

INTERVENER APPLICATION FORM

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| Application re Hearing: | | | |
| | | | |
| Name of Prospective Intervener (Organization Name or Individual): | | | |
| | | | |
| Prospective Intervener Contact Information | | | |
| Organization or Individual Address: | | | |
| | | | |
| Organization Contact Person(s) (if applicable): | | | |
| | | | |
| Contact Information: | Business: | Other Phone: | |
| | | | |
| | Fax Number: | Email: | |
| | | | |
| Representative Contact Information: | | | |
| Counsel or Representative Name(s): | | | |
| | | | |
| Organization (if different from above) : | | | |
| | | | |
| Address (if different from above): | | | |
| | | | |
| Contact Information (if different from above): | Business: | Other Phone: | |
| | | | |
| | Fax Number: | Email: | |
| | | | |
| Counsel Seniority: | | | |
| Years of Experience | _____ Years | Tariff Rate | \$ _____ |
| Also representing (if applicable): | | | |
| | | | |

Additional Information

(For organizations only) Please describe the mandate of your organization and provide a description of the membership, including the number of members. Please also confirm whether the organization's intervention in this proceeding is supported by a resolution of the governing body, if any. Please enclose the resolution, if any, with your Application, along with supporting documentation of your mandate and membership

Please state your reasons for intervening in this proceeding:

Please state how you are directly affected by the Board's decision in this matter:

Please explain whether and how you represent a substantial number of ratepayers that are otherwise not represented on issues that are within the scope of this proceeding:

Please describe your experience, information, or expertise relevant to this matter that would contribute to the Board's decision making, including any other prior interventions in regulatory matters before this Board or other decision-makers:

| | | |
|---|-----------------------|--|
| Please list the key issues you intend to address in the proceeding. Please be specific. | | |
| | | |
| Do you intend to participate fully and actively, including attendance at hearings, submission of evidence, and testing of evidence and cross examination of witnesses? If yes, please describe your intended participation. | | |
| | | |
| Do you intend to request an award of costs for your participation? Please explain how you meet the criteria for an award of costs. | | |
| | | |
| Do you intend to retain experts or consultants? If yes, please attach copies of the <i>curriculum vitae</i> for any expert and/or consultant, as well as the following: | | |
| Expert Consultant #1: | | |
| Name: | Experience | Evidence to be provided on issues in scope: |
| | _____Years | |
| Telephone #: | Tariff Rate: | |
| | \$_____ | |
| Address and Email: | Firm or Organization: | Brief explanation of experience relevant to evidence to be provided: |
| | | |

| Expert Consultant #2: | | |
|------------------------------|-----------------------|--|
| Name: | Experience: | Evidence to be provided on issues in scope: |
| | _____Years | |
| Telephone #: | Tariff Rate: | |
| | \$_____ | |
| Address and Email: | Firm or organization: | Brief explanation of experience relevant to evidence to be provided: |
| | | |
| Expert Consultant #3: | | |
| Name: | Years of Experience: | Evidence to be provided on issues in scope: |
| | _____Years | |
| Telephone #: | Tariff Rate: | |
| | \$_____ | |
| Address and Email: | Firm or organization: | Brief explanation of experience relevant to evidence to be provided: |
| | | |

| | |
|--|---|
| Do you intend to provide evidence from witnesses other than experts and/or consultants? If yes, please provide: | |
| Witness #1: | |
| Name: | Evidence to be provided on issues in scope: |
| | |
| Email: | Brief explanation of relevant experience and/or knowledge to issues in scope: |
| | |
| Address and Phone number: | |
| | |
| Do you intent to seek approval for any other form of participation or provision of evidence, including for which you intend to seek an award of costs? If yes, please provide details and an explanation of the relation to issues in scope in the proceeding. | |
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Organization Background

This document provides the responses of the Manitoba branch of the Consumers' Association of Canada (CAC Manitoba) to questions regarding the organization's background found on the Intervener Application Form relating to Centra's 2019/20 rate application. Questions to be addressed include:

- Background information regarding CAC Manitoba
- Reasons for proposed intervention
- How CAC Manitoba is directly affected by the Board's decision in this matter
- How CAC Manitoba represents a substantial number of ratepayers that are otherwise not represented on issues that are within the scope of this proceeding
- CAC Manitoba's experience, information, or expertise relevant to this matter that would contribute to the Board's decision making

About CAC Manitoba

Please describe the mandate of your organization and provide a description of the membership, including the number of members. Please also confirm whether the organization's intervention in this proceeding is supported by a resolution of the governing body, if any. Please enclose the resolution, if any, with your Application, along with supporting documentation of your mandate and membership

CAC Manitoba is a volunteer, non-profit, independent organization working to inform and empower consumers, and to represent the consumer interest in Manitoba. Formed in 1947, the organization is governed by a volunteer Board of Directors, elected annually at a general meeting of the organization's membership.

