

December 19, 2017

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

-and-

Approved Interveners

Re: Manitoba Hydro 2017/18 & 2018/19 General Rate Application – Manitoba Hydro’s Rule 13 Motion Respecting Confidential Information in Independent Expert Consultant MGF Project Services Report Dated December 8, 2017

On December 8, 2017, MGF Project Services (“MGF”) filed with Manitoba Hydro and the Public Utilities Board (“Board”) a Report on Manitoba Hydro’s Capital Expenditures for the Keyask Generating Station, Bipole III Transmission Line, Manitoba-Minnesota Transmission Line Project and the Great Northern Transmission Line (“MGF Report”). MGF is an Independent Expert Consultant retained by the Board to provide a report in accordance with the Scope of Work assigned to MGF (available on the Board’s website <http://www.pubmanitoba.ca>).

To prepare its Report, Manitoba Hydro afforded MGF access to confidential information. The MGF Report was filed with Manitoba Hydro to permit the Utility an opportunity to propose that confidential information in the MGF Report, while available to the Board, would be redacted from the public record in accordance with the Board’s Rules of Practice and Procedures.

Rule 13 of the Board’s Rules of Practice and Procedures expressly recognizes that in certain circumstances documents and information should not be placed on the public record.

On December 14, 2017, Manitoba Hydro filed a Motion with the Board seeking an Order pursuant to Rule 13 of the Board's Rules of Practice and Procedure (available on the Board's website) that the Board will receive in confidence Manitoba Hydro's proposed redactions to the MGF Report. Manitoba Hydro coded its proposed redactions in the MGF Report with the Utility's redaction criteria as used in prior Rule 13 Motions and as attached as Appendix "A" to this letter decision.

Coincident with Manitoba Hydro's Motion to the Board, the Utility placed on the public record and provided all approved Interveners in the current General Rate Application hearing a copy of the MGF Report that contained Manitoba Hydro's proposed redactions.

A Panel of the Board consisting of Vice Chair Ms. Marilyn Kapitany and Board Member Dr. Hugh Grant heard the Manitoba Hydro Motion respecting the proposed redactions to the MGF Report.

As set out below, the Board accepts in part the redactions proposed by Manitoba Hydro to the MGF Report. Manitoba Hydro is directed to publicly file the MGF Report with redactions identified in Appendix "B" lifted within three days of the date of this letter.

The Board finds that other portions of the MGF Report, not addressed in Appendix "B", and claimed as confidential by Manitoba Hydro will be received as confidential by the Board and the Board-retained Independent Expert Consultant MGF.

The Board finds that these other portions of the MGF Report, claimed as confidential by Manitoba Hydro, should remain confidential and not be placed on the public record because public disclosure of that information could reasonably be expected to result in financial loss to Manitoba Hydro or a third party or to harm significantly Manitoba Hydro's competitive position.

Additionally, the Board accepted Manitoba Hydro's request for confidential treatment of certain additional information that is financial, commercial, or technical in nature or information that has been consistently treated as confidential and where Manitoba Hydro's request for confidentiality outweighs the public interest in disclosure of that specific information.

The Board does not accept Manitoba Hydro's request for confidentiality of the information as described in Appendix "B" attached to this letter decision.

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 <http://www.pubmanitoba.ca>.

Yours truly,

"Original Signed By:"

Darren Christle
Board Secretary

Encl.

cc: Board Counsel
Counsel to the Independent Expert Consultants

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

Appendix B
Adjudication of Redactions to MGF Project Services Report

| Page # Ref. for Redaction | Board Decision | Reasons for Board Decision |
|--|---|---|
| 7 | 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 Manitoba Hydro's redaction criterion 8 (see attached Appendix "A") to assert that the proposed redacted information relates to sensitive relationship management matters. The Board does not accept that criterion as accurate. The Rule 13(2) criteria are not met. |
| 16 | Redacted information on the last line of the page 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 8a to assert that the proposed redacted information relates to sensitive relationship management matters. The Board does not accept that criterion as accurate. The Rule 13(2) criteria are not met. |
| 45 | The redacted information in the second last line of the legend explaining the origin of the lines on the graph will <u>not</u> be received in confidence by the Board and will be filed on the public record. | Manitoba Hydro has already placed this information on the public record. The Board does not accept Manitoba Hydro's redaction criterion 1a) as applicable. The Rule 13(2) criteria are not met. |
| 90 | The first 6 words and the last 12 words in the sentence redacted will <u>not</u> be received in confidence by the Board and will be filed on the public record. | The Board does not accept Manitoba Hydro's redaction criterion 1a) as applicable to the redactions. The Rule 13(2) criteria are not met. |
| 92 | The first column and the last column in the table will <u>not</u> be received in confidence by the Board and will be filed on the public record. | Manitoba Hydro has already placed this information on the public record. The Board does not accept Manitoba Hydro's redaction criterion 1a) as applicable. The Rule 13(2) criteria are not met. |

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| 94 | The third bullet information at the top of the page will <u>not</u> be received in confidence by the Board and will be filed on the public record. | The Board does not accept Manitoba Hydro's redaction criterion 8a) as applicable. The Rule 13(2) criteria are not met. |
| 109 | The first column and the last column in Table 2 will <u>not</u> be received in confidence by the Board and will be filed on the public record. | Manitoba Hydro has already placed this information on the public record. The Board does not accept Manitoba Hydro's redaction criterion 1a) as applicable. The Rule 13(2) criteria are not met. |
| 128 | In the portion of the table at the top of page 128, the words that are redacted under the 'Description' column will <u>not</u> be received in confidence by the Board and will be placed on the public record. | Manitoba Hydro has already placed this information on the public record. The Board does not accept any of Manitoba Hydro's redaction criteria as applicable. The Rule 13(2) criteria are not met. |
| 163 | The redactions on this page will <u>not</u> be received in confidence by the Board and will be placed on the public record. | Manitoba Hydro has already placed this information on the public record. The Board does not accept Manitoba Hydro's redaction criterion 4b) as applicable. The Rule 13(2) criteria are not met. |
| Page 26 Appendix "B" Amplitude Consultants Report | The redactions in the first paragraph of this page will <u>not</u> be received by the Board in confidence and will be placed on the public record. | Manitoba Hydro has already placed this information on the public record. The Board does not accept any of Manitoba Hydro's redaction criteria as applicable. The Rule 13(2) criteria are not met. |
| Page 27 Appendix "B" Amplitude Consultants Report | The redactions in the first paragraph of this page will <u>not</u> be received by the Board in confidence and will be placed on the public record. | Manitoba Hydro has already placed this information on the public record. The Board does not accept any of Manitoba Hydro's redaction criterion as applicable. The Rule 13(2) criteria are not met. |