

January 29, 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 MGF Project Services and Manitoba Hydro’s Rebuttal to the MGF Project Services Report Dated January 16, 2018

On December 8, 2017, MGF Project Services (“MGF”) filed with Manitoba Hydro and the Public Utilities Board (“Board”) a Report on Manitoba Hydro’s Major Capital Expenditures. 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>).

By letter decision dated December 19, 2017, the Board adjudicated Manitoba Hydro’s proposed redactions in the MGF Report. This decision was filed as Exhibit PUB-45 in the General Rate Application (“GRA”).

All parties had the opportunity to pose written Information Requests to MGF on its Report. MGF filed its responses to Information Requests with Manitoba Hydro and the Board on January 3, 2018. On January 5, 2018, Manitoba Hydro placed on the public record and provided all approved Interveners in the current GRA a copy of MGF’s responses to Information Requests that contained Manitoba Hydro’s proposed redactions to

information that the Utility believes is confidential pursuant to the Board's Rules of Practice and Procedure ("Rules).

Coincident with the public filing of MGF's responses to Information Requests, Manitoba Hydro sought an Order of the Board pursuant to Rule 13 of the Board's Rules that the Board will receive in confidence Manitoba Hydro's proposed redactions. 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.

Following Manitoba Hydro's public distribution of MGF's responses to Information Requests and Rule 13 request regarding the redactions therein, Manitoba Hydro advised that it was no longer seeking to maintain in confidence the redacted information in the response to MH/MGF 1-44 and that this information will be placed on the public record.

On January 16, 2018, Manitoba Hydro filed with the Board its Written Rebuttal to the MGF Report and sought an Order of the Board pursuant to Rule 13 that the Board will receive in confidence Manitoba Hydro's proposed redactions to the Written Rebuttal. As with MGF's responses to Information Requests, Manitoba Hydro coded its proposed redactions in the Written Rebuttal with the Utility's redaction criteria, attached as Appendix "A". Manitoba Hydro also placed on the public record and provided all Interveners a copy of Manitoba Hydro's Written Rebuttal that contained Manitoba Hydro's proposed redactions. The public version of the Written Rebuttal was marked as Manitoba Hydro Exhibit 117 in the GRA proceeding.

A Panel of the Board consisting of Vice Chair Ms. Marilyn Kapitany and Board Member Dr. Hugh Grant heard the Manitoba Hydro Motions respecting the proposed redactions to MGF's responses to Information Requests and Manitoba Hydro's Written Rebuttal to the MGF Report.

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

The Board finds that the portions of MGF's responses to Information Requests and Manitoba Hydro's Written Rebuttal to the MGF Report, not addressed in Appendix "B", as claimed as confidential by Manitoba Hydro, will be received as confidential by the Board and the Board-retained Independent Expert Consultant, pursuant to Rule 13. Specifically, the Board finds that public disclosure of this 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. Further, a number of the proposed redactions protect information that the Board accepted as confidential in the December 19, 2017 decision, marked as PUB Exhibit 45.

The Board does not accept Manitoba Hydro's requests 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:"

Rachel McMillin
A/Assistant Associate 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's responses to Information Requests and Manitoba Hydro's Written Rebuttal to the MGF Report

MGF's Responses to Information Requests		
Ref. for Redaction	Board Decision	Reasons for Board Decision
Coalition/IEC (KCB) - 3	<p>The first three words of the first redacted section will <u>not</u> be received in confidence by the Board and will be filed on the public record.</p> <p>The first word of the last redacted section of information will <u>not</u> be received in confidence by the Board and will be filed on the public record.</p>	<p>Manitoba Hydro relies on redaction criteria 1a and 7a to support the proposed redactions. Manitoba Hydro has not established how the redaction criteria relate to the first three words of the first redacted section and the first word of the last redacted section, nor is it apparent that any of the Rule 13(2) criteria are met.</p> <p>The remaining portions of the redacted information are accepted as confidential as disclosure would reveal specific contract terms and the Rule 13(2) criteria are met.</p>
Manitoba Hydro Written Rebuttal to MGF Report		
Page # Ref. for Redaction	Board Decision	Reasons for Board Decision
27	<p>The redacted information contained in rows one, three and four of the table will <u>not</u> be received in confidence by the Board and will be filed on the public record.</p>	<p>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.</p> <p>The remaining redacted information is accepted as confidential as it was previously accepted as confidential by the Board in the December 19, 2017 decision.</p>