CAC Manitoba is a branch of the national Consumers' Association of Canada, but is financially separate and separately incorporated. The organization's policy is

guided by its understanding of generally accepted consumer rights, which consist of:

- The right to satisfaction of basic needs - To have access to basic, essential goods and services: adequate food, clothing, shelter, health care, education, public utilities, water and sanitation.
- The right to safety – to be protected against products, production processes and services that are hazardous to health or life.
- The right to be informed – To be given the facts needed to make an informed choice, and to be protected against dishonest or misleading advertising or labeling.
- The right to choose – To be able to select from a range of products and services, offered at competitive prices with an assurance of satisfactory quality.
- The right to be heard - To have consumer interests represented in the making and execution of government policy, and in the development of products and services.
- The right to redress – To receive a fair settlement of just claims, including compensation for misrepresentation, shoddy goods or unsatisfactory services.
- The right to consumer education – To acquire knowledge and skills needed to make informed, confident choices about goods and services, while being aware of basic consumer rights and responsibilities and how to act on them.
- The right to a healthy environment -To live and work in an environment that is nonthreatening to the well-being of present and future generations.

The Manitoba Branch of the Consumers' Association of Canada is also guided by the following consumer responsibilities:

- **Critical awareness** - consumers must be awakened to be more questioning about the provision of the quality of goods and services.
- **Involvement or action** - consumers must assert themselves and act to ensure that they get a fair deal.
- **Social responsibility** - consumers must act with social responsibility, with concern and sensitivity to the impact of their actions on other citizens, in particular, in relation to disadvantaged groups in the community and in relation to the economic and social realities prevailing.
- **Ecological responsibility** - there must be a heightened sensitivity to the impact of consumer decisions on the physical environment, which must be developed to a harmonious way, promoting conservation as the most critical factor in improving the real quality of life for the present and the future.
- **Solidarity** - the best and most effective action is through cooperative efforts through the formation of consumer/citizen groups who together can have the strength and influence to ensure that adequate attention is given to the consumer interest.

CAC Manitoba represents the interests of consumers across Manitoba in a number of areas including food safety and security, patient rights and health care, financial services, access, and inclusion, environmental sustainability, and regulatory review of utilities and Crown's delivering services and products to consumers. The organization seeks input on its policy positions from consumers through the innovative use of focus groups, and through its ongoing programs and services to the public. In 2016-2017, CAC Manitoba had contact with approximately, 13,000 consumers through its consumer education/information programs, services and consumer research. In addition, the organization seeks other perspectives on relevant issues through the use of policy community advisory committees and interviews.

There is no resolution of the Board of Directors of CAC Manitoba supporting the intervention in this proceeding. Rather, the decision to participate is made by senior management, following the organization's established policies and past practice.

CAC Manitoba's Reasons for Participation and Impact on Consumers

Please state your reasons for intervening in this proceeding.

Please state how you are directly affected by the Board's decision in this matter

Natural gas costs, rates, billing, and Centra's operations, have a significant impact on many residential consumers in Manitoba, especially as they pay for their own energy bills, as well as that of producers, processors, and retailers of the products they purchase. Residential ratepayers rely on vigorous, independent regulation to hold Crown Corporations, including Centra Gas, accountable. For CAC Manitoba, bringing the voice of consumers directly to the Public Utilities Board is of primary importance in the independent rate-setting process.

This hearing is of particular importance given the fact that Centra has not been before the PUB for a general rate application in at least six years. Centra Gas has a monopoly on many aspects of gas provision in this province, and this process before the Public Utilities Board acts a proxy for the marketplace, ensuring fairness, just and reasonable rates, and transparency, in a public proceeding.

CAC Manitoba is also concerned that some aspects of Centra's application, (the proposed changes in cancellation fees and late payment fees are one example), could have a disproportionate impact on those consumers who are more vulnerable in the marketplace, including those on low and fixed incomes.

Representing Residential Natural Gas Consumers in Manitoba

Please explain whether and how you represent a substantial number of ratepayers that are otherwise not represented on issues that are within the scope of this proceeding

CAC Manitoba will seek to protect the interests of Centra Gas's largest customer class, with approximately 266,000 residential natural gas customers by presenting

an evidence based intervention guided by a principled consideration of the consumer interest. The organization places a priority on direct consumer input using various forms of consumer engagement and stakeholder panels. CAC Manitoba strives to protect and reconcile the interests of all Manitoba residential consumers, including low and fixed-income consumers, the working poor, and other groups of consumers that are more vulnerable in the marketplace. These customers are not otherwise represented in the scope of this proceeding.

Just and reasonable rates are those that are fair to both consumers and the utility. In setting just and reasonable rates for natural gas, and reviewing the operations of Centra Gas, the PUB must balance two concerns “the interests of the utility's ratepayers, and the financial health of the utility. Together, and in the broadest interpretation, these interests represent the general public interest.” While Manitoba Hydro represents the interests of the utility, CAC Manitoba proposes to represent the interests of the large class of residential ratepayers, as it has done in previous rate applications.

CAC Manitoba’s Experience in Regulatory Proceedings

Please describe your experience, information, or expertise relevant to this matter that would contribute to the Board’s decision making, including any other prior interventions in regulatory matters before this Board or other decision-makers

CAC Manitoba has a mandate to provide Manitoba consumers with unbiased information. Through interventions at rate hearings, the organization represents the consumer interest on prices and quality of service. Over the past 28 years, CAC Manitoba has been active in rate regulation matters relating to Manitoba Hydro, Centra Gas, Manitoba Public Insurance, government cheque cashing and payday lending rates.

In addition, the organization has extensive and intersecting regulatory experience at the Canadian Radio-television and Telecommunications Commission, the Manitoba Clean Environment Commission, and more recently, the National Energy Board. It takes pride in its long-standing record of quality, evidence-based advocacy.

Regarding natural gas, CAC Manitoba participated in proceedings when Centra Gas was still a privately-owned corporation, those regarding the acquisition of Centra Gas by Manitoba Hydro, the entrance of natural gas brokers into the Manitoba marketplace, and the development of a feasibility test for gas expansion to new parts of the province, to name just a few.

**Centra Gas 2019/20 General Rate Application
CAC's Preliminary Intervention Scope of Issues
Attachment B**

Issues where CAC will test Centra's evidence and is likely to file Intervenor evidence:

- Rate change requested (#1)
- Financial targets (#3)
- Changes in finances & financial assumptions (#4)
- Finance expense & debt management (#5)
- Accounting changes & implementation of IFRS (including Regulatory deferral accounts (#6)
- O&A Expense and Changes in Gas management structure & operating staff levels (#8)
- Integrated Cost Allocation Methodology (#9)
- Return on rate base (#12)
- Bill impacts on customers (#14)
- Cost of Service Study & Methodology (#17)
- Rate Design (#19)
- Terms & conditions of service (#23)
- Compliance with Orders & Directives (including future regulation of Centra) (#24)

Issues where CAC will test Centra's evidence and may file Intervenor evidence:

- Centra's strategic plan (including risk assessment & risk management) (#2)
- Capital expenditures & rate base additions (#11)
- Gas costs/arrangements (#16)

Issues that CAC may test Centra's evidence:

- Depreciation expense & methodology (#7)
- Liability insurance (#10)
- Demand side management (#13)
- Load forecast (#15)
- Western Transportation Service (#18)
- Fixed Rate Primary Gas Service (#20)
- Approval of feasibility test true-ups (#21)
- Approval of interim orders (#22)

**Centra Gas 2019/20 General Rate Application
CAC's Summary of Potential Expert Evidence
Attachment B**

Mr. Rainkie's focus will include the following issues on behalf of CAC:

- Financial targets (#3)
- Changes in finances & financial assumptions (#4)
- Finance expense & debt management (#5)
- Accounting changes & implementation of IFRS (including regulatory deferral accounts) (#6)
- O&A expense and changes in gas management structure & operating staff levels (#8)
- Return on rate base (#12)

Ms. Derksen's focus will include the following issues on behalf of CAC:

- Integrated cost Allocation methodology (#9)
- Capital expenditures & rate base additions (#11)
- Bill impacts on customers (#14)
- Gas costs (#16)
- Cost of service study & methodology (#17)
- Rate design (#19)
- Terms & conditions of service (#23)

Mr. Rainkie and Ms. Derksen will jointly review the following issues on behalf of CAC:

- Rate change requested (#1)
- Centra's strategic plan (including risk assessment & risk management) (#2)
- Compliance with Orders & Directives (including future regulation of Centra) (#24)

Darren Rainkie, CPA, CA, CBV

Principal – Darren Rainkie Consulting

STRATEGIC & INNOVATIVE REGULATORY SOLUTIONS FOR THE EVOLVING CHALLENGES OF REGULATED ENTERPRISES

QUALIFICATIONS & EXPERTISE

- Executive Leadership
- Financial Management
- Regulatory Vision & Strategy
- Experienced Witness
- Revenue Requirement Specialist
- Regulation Process Management

CAREER HIGHLIGHTS

- Executive (CFO & Acting CEO) and senior management (Controller & Treasurer) experience at Manitoba Hydro & Centra Gas (2006-2017)
- Senior level experience in broad areas of financial management (2000-2017)
- Deep experience in all aspects of electric & natural gas energy regulation (1990-2018)
- Extensive experience testifying as a policy & subject matter expert at regulatory hearings (2000-2017)

PRIOR EXPERIENCE

- Manitoba Hydro & Centra Gas 1999-2017
- Centra Gas (Westcoast Energy) 1994-1999
- Price Waterhouse 1988-1994

EDUCATION

- Chartered Business Valuator 1993
- Chartered Professional Accountant (Chartered Accountant) 1991
- B. Com. (Hons. – With Distinction), University of Manitoba 1988

PROFILE

Darren is the principal of the consulting practice he established in 2017 which leverages his 30-years of experience in energy regulation, utility & financial management and financial advisory services. He specializes in electricity and natural gas energy regulation and financial advisory services.

Executive Level Vision & Strategy – over 11 years of executive/senior management experience providing leadership to one of the largest integrated electric and natural gas utilities in Canada, developing corporate and business unit strategic plans, leading and developing senior level professionals and successfully managing multiple initiatives/projects simultaneously. Darren has a deep understanding of the challenges facing regulated entities and a proven track record of developing innovative financial and regulatory strategies that are aligned with the overall vision and strategic direction of the organization.

Broad Financial Management Experience – over 17 years of senior level experience in broad areas of financial management including long-term forecasting, budgeting, corporate finance, risk management and financial reporting. Darren has the unique ability to integrate these diverse areas of financial management with ratemaking to develop solutions for clients that are broad-based and practical.

Deep Specialization in Energy Regulation – 30 years of experience in all aspects of energy regulation including policy, strategy, revenue requirement, cost of capital/capital structure, cost allocation and rate design, major capital project reviews as well as planning and management of regulatory applications and the associated hearing processes, stakeholder engagement and testifying in regulatory proceedings. Darren's passion for and deep specialization in energy regulation enables him to provide a comprehensive suite of high-quality regulatory services to clients.

Collaborative Style & Clear Communication – demonstrated ability to provide policy direction and lead cross-disciplinary project teams and to work collaboratively and build strong relationships with senior management, executive team, boards of directors and government and regulatory officials and stakeholders. Darren's consensus building style and ability to effectively communicate with internal and external stakeholders are essential to developing sustainable solutions for clients.

OVERVIEW OF REGULATORY EXPERIENCE

- Executive policy witness at the 2016 Electric Cost of Service Methodology Review before the Manitoba Public Utilities Board (MPUB) to review the methodology underpinning the allocation of a \$2 billion revenue requirement and \$20 billion rate base among 568,000 customers.
- Executive policy witness and chief regulatory strategist for the 2015 Electric General Rate Application (GRA) before the MPUB which included final approval of interim rates for 2014/15 and rates for 2015/16 as well as the establishment of a process to review interim rates for 2016/17. Applied a top-down strategy driven approach and drove the transformation of rate applications to increase revenues and manage deterioration in the financial outlook and maintain reliable service and stable rates while balancing the interest of ratepayers with the financial integrity of the corporation.
- Executive policy witness at the 2015 Cost of Gas Application before the MPUB and directed the development of the regulatory strategy and principles associated with the prudence review and recovery of additional gas costs of \$46 million incurred during the record cold winter weather of 2013/14.
- Executive policy witness and chief strategist for the finance witness panel at the 2014 MPUB review of the Need For and Alternatives To (NFAT) Manitoba Hydro's proposed Major Generation and Transmission capital projects involving a planned investment of over \$17 billion. The finance panel witness responsibilities included the potential impact on customers rates, financial outlook and financial risk associated with the planned investments.
- Executive policy witness and chief regulatory strategist for the 2013 Gas GRA before the MPUB to set gas costs and non-gas revenue requirement for 2013/14.
- Directed the preparation of the electric and gas revenue requirement filings and represented the corporation as a senior subject matter witness at several MPUB rate hearings between 2008 and 2013 (including 2010 Electric GRA and Risk Review, 2012 Electric GRA) providing witness testimony on financial results, long-term financial and capital forecasts, as well as implementation of IFRS and depreciation studies for rate-setting purposes.
- Represented the Corporation as a subject matter witness at several MPUB rate hearings between 2000 and 2008 (including 2000 Interlake franchise expansion application, 2003 Gas GRA, 2004 Cost of Gas Application, 2005 Gas GRA and 2007 Gas GRA) providing witness testimony on revenue requirements, rate base, return on equity, capital structure, financial feasibility tests and regulatory approvals and procedural matters.
- Oversaw the development of the Primary Gas application and associated processes in 2000 to adjust the cost of gas from western Canada on each gas quarter using an efficient and streamlined regulatory approval process.
- Managed and coordinated the preparation of numerous applications, filings and reports to the MPUB, the post-application/pre-hearing processes and procedures, the public hearing process and procedures and the interpretation and compliance with MPUB decisions from 1997 to 2006.
- Acted as internal expert and provided support to company witnesses at public hearings with respect to business case and feasibility assessments as well as financing, capital structure and cost of capital matters from 1994 to 1997. Prepared the Centra Gas proposal for the first return on equity (ROE) formula to be used to set gas rates in Manitoba in 1995.
- Provided extensive consulting advice to the MPUB and drafted regulatory decisions on capital structure and rate of return on equity (ROE) matters including the last comprehensive decision on the allowed capital structure and ROE for Centra Gas Manitoba in 1994.
- Acted as accounting and finance advisor to the MPUB between 1990 and 1994 on several Centra Gas regulatory applications and a Manitoba Hydro general rate application and drafted numerous regulatory decisions for the MPUB during that timeframe. Provided advice on all aspects of revenue requirements including operating costs, depreciation, finance expense, rate base, working capital and cost of capital.

PROFESSIONAL EXPERIENCE

MANITOBA HYDRO & CENTRA GAS

1999 - 2017

Vice-President, Finance & Regulatory Affairs and Chief Financial Officer

2013 - 2017

- Responsible for the executive leadership of the Finance & Regulatory Affairs business unit (Controller, Treasury, Rates & Regulatory Affairs, Financial Planning and Corporate Risk Management) and Manitoba Hydro International (professional consulting and project management services to energy sectors world-wide).
- Member of the Executive Committee that actively collaborated in the management of the corporation and the formation, revision and achievement of the corporate strategic plan and establishment of business unit goals and strategies that align with the strategic objectives of Manitoba Hydro. Led, developed and mentored a diverse team of senior professionals as well as cross-disciplinary project teams.
- Chair of the Corporate Risk Management and Rates Review committees. Member of the Export Power and Gas Supply Risk Management committees and the Corporate Asset Management Executive Council. Member and Treasurer of the Wuskwatim and Keeyask Limited Partnership Boards working closely with Indigenous partners.
- Guided the development of corporate financial targets and the long-term financial forecast as well as corporate operating, capital and financing plans that are consistent with the overall objectives of the Corporation and obtained endorsement from the Audit Committee and Manitoba-Hydro Electric Board (MHEB). Initiated and provided executive oversight to a comprehensive review of corporate financial targets to determine if they continued to be appropriate during a period of extensive capital investment of over \$17 billion. Provided policy guidance to support the development of increasingly sophisticated financial models to provide scenario analysis (over 15,000 financial projections) on key financial variables (water flows, export prices, interest rates and capital costs) to evaluate the adequacy of financial targets and financial reserves and forecast the long-term rate impacts of major capital projects.
- Initiated target setting process and collaborated with the executive team to develop strategies to substantially reduce the growth in operating expenditures. Championed the establishment of an overall corporate asset management framework and further development of systems to improve the planning and prioritization of sustaining capital expenditures in the generation, transmission, distribution and corporate functions.
- Executive policy witness and chief regulatory strategist for several significant electric and gas regulatory proceedings before the MPUB. Applied a top-down strategy driven approach and drove the transformation of rate applications to increase revenues and manage deterioration in the financial outlook and maintain reliable service and stable rates while balancing the interest of ratepayers with the financial integrity of the corporation.
- Provided executive oversight to the development and execution of financing strategies and plans to obtain long-term debt financing in the order of \$1.5 billion to \$2 billion annually and to effectively manage the corporation's liquidity, foreign exchange and interest rate risks.
- Directed the financial and management reporting and corporate risk management functions and provided regular reports on the financial results and risks of the corporation to Executive Committee, Audit Committee and MHEB. Executive accountable to oversee the transition from Canadian Generally Accepted Accounting Principles (CGAAP) to International Financial Reporting Standards (IFRS).

Acting President and Chief Executive Officer

September to December 2015

- Responsible for the overall leadership of one of the largest integrated electric and natural gas utilities in Canada with over \$20 billion in assets, \$2.3 billion in revenues, 568,000 electricity and 277,000 natural gas customers and over 6,000 employees.
- Maintaining progress on delivery of key strategic objectives, execution on major capital projects and effective transition to the newly appointed CEO while simultaneously managing several complex finance & regulatory projects in the on-going role as CFO.

Corporate Controller, Controller Division**2008 - 2013**

- Led the financial and management reporting functions of the corporation and managed interaction with the provincial Comptroller's Division and external auditors. Guided the provision of financial services to the business unit management teams.
- Oversaw the development of the long-term financial forecast and the coordination of the consolidated operating cost and capital expenditure forecasts and presentation to the Audit Committee and MHEB.
- Directed the preparation of the electric and gas revenue requirement filings and represented the corporation as a senior subject matter witness at several MPUB rate hearings providing witness testimony on financial results, long-term financial and capital forecasts, and implementation of IFRS and depreciation studies for rate-setting purposes.

Corporate Treasurer, Treasury Division**2006 - 2008**

- Led the development of debt management and financing strategies to obtain corporate financing requirements and effectively manage the corporation's liquidity, foreign exchange and interest rate risks.
- Managed interaction with credit rating agencies, the provincial Treasury Division and investment banking institutions.
- Guided cash management, cash forecasting and credit risk management functions and the administration of banking arrangements.

Manager, Regulatory Services Department**1999 - 2006**

- Responsible for regulatory planning and administration and providing recommendations to senior management on regulatory strategy, issues and procedural matters. Acted as a liaison with MPUB staff and advisors.
- Managed the preparation of applications, filings and reports to the MPUB, the post-application/pre-hearing processes and procedures, the public hearing process and procedures and the interpretation and compliance with MPUB decisions.
- Represented the corporation as a subject matter witness at several public hearings providing witness testimony on revenue requirements, rate base, return on equity, capital structure, financial feasibility tests and regulatory approvals and procedural matters.

CENTRA GAS MANITOBA INC.**1994 - 1999**

Senior Coordinator, Regulatory Services Department

1997 - 1999

Senior Financial Analyst, Financial & Accounting Services Department

1994 - 1997

PRICE WATERHOUSE, CHARTERED ACCOUNTANTS (Winnipeg Office)**1988 - 1994**

Assistant Manager, Financial Advisory Group (Accounting & Finance Advisor to MPUB)

1990 - 1994

Audit Senior, Audit & Business Advisory Group

1988 - 1990

Kelly Derksen, BSc., CPA, CMA

Principal – Kelly Derksen Consulting

STRATEGIC & INNOVATIVE REGULATORY SOLUTIONS FOR THE EVOLVING CHALLENGES OF REGULATED ENTERPRISES

QUALIFICATIONS & EXPERTISE

- Regulation Strategy & Execution
- Regulation Process Management
- Ratemaking Specialist
- Quality & Process Improvement
- Experienced & Respected Witness
- Leadership Excellence

CAREER HIGHLIGHTS

- 25 years of Rates & Regulation experience in the utility industry
- A recognized authority on Cost of Service and Rate Design
- An experienced, credible, respected witness having testified in public hearings for 15 years
- Led, developed, and assisted in dozens of regulatory proceedings
- Committed to mentoring and sharing knowledge through collaborative style and routinely conducting training with the Canadian Gas Association

PRIOR EXPERIENCE

- Manitoba Hydro & Centra Gas 1999-2017
- Centra Gas (Westcoast Energy) 1994-1999

EDUCATION

- Chartered Professional Accountant (CMA) 2004
- BSc., (Chemistry & Mathematics) University of Manitoba 1995

PROFILE

Kelly is the principal of the consulting practice she established in 2018 leveraging from nearly 25-years of experience in both a privately-owned natural gas utility and one of Canada's largest publicly-owned, vertically integrated electric and natural gas utilities. She specializes in regulation and ratemaking, with an emphasis on cost of service, and rate design.

Regulation Strategy & Process Management Specialist- Using nearly 25 years of experience-backed judgement and insight, Kelly provides strategic and tactical advice and solutions to complex ratemaking and regulation challenges that balance the public interest with corporate strategic goals and which align with governing legislation and regulatory framework.

Kelly has successfully managed many interim, ex-parte, written, traditional, and unconventional regulatory processes. With the many challenges and nuances associated with achieving success in the regulatory arena, Kelly is a champion of evaluating lessons learned to achieve future success. Including key stakeholders in this evaluation is critical to building solid relationships, and to move forward client goals more efficiently and effectively.

Ratemaking Specialist- Kelly has led, developed and executed many cost of service and rate design studies and methodological reviews. This includes extensive experience developing evidence and providing principled persuasive testimony. Along with practical experience, and continuous monitoring of the evolving utility industry, she also has deep understanding of the academic-based writings of Bonbright and Kahn, as well as the more practical detailed ratemaking manuals such as NARUC. A deep understanding, genuine passion for ratemaking, over two decades of hands-on utility experience, uniquely enables Kelly to deliver solutions that are workable, understandable, and that are also academically sound.

Leadership and Communication Excellence- Demonstrated ability to lead large complex multi-disciplinary teams through a genuine collaborative style that engenders trust and commitment. She also commits to leadership excellence by "paying it forward" through training professionals across Canada. Kelly is known as a principled and collaborative leader with significant experience interacting with a variety of styles and experience levels, strength in translating complex subject matter into workable solutions, and genuine belief that the way one succeeds is by helping others be successful.

OVERVIEW OF RATEMAKING & REGULATION EXPERIENCE

- Promoted through progressively senior analytical and managerial positions in the general area of utility ratemaking and regulation at the privately-owned Centra Gas, and then Manitoba Hydro, a combined publicly-owned vertically integrated hydro-electric utility and disaggregated natural gas utility.
- Over two decades of hands-on experience in developing practical solutions to complex problems that comport with best practice categorized broadly as:
 1. Regulation Strategy and Process Management
 2. Ratemaking
 3. Leadership and Communication

Regulation Strategy and Process Management

- Provided strategic and tactical advice and solutions to Executive Management for the past 15 years on ratemaking and regulatory policy consistent with the strategic goals of the organization and within the context of the governing legislation and regulatory framework.
- Led, developed, and assisted in dozens of rate cases (and other regulatory processes) interfacing with external agencies and the many internal disciplines necessary to support the process. Provided advice and reports to Executive Management regarding appropriate regulatory strategies and developed a common theme and orderly plan with careful execution to achieve strategic, financial and operational deliverables.
- Provided advice to Executive Management regarding the interpretation of regulator decisions and compliance.
- Successfully led numerous traditional, unconventional, interim and ex-parte regulatory processes. This included numerous stakeholder engagement sessions, demonstrating commitment to seeking solutions to best balance multiple conflicting interests, building trust and strengthening relationships.
- With the many challenges and nuances associated with achieving success in the regulatory arena, a champion of evaluating lessons learned for the achievement of successful future outcomes; including key stakeholders in this evaluation is critical to building solid relationships, and to move forward goals more efficiently and effectively.

Ratemaking

- A deep understanding of utility ratemaking including extensive hands-on experience having developed, led, and executed dozens of studies and several cost of service and rate design methodological reviews, through continuous monitoring of the evolving utility industry, a solid understanding of the economics behind investment decisions, the physical workings of the system, a strong understanding of the legislative framework and regulatory construct by which a utility operates, and the academic-based writings of Bonbright and Kahn as well as more practical detailed ratemaking guidance provided by NARUC.
- An experienced and respected witness having represented the Corporation as a subject matter witness before the MPUB for 15 years. Provided testimony on revenue requirements, rate base, cost of service, rate design, treatment of deferral and variance accounts, expansion financial feasibility tests, terms and conditions of service, regulatory approvals and procedural matters.
- Driving force and key witness behind the 2016 electric Cost of Service Methodology Review before the MPUB to review the methodology underpinning the allocation of a \$2 billion revenue requirement, \$500 million of export revenue, and a \$20 billion rate base among over 570,000 customers.

- Developed the 2016 electric Cost of Service Methodology Review case strategy and evidence, hundreds of information requests, led several stakeholder engagement sessions, evaluated Intervenor Expert positions, rebuttal evidence, testimony, and final arguments available on the MPUB’s website: www.pubmanitoba.ca.
- Developed evidence to support several key issues such as: an overall methodology that reasonably balanced the corporation’s financial goals and the public interest given significant external energy market changes subsequent to 2008 (advent of shale gas, plunge in electric and natural gas prices) coupled with significant investment in new hydraulic infrastructure/aging infrastructure; a cohesive overall methodology associated with a largely interconnected hydro-electric utility; the influence of economics (marginal cost to service) on embedded cost to serve; and the interrelation between revenue requirement, cost of service, and rate design and potential unintended consequences (impacts to low income customers, or protecting the utility’s ability to collect its approved revenue requirement).
- Recognized publicly for capabilities having developed an expert level knowledge of electric cost of service over a short timeframe to support a complex regulator review and delivering testimony.
- Led and developed numerous cost allocation and rate design models to analyze the impacts and sensitivities of scenarios.
- Conducted training on rates, cost analysis, methodology, economic feasibility (service extension), revenue requirement.
- Led and prepared the development of lead-lag studies, rate base, revenue requirements on many occasions between 1998 and 2008 for Manitoba’s natural gas utility.

Leadership and Communication

- Extensively interacted with a variety of styles and experience levels having led large multi-disciplinary teams with dozens of professionals and routinely presenting to Executive Management, Board of Directors, Retail Customers, Stakeholders and the Regulator.
- Successfully advanced many regulatory applications and related hearing processes, at times concurrently, accomplished through building cross-departmental co-operation, periodically with disparate in-house teams, with a genuine interpersonal style that engenders trust and commitment. For example, over a 12-month period beginning in the fall of 2006, led and developed 4 major applications including a Cost of Gas Application, a 4-Party Trench Application; a General Rate Application; and a generic competition-related application.
- Managed and mentored a team of professional accountants. By creating a collaborative atmosphere, and encouraging measured autonomy proudly developed a well-respected flexible team with strong expertise.
- Developed productive relationships with regulator staff and advisors, key stakeholders and interest groups.
- Routinely presents at regulatory workshops and industry conferences, to strengthen skills and importantly to share knowledge and experience with others.
- Strength in translating complex ratemaking subject matter, into practical, clear solutions based on traditional and contemporary best practice and the related strategy and evidence development of a regulatory case.

PROFESSIONAL EXPERIENCE

| | |
|---|-----------------------|
| Independent Consultant | 2018 - Present |
| Manitoba Hydro - Manager, Cost of Service & Rates | 2009 - 2017 |
| Manitoba Hydro - Manager, Gas Rates & Regulatory Affairs | 2006 - 2009 |
| Manitoba Hydro - Senior Analyst, Gas Rates | 2002 - 2006 |
| Manitoba Hydro- Analyst, Gas Rates | 1999 - 2002 |
| Centra Gas – Revenue Requirement Analyst, Regulatory Affairs | 1998 - 1999 |
| Centra Gas - Coordinator, Regulatory Affairs | 1995 - 1998 |

A SELECTION OF RELEVANT PROJECT EXPERIENCE:

- Reviewed zone of reasonableness policy and developed the related strategy and evidence;
- Addressed the treatment of International Financial Reporting Standards (IFRS) within cost of service;
- Treatment of large hydraulic generation cost measurement within embedded cost to serve;
- Treatment of significant export revenue priced the margin (at times 40% or more of total revenue requirement) within embedded cost to serve (effectively a matter of public policy)
- Treatment of demand side management cost within cost to serve;
- Economic development rates/energy intensive rates/low income rates;
- Uneconomic bi-pass (distributed solar PV); economic bi-pass;
- Costing assumptions in feasibility tests to address divergence between embedded and marginal cost to service and related service extension policy (including to support business expansion and growth opportunities);
- Allocation treatment of revenues and costs (and related rate base) associated with unique partnerships with First Nations developed to support new, multi-billion-dollar hydraulic generation;
- Wheeling tariffs—provided the underlying cost analysis and regulatory advice;
- Treatment and determination of variance accounts (cost trackers);
- Led Revenue Decoupling evidence and testimony during 2008 Centra GRA;
- Evaluated the appropriateness and level of Month Basic Charges, developed evidence and led testimony;
- Evaluated the appropriateness and level of Demand Charges, developed evidence and led testimony;
- Fixed rate alternatives (within and outside of regulated utility);
- Successfully developed a solution for and executed the disposal of \$100 million in gas costs (nearly 40% of total asset investment) accumulated during the natural gas market conditions in early 2001, and the accumulation of \$46 million in gas costs during the 2013/2014 record cold winter;
- Rate unbundling to support service unbundling flowing from natural gas market restructuring to facilitate competition;
- Analysis and research assessing a competition-related role of the utility in the provision of gas supply application;
- Successfully developed a treatment for costs incurred to facilitate competition; and
- Developed codes of conduct between regulated and unregulated utility affiliates.