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January 31, 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**

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On December 20, 2018, the Public Utilities Board (“PUB”) issued Procedural Order 1/19 which set forth a schedule for the review of Manitoba Hydro’s 2019/20 Electric Rate Application. Consistent with the PUB’s Order, on January 28, 2019, Manitoba Hydro filed responses to Information Requests containing commercially sensitive information and its motion seeking that the information be held in confidence by the PUB.

It has come to Manitoba Hydro’s attention that Information Requests PUB/MH I-30 a)-c) and PUB/MH I-31 a)-b) contain information which is confidential to Manitoba Hydro’s subsidiary, Centra Gas Manitoba Inc. (“Centra”). Upon discussion with PUB legal counsel, Manitoba Hydro is filing with the PUB, on blue paper, responses to the above noted Information Requests with the confidential information highlighted for the PUB’s consideration. Manitoba Hydro is seeking that the information contained in these responses, also be held by the PUB in confidence consistent with the request made by Centra Gas in its 2019/20 General Rate Application. Manitoba Hydro is herein providing an updated copy of the Redaction Criteria, attached as Appendix A, which includes a criteria for confidential gas information.

PUB/MH I-30a)-c) and PUB/MH I-31 a)-b) request information related to monthly heating degree days for 2017/18 and 2018/19 actual to date. As the PUB is aware from Centra regulatory proceedings, since approximately 2015, Centra has requested that certain information be maintained by the PUB in confidence. TransCanada Pipelines Limited currently has unlimited discretion in establishing the short-term firm and interruptible transportation bid floors on the Canadian Mainline which has caused Centra to consider historical and forecast annual gas supply and gas cost information as commercially sensitive. Disclosure of information on heating degree days may be used for adverse pricing activity by market participants to the detriment of Centra and may expose Centra and its ratepayers to increased costs by virtue of Centra being a captive shipper on the Canadian Mainline. Centra’s competitive market position is reasonably expected to be prejudiced by public disclosure of this information, including the potential for a material cost increase to Centra and its

*Available in accessible formats upon request*

ratepayers.

The PUB's Rules of Practice and Procedure provide the PUB with sufficient discretion to allow it to receive information in confidence on any terms it considers appropriate

*13(2) The Board may receive information in confidence on any terms it considers appropriate in the public interest,*

*a) if the Board is of the opinion that disclosure of the information could reasonably be expected*

*(i) to result in undue financial loss or gain to a person directly or indirectly affected by the proceeding; or*

*(ii) to harm significantly that person's competitive position.*

*or*

*b) if*

*(i) the information is personal, financial, commercial, scientific or technical in nature; or*

*(ii) the information has been consistently treated as confidential by a person directly affected by the proceeding; and*

*(iii) the Board considers that the person's interest in confidentiality outweighs the public interest in the disclosure of the information.*

Pursuant to Rule 13(2) of The Public Utilities Board Rules of Practice and Procedure, Manitoba Hydro is seeking an Order of the PUB confirming that it will receive the information contained in PUB/MH I-30 a)-c) and PUB/MH I-31 a)-b) in confidence pursuant to Rule 13(2) (a) and (b) and not be placed on the public record. Manitoba Hydro submits that holding this information in confidence outweighs the public interest in the disclosure of the information.

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:



**ODETTE FERNANDES**

Barrister and Solicitor

cc : Marla Boyd, Manitoba Hydro  
Bob Peters, Board Counsel

# 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

**9 Centra Gas Sensitive Information *for example:***

- a. 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).