

February 23, 2018

Ms. Patricia J. Ramage  
Legal Counsel  
Manitoba Hydro  
22<sup>nd</sup> 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 Exhibits MH-140 and MH-140-1**

On January 28, 2018, the Board requested, through Board Counsel, that Manitoba Hydro provide additional MH16 Update with Interim Integrated Financial Forecast (“IFF”) scenarios. Specifically, the scenarios sought by the Board requested that Manitoba Hydro include export capacity revenue and dependable energy premiums in re-running the 20-year IFF scenarios filed in Appendix 3.8 of Manitoba Hydro’s General Rate Application (“GRA”) and in response to Coalition/MH II-19 and Exhibit MH-80.

On February 7, 2018, Manitoba Hydro filed its response to the January 28, 2018 request in redacted public form. This response was filed in the GRA proceeding as Exhibit MH-140. Manitoba Hydro also filed a redacted copy containing Attachment 1 to the response which attachment contained the requested financial scenarios. This was filed in the GRA proceeding as Exhibit MH-140-1.

Manitoba Hydro also filed with the Board an unredacted copy of MH-140 and MH-140-1, which Manitoba Hydro requested the Board receive in confidence pursuant to Rule 13 of the Board's Rules of Practice and Procedure. Manitoba Hydro states that the information, if publicly disclosed, would facilitate back calculation of capacity values and dependable energy premiums, thus putting Manitoba Hydro at a competitive disadvantage in export contract negotiations.

In the course of the GRA oral hearing on February 7, 2018, counsel for the Manitoba Industrial Power Users Group (MIPUG) made submissions regarding the redacted information in MH-140 and requested that portions of the IFF scenarios be placed on the public record. Specifically, MIPUG requested disclosure of the even annual rate increase number and financial ratios provided in the IFF scenarios. Recognizing the need to protect Manitoba Hydro from reverse engineering, counsel for MIPUG suggested that the table format used in Exhibit MH-93 could similarly be used to publicly provide information for each requested financial scenario regarding the year in which 25 percent equity is reached, the maximum long-term debt, the minimum equity, the total net negative income, and the retained earnings.

On February 7 and 8, 2018, Board Counsel requested that Manitoba Hydro provide further explanation regarding how disclosure of the information filed as Exhibit MH-140-1 could be reverse engineered to reveal confidential information regarding capacity and long term premium values. On February 9, 2018, Manitoba Hydro filed further explanation with the Board with a request that the explanation also be received in confidence by the Board.

The Board has considered the Manitoba Hydro Motions respecting the proposed redactions to MH-140, MH-140-1, and the further explanation filed with the Board on February 9, 2018.

The Board accepts the redactions proposed by Manitoba Hydro pursuant to Rule 13 and will receive in confidence the redacted information contained in MH-140 and MH-140-1, as well as the further explanation filed on February 9, 2018. Even if public disclosure were limited to what is sought by counsel for MIPUG, the Board is concerned that Manitoba Hydro's counterparties could reverse engineer information regarding capacity and long term premium values. This disclosure, or disclosure of any other aspect of the information in question, would reasonably be expected to harm significantly Manitoba Hydro's competitive position in export contract negotiations. The unredacted information will therefore be received by the Board alone in confidence.

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