



360 Portage Ave (22) • Winnipeg, Manitoba Canada • R3C 0G8
Telephone / N° de téléphone: (204) 360-3633 • Fax / N° de télécopieur: (204) 360-6147 • ofernandes@hydro.mb.ca

March 07, 2019

Mr. Darren Christle
Secretary and Executive Director
Public Utilities Board
400-330 Portage Avenue
Winnipeg, Manitoba
R3C 0C4

Dear Mr. Christle:

RE: MANITOBA HYDRO – 2019/20 ELECTRIC RATE APPLICATION – RESPONSES TO INFORMATION REQUESTS FROM INTERVENERS and UPDATED RESPONSES TO INFORMATION REQUESTS FROM THE PUBLIC UTILITIES BOARD

Further to the revised timetable and instructions contained in correspondence from the Public Utilities Board (“PUB”) on March 6, 2019, enclosed please find Manitoba Hydro’s responses to a majority of Information Requests received from the Consumers Association of Canada (Manitoba) and Winnipeg Harvest (“Consumers Coalition”), the Manitoba Industrial Power Users Group (“MIPUG”), the Assembly of Manitoba Chiefs (“AMC”) and the Manitoba Keewatinowi Okimakanak (“MKO”) on February 8, 2019.

Consistent with the PUB’s revised timetable, and instructions provided in its correspondence of March 6, 2019, Manitoba Hydro will file the remaining responses to Intervenor Information Requests, including the Revised Information Requests filed by Consumers Coalition no later than Thursday, March 14, 2019.

On February 22, 2019, Manitoba Hydro advised that the Corporation was assessing PUB Information Requests to determine which Information Requests required updates as a result of the filing of the Supplement to the 2019/20 Electric Rate Application (“Supplement”) on February 14, 2019. Manitoba Hydro is also enclosing herein updated responses to the following Information Requests from the PUB:

- PUB/MH 1-4a-dU
- PUB/MH 1-7bUR
- PUB/MH 1-7cU
- PUB/MH 1-8a-cU
- PUB/MH 1-9U
- PUB/MH 1-10a-cU
- PUB/MH 1-12U
- PUB/MH 1-25a-bU
- PUB/MH 1-26bU
- PUB/MH 1-27U
- PUB/MH 1-29aU
- PUB/MH 1-29b-eU
- PUB/MH 1-32U
- PUB/MH 1-35U
- PUB/MH 1-36U
- PUB/MH 1-37a-bU
- PUB/MH 1-38a-eU
- PUB/MH 1-40a-bU
- PUB/MH 1-45a-cU
- PUB/MH 1-46bU
- PUB/MH 1-50a-dU
- PUB/MH 1-51aU
- PUB/MH 1-53U
- PUB/MH 1-57U
- PUB/MH 1-60a-bU
- PUB/MH 1-62aU

As noted in Manitoba Hydro's correspondence of February 22, 2019, Manitoba Hydro has not updated PUB Information Requests which comment on policy positions of the Corporation and those which do not reflect or result in any fundamental changes or material differences to the information presented in this Information Request.

Consistent with the PUB's ruling in its letter of February 5, 2019, Manitoba Hydro is filing responses to Information Requests containing commercially sensitive responses with the

PUB in confidence and has provided public redacted copies herein. Consistent with the previous information filed with the PUB, Manitoba Hydro has relied upon redaction criteria and has inserted codes corresponding to the categories in the Redaction Criteria in the responses to the information Requests. Manitoba Hydro is providing public redacted versions of the following information requests:

- PUB/MH 1-4 d) Updated
- PUB/MH 1-9 Updated
- COALITION/MH 1-18 b)
- COALITION/MH 1-19 b)
- COALITION/MH 1-20 d)

Increase in Site Remediation Charges

Subsequent to the filing of the Supplement to the 2019/20 Electric Rate Application on February 14, 2019, Manitoba Hydro became aware that \$5.5 million of expenditures pertaining to the remediation of the 8 Mile Channel and 2 Mile Channel operating sites was inadvertently excluded from the 2018/19 Current Outlook. As such, Manitoba Hydro is filing a revised Appendix 1 (Update) that includes the additional \$5.5 million of site remediation expenditures. Manitoba Hydro will ensure responses to Information Requests reflect any impacts of this change. No change in the 2018/19 net income results from the additional remediation charges as the \$5.5 million increase to Other Operating Expense is offset by an equivalent addition to the site remediation regulatory deferral balance through the Net Movement in Regulatory Deferral (Net Movement) account. The incremental amortization of the \$5.5 regulatory deferral balance in the Net Movement account is not sufficient to change the \$95 million and \$115 million net income balances for the 2018/19 Current Outlook and 2019/20 Approved Budget, respectively.

Manitoba Hydro is enclosing the revised financial statements for 2017/18 to 2019/20 provided in Appendix 1 (R) Updated.

Should you have any questions with respect to the foregoing, please do not hesitate to contact the writer at 204-360-3633 or Marla Boyd at 204-360-3468.

Yours truly,

MANITOBA HYDRO LEGAL SERVICES DIVISION

Per:

A handwritten signature in blue ink, appearing to read 'Odette Fernandes', written over a horizontal line.

ODETTE FERNANDES

Barrister and Solicitor

cc : Marla Boyd, Manitoba Hydro
Bob Peters, Board Counsel
Dayna Steinfeld, Board Counsel
Intervenors of Record

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

- 9 Centra Gas Sensitive Information** *for example:*
 - a. Natural gas load forecast information and impact of weather on Manitoba market demand and gas supply operations (i.e. Effective Heating Degree-Day (EHDD) balance point, actual and forecast EHDD).