

September 9, 2021

Via Email

Mr. Brent Czarnecki
Legal Counsel
Manitoba Hydro

Mr. Byron Williams and Mr. Chris Klassen
Public Interest Law Centre

Mr. Antoine Hacault
Legal Counsel for the Manitoba Industrial Power Users Group
Thompson Dorfman Sweatman LLP

Ms. Carly Fox
Legal Counsel for the Assembly of Manitoba Chiefs
Fox Fraser LLP

Mr. Bill Gange
Legal Counsel for the Green Action Centre
Gange Collins Barristers & Solicitors

Mr. Brennan Manoakeesick
Manitoba Keewatinowi Okimakanak

Mr. Markus Buchart
Legal Counsel for Manitoba Keewatinowi Okimakanak
Jerch Law

Dear Parties:

**Re: Public Utilities Board's Decision Letter re: Manitoba Hydro's August 24,
2021 Request for Clarifications and Manitoba Hydro's September 1, 2021
Request for Time Extension to Reply to Intervener Submissions**

Background

In Order 89/21, the Public Utilities Board ("Board") determined, based on the evidence that the circumstances of Manitoba Hydro have changed substantially since the Board adjudicated General Rate Applications in 2018 and 2019.

While the Board determined that Manitoba Hydro's circumstances have changed substantially, the Board made no rate changes and no findings in Order 89/21 as to whether current electricity rates are just and reasonable when balancing the interests of Manitoba Hydro's ratepayers and the financial health of Manitoba Hydro.

In Order 89/21 the Board determined that additional evidence is required to assist the Board in its determination of whether Manitoba Hydro's rates are just and reasonable and its costs are fairly allocated among the various customer classes.

Additional Procedural Steps Required

In Order 89/21, the Board requested Interveners submit their list of suggested Minimum Filing Requirement documents and information to be filed by Manitoba Hydro. The Board also indicated that Manitoba Hydro would be given an opportunity to respond to the suggested Minimum Filing Requirements before the Board adjudicates and finalizes which Minimum Filing Requirement documents and information are to be filed by Manitoba Hydro.

August 24, 2021 Manitoba Hydro's Request for Clarification of Order 89/21

On August 24, 2021 Manitoba Hydro sent a letter to the Board seeking clarification of:

1. the intended scope of the public process and identification of the specific issues which shall be considered by the Board in this proceeding;
2. the process to be followed by Manitoba Hydro as non-applicant; and
3. the treatment of costs in this proceeding.

August 25, 2021 PUB Letter to Parties

On August 25, 2021, the Board invited past Interveners to provide their submissions to the Board by August 30, 2021 in response to Manitoba Hydro's August 24, 2021 letter requesting clarifications of Order 89/21. Manitoba Hydro was provided a deadline of September 1, 2021 to provide its reply submissions to the Board. The Board also postponed the deadlines for the filing of the suggested Minimum Filing Requirements.

On August 30, 2021 the Board received written submissions from the Consumers Coalition, Manitoba Keewatinowi Okimakanak, Assembly of Manitoba Chiefs, and Manitoba Industrial Power Users Group.

September 1, 2021 Manitoba Hydro's Request for an Extension of the Deadline to Reply to Intervener Submissions

On September 1, 2021 Manitoba Hydro requested a ten day extension of its deadline by which to reply to the submissions from Interveners.

Manitoba Hydro wanted additional time to assess what information it can make available for this process and when it would be available. Manitoba Hydro indicated the additional time is important to allow it to consider how best to support a cost effective and value added review for all parties and its customers.

Board Decision on Manitoba Hydro's September 1, 2021 Request for a Deadline Extension

Manitoba Hydro's request for an extension of the deadline to reply to intervener submissions on the clarifications of Order 89/21 sought by Manitoba Hydro is denied.

Manitoba Hydro's intentions to assess what information it can make available and when, is appreciated and will expedite the regulatory process; however, the Board finds that internal process at Manitoba Hydro is premature. Order 89/21 outlined a process for interested parties to submit proposed Minimum Filing Requirements to Manitoba Hydro and the Board. Once those suggested Minimum Filing Requirements are reviewed by Manitoba Hydro it would be appropriate for Manitoba Hydro to then respond to the Board with comments as to the suggested documents and information being sought. Once the Board has heard from all parties, the Board will adjudicate and finalize the Minimum Filing Requirement documents and information that Manitoba Hydro is to file.

Therefore, after Manitoba Hydro reviews all the suggested Minimum Filing Requirements, it would be appropriate for Manitoba Hydro to assess and advise the Board as to what information the Utility can make available and when. The Board will adjudicate and finalize the Minimum Filing Requirements after receiving Manitoba Hydro's submissions. The Board will also provide filing timelines and information as to further procedural steps in this matter.

Board Decision on Manitoba Hydro's August 24, 2021 Request for Clarifications

For the reasons they cite, the Board is in agreement with the Interveners that it is premature to finalize the scope, the issues, the process, and the costs of this review. These are matters that are typically addressed in pre-hearing conferences and the subject of a later procedural Order by the Board.

The Board supports Manitoba Hydro's intentions for a cost effective and value added process. By this letter the Board is inviting past interveners to:

- a) formally apply for Intervener Status by Thursday September 16, 2021 by completing and filing the Intervener Application forms from the Board's website. The completed Intervener Application forms are to be submitted to the Board and copied to Manitoba Hydro by the above prescribed deadline;
- b) submit to the Board and copy Manitoba Hydro by Thursday September 16, 2021 with their proposed Minimum Filing Requirements for the documents and information that the Intervener is suggesting Manitoba Hydro provide; and
- c) submit comments to the Board as to scope, issues, process and costs before Thursday September 16, 2021 with a copy to Manitoba Hydro.

As Interveners will have seen in Order 53/21, the Board was focused on the type of information being sought and likewise expects Interveners to be focused on their proposed Minimum Filing Requirements.

The proposed and focused Minimum Filing Requirements from Board Staff and Advisors are attached to this correspondence. Interveners are to avoid duplication. Please note that the Board has not yet adjudicated or approved any of the attached Minimum Filing Requirements and will await comments from Interveners and from Manitoba Hydro.

By this letter the Board is also inviting Manitoba Hydro, on or before Friday, October 1, 2021 by 12:00 P.M. (noon):

- a) to comment on the Intervener Status applications;
- b) to comment on all the suggested Minimum Filing Requirements. Included in those comments, Manitoba Hydro should assess what information can be made available and when, as it indicated in its September 1, 2021 letter;
- c) to comment on the scope, issues, process, and costs – as originally requested of Manitoba Hydro in the Board's August 25, 2021 letter.

The Board will consider the applications for Intervener status and the suggested Minimum Filing Requirements and other submissions as part of a written Pre Hearing Conference process. Should any Party have additional submissions related to the Board's review process, please include them in your written submissions to the Board in the timelines indicated above.

Please contact the Board's office with any questions of clarification related to the foregoing.

Regards,


Rachel McMillin
A/Associate Secretary

RM/cls

cc. B. Peters (Board Counsel)
Shannon Gregorashuk / Darryl Martin (Manitoba Hydro)

PUB Proposed Minimum Filing Requirements for Manitoba Hydro 2021/22 Status Update Hearing

Note: References in brackets indicate similar requests previously made. These references indicate how the information may be presented.

Corporate

1. Details of all material changes in the Corporation's operations since the last GRA hearing.
2. Current Corporate Risk Analysis Report.

Financial Results and Forecasts

3. Actual, budgeted, outlook, or forecast operating statements, balance sheets, and cash flow statements (both direct and indirect methods) for 2020/21, 2021/22, 2022/23, and all additional forward years for which these documents exist. [2019 GRA Appendix 1, 2].
4. Quarterly Financial Statements for the current fiscal year.
5. MHEB 70th Annual Report for year ended March 31, 2021
6. Details of the determination of each of the financial ratios (debt-to-equity, interest coverage, and capital coverage) for each of the years 2019/20 to 2022/23 and any future years as available. [2019/20 GRA PUB/MH 1-8]
7. Detail of the Net Movement in Regulatory Deferral Accounts including Opening and Closing Balances, Additions, and Amortizations. [2019 GRA - PUB/MH 10 a-c]
8. A table that shows the incremental and cumulative impacts to retained earnings of a 5- and 7-year drought, beginning in 2021/22. [2017/18 GRA PUB/MH II-40].
9. Revenue requirements including cost components (Finance/Depreciation/Operating/Water Rentals/F&PP/Taxes) for the years 2019/20, to 2023/24 for each of the following:
 - Keeyask generating station
 - Manitoba-Minnesota Transmission Project
 - Great Northern Transmission Line
 - Bipole III and Riel station
 - Birtle Transmission Project
 - Business Operations Capital

[2019/20 GRA PUB/MH I-9]

PUB Proposed Minimum Filing Requirements for
Manitoba Hydro 2021/22 Status Update Hearing

10. Continuity schedules showing the deferrals and amortization (or proposed amortization) of the Bipole III Deferral Account and the Major Capital Deferral Account. [2019/20 GRA PUB/MH I-11]
11. Incremental revenues and unit revenues from Keeyask by year, broken down by firm and opportunity sales. [2017/18 GRA PUB MFR 82]
12. Details of the impacts of COVID-19 pandemic on O&A expenditures in 2020/21 and 2021/22 to date.

Finance Expense and Debt

13. Current Economic and Financial Indicators (including interest rates) Forecast. [2019/20 GRA Additional Information Attachment 5]
14. Most recent credit rating reports from DBRS, Moody's, and S&P.
15. Manitoba Hydro's most recent presentation(s) made to each credit rating agency.

Export and Domestic Revenues

16. Current approved Electric Load Forecast and tables that show updates to both the load forecast and the actual loads resulting from the COVID-19 pandemic.
17. Updates to graphs of Annual System Inflows, Energy in Storage, Daily Hydraulic Energy from Inflow, and Total Hydraulic Generation.
18. Graphs and tables of net export revenues and net income for 2021/22 and 2022/23 for each of the possible water flow conditions (P1 to P100). [2019/20 GRA PUB/MH I-29(c)]

Capital Expenditures

19. Capital Expenditure Forecast. If there have been updates since the approved CEF provide a table that shows the updates.

COSS and Rate Design

20. PCOSS21 and allocation tables; