



360 Portage Avenue (22) • Winnipeg Manitoba Canada • R3C 0G8
Telephone / N° de téléphone: (204) 360-3257 • Fax / N° de télécopieur: (204) 360-6147 • baczarnecki@hydro.mb.ca

November 15, 2021

THE PUBLIC UTILITIES BOARD OF MANITOBA
400-330 Portage Avenue
Winnipeg, Manitoba
R3C 0C4

ATTENTION: Dr. D. Christle, Board Secretary and Executive Director

Dear Dr. Christle:

RE: MANITOBA HYDRO'S 2021/22 INTERIM RATE APPLICATION

In accordance with the September 22, 2021 directive from Crown Services, Manitoba Hydro submits its Application requesting Public Utilities Board of Manitoba ("PUB") approval of an interim rate increase for 2021/22 effective January 1, 2022. In addition to this Application, Manitoba Hydro submits responses to the Minimum Filing Requirements ("MFRs") approved by the PUB on October 19, 2021.

Manitoba Hydro is requesting an Order of the PUB pursuant to section 25 of *The Crown Corporations Governance & Accountability Act* and section 47(2) of *The Public Utilities Board Act*, for the following:

- 1) Approval, on an interim basis, of rate schedules incorporating an overall increase in General Consumers Revenue of 5.0% effective January 1, 2022; and
- 2) Approval to begin recognizing the revenues from the Major Capital Deferral established by the PUB in Order 69/19 commencing January 1, 2022, with the balance to be amortized over 24 months.

In light of the immediate and pressing need for interim relief because of the extreme drought conditions, supported by the comprehensive amount of evidence warranting approval of the Application, Manitoba Hydro respectfully requests that the PUB rule upon this matter in an expedited fashion without further adding to the fulsome evidentiary record now before it.

Accordingly, Manitoba Hydro proposes that the PUB rule upon the Application without any further process, or alternatively, approved intervenors be provided with the opportunity to file a written submission strictly addressing the question of whether or not Manitoba Hydro

has established a *prima facie* case for the immediate need for the interim rate relief requested in the Application. Any such written submission from intervenors should be received by November 26, 2021, followed by any necessary written reply submission by Manitoba Hydro, to be filed by December 8, 2021, to enable the PUB to issue a decision in advance of the requested January 1, 2022 implementation date.

Motion on Confidentiality

Pursuant to Rule 13(2) of *The Public Utilities Board Rules of Practice and Procedure* ("Rules"), Manitoba Hydro seeks an Order of the PUB confirming that it will receive one appendix and select portions of the one MFR response in confidence. Manitoba Hydro has carefully assessed the within information to provide as much public information to the extent reasonably possible. The minimal amount of confidential information relative to the overwhelming amount of information that is publicly available, provides all intervenors with the opportunity to sufficiently assess and provide their respective positions on the Application without the necessity of receiving an unredacted copy of the Application if such a right to the commercially sensitive information was in fact established and warranted in the circumstances.

Grounds

The information which Manitoba Hydro seeks to be received and held in confidence by the PUB is Manitoba Hydro's commercially sensitive and confidential information. Manitoba Hydro submits that it is in the public interest for the PUB to receive this information in confidence as the disclosure of such information could reasonably be expected to significantly harm Manitoba Hydro's competitive position. Additionally, this information is financial and commercial in nature and has been consistently treated as confidential by Manitoba Hydro.

The information sought to be held in confidence is set out in detail below:

- **Appendix 2** – This appendix includes information relating to Manitoba Hydro's fixed price power purchase transactions and fixed price natural gas purchases for energy generation. These commercial arrangements were undertaken to "hedge" against the risk of increasing energy market prices. The appendix also includes energy market price scenario analysis. The disclosure of this information could detrimentally impact Manitoba Hydro's competitive position in future transactions with commercial counterparties. This information is similar to Manitoba Hydro's electricity export price forecasting information, which has been consistently treated as confidential by Manitoba Hydro as export price forecasting information is used to inform Manitoba Hydro's commercial arrangements. Historically, the PUB has accepted that disclosure

of such information would negatively affect the Corporation's competitive position in export power sale negotiations and related transactions. All of Appendix 2 contains commercially sensitive information, and as such a public version of this appendix will not be provided.

- **PUB MFR 11** – This MFR contains incremental revenues and unit revenues for Keeyask by year under three sets of assumptions. Knowledge of unit revenues (actual or forecast) provides counterparties with insight into how Manitoba Hydro prices its products. Further, disclosure of revenues could lead counterparties and/or their regulators to second guess the prudence of their contracts. In the past, disclosure has caused commercial counterparties to demand to renegotiate terms sheets or withdraw from negotiations entirely. Disclosure of such information will negatively impact the Corporation's competitive position. PUB MFR 11 contains substantially the same information as the 2017/2018 GRA PUB MFR 82. The PUB accepted Manitoba Hydro's response to PUB MFR 82 in confidence with no further access granted.¹

Manitoba Hydro submits that the Corporation's interest in maintaining confidentiality over Appendix 2 and PUB MFR 11 outweighs the public interest in the disclosure of that information. As such, Manitoba Hydro requests the PUB accept this information in confidence and order no further access under any terms in the event such access is requested.

Pursuant to Rules 5 and 22(3) of the *Rules*, Manitoba Hydro is also providing this letter and the Application to all interveners whose status was approved by the PUB in its correspondence dated October 12, 2021.

Should you have any questions with respect to this submission, please contact the writer at 204-360-3257.

Yours truly,

MANITOBA HYDRO LEGAL SERVICES

Per:



Brent Czarnecki
Barrister & Solicitor

¹ Order 112/17 at page 10-11.