

January 3, 2018

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 – Manitoba Hydro’s Rule 13 Motion Respecting Confidential Information in Independent Expert Consultant Daymark Energy Advisors’ SaskPower Contract Report dated December 15, 2017

The Public Utilities Board (“Board”), engaged Daymark Energy Advisors (“Daymark”) as an Independent Expert Consultant to:

Review and assess the economic justification for the SaskPower 100MW power sale and Manitoba-Saskatchewan Transmission Project and provide an opinion on the merits of this project and whether it is in Manitoba Hydro’s and ratepayers’ interests to proceed (see Scope of Work on the Board’s web site www.pubmanitoba.ca).

On December 15, 2017, Daymark filed with Manitoba Hydro and the Public Utilities Board (“Board”) a Report on the SaskPower Contract – Economic Review (“Daymark Report”).

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

On December 18, 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

Daymark Report. Manitoba Hydro coded its proposed redactions in the Daymark 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 Daymark Report that contained Manitoba Hydro's proposed redactions.

A Panel of the Board consisting of Ms. Marilyn Kapitany and Mr. Larry Ring, Q.C. heard the Manitoba Hydro Motion respecting the proposed redactions to the Daymark Report.

As set out below, the Board accepts in part the redactions proposed by Manitoba Hydro to the Daymark Report. Manitoba Hydro is directed to publicly file the Daymark 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 Daymark Report, not addressed in Appendix "B", and claimed as confidential by Manitoba Hydro will be received as confidential by the Board. .

The Board finds that these other portions of the Daymark 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 accepts Manitoba Hydro's request for confidential treatment of certain additional information in the Daymark Report 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 Schedule "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

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 Daymark SaskPower Report

Page # Ref. for Redaction	Board Decision	Reasons for Board Decision
2	Redacted information in the first sentence following the four bullets 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 criteria as applicable to the nine words proposed to be redacted. The Rule 13(2) criteria are not met.
12	Redacted information in 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 has already placed this information on the public record. The Board does not accept Manitoba Hydro's redaction criteria as applicable. The Rule 13(2) criteria are not met.
20	The redacted information in the sentence that begins " <i>The figure indicates that the system capacity...</i> " 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 criteria as applicable. The Rule 13(2) criteria are not met.