in future sales negotiations.
57	Redacted information will <u>not</u> be received in confidence by the Board and will be filed on the public record.	This information is already publicly available and Manitoba Hydro has not established why the information now requires confidential treatment.
58	Redacted information will be received in confidence by the Board and IEC pursuant to Rule 13(2)(a)(ii) and 13(2)(b)(ii) and (iii), except for the information that begins at "additional amount" through to "hydropower", which will be filed on the public record.	With respect to the information that is accepted as confidential, this information has consistently been treated as confidential and was accepted by the Board as confidential in the Needs For and Alternatives To proceeding. The Board also accepts that the information would reveal estimates of economic or financial benefits of development plans or sales evaluations. With respect to the information that is not accepted as confidential, there is no basis under Rule 13(2) that supports the claim to confidentiality.
59	Redacted information will be received in confidence by the Board and IEC pursuant to Rule 13(2)(a)(ii) and 13(2)(b)(ii) and (iii), except for the information that begins at "premium" through "Product", which will be filed on the public record.	With respect to the information that is accepted as confidential, if disclosed, the information would publicly reveal the Utility's export price forecast. This would harm significantly Manitoba Hydro's competitive position as it would allow counterparties to gain knowledge of Manitoba Hydro's views regarding the future price of power, limiting Manitoba Hydro's ability to negotiate favourable export sales agreements. With respect to the information that is not accepted as confidential, this information is already publicly available and Manitoba Hydro has not established why the information now requires confidential treatment.

63	Redacted information will be received in confidence by the Board and IEC pursuant to Rule 13(2)(a)(i) and (ii).	If disclosed, information in export contracts would be revealed, contrary to confidentiality provisions in those contracts. This can reasonably be expected to cause Manitoba Hydro undue financial harm and to harm significantly Manitoba Hydro's competitive position in future negotiations with its contractual counterparties.
65	Redacted information will be received in confidence by the Board and IEC pursuant to Rule 13(2)(a)(ii), except for Table 9, which will be filed on the public record.	With respect to the information that is accepted as confidential, information related to export contracts would be revealed that would harm significantly Manitoba Hydro's competitive position in future negotiations with its contractual counterparties. With respect to Table 9, this information is already publicly available and Manitoba Hydro has not established why the information now requires confidential treatment.
66 - 67	Redacted information will be received in confidence by the Board and IEC pursuant to Rule 13(2)(a)(ii), except for the sentence that begins with "Through discussions" and the portion of the sentence beginning at "but that the revenue" through "the GRA", which will be filed on the public record.	With respect to the information that is accepted as confidential, if disclosed, information related to export contracts would be revealed that would harm significantly Manitoba Hydro's competitive position in future negotiations with its contractual counterparties. With respect to the information that is not accepted as confidential, Manitoba Hydro has not established a basis under Rule 13(2) for its claim to confidentiality.
67	Redacted information will be received in confidence by the Board and IEC pursuant to Rule 13(2)(a)(ii).	If disclosed, information related to export contracts would be revealed that would harm significantly Manitoba Hydro's competitive position in future negotiations with its contractual counterparties.
74	Redacted information will be received in confidence by the Board and IEC pursuant to Rule 13(2)(a)(ii).	If disclosed, the information would reveal the breakdown between Manitoba Hydro's firm and opportunity sales, which could harm significantly Manitoba Hydro's competitive position in future sales negotiations.
76	Redacted information will <u>not</u> be received in confidence by the Board and will be filed on the public record.	This information is already publicly available and Manitoba Hydro has not established why the information now requires confidential treatment.
B-1	Redacted information will be received in confidence by the Board and Independent Expert Consultant ("IEC") pursuant to Rule 13(2)(a)(ii).	If disclosed, the information would reveal the identity of a third party forecaster. As held in Order 112/17, the identities of the forecasters must be kept confidential in order to prevent counterparties from recreating Manitoba Hydro's consensus forecast.
B-5	Redacted information will be received in confidence by the Board and Independent Expert Consultant ("IEC") pursuant to Rule 13(2)(a)(ii).	If disclosed, the information would reveal the identity of a third party forecaster. As held in Order 112/17, the identities of the forecasters must be kept confidential in order to prevent counterparties from recreating Manitoba Hydro's consensus forecast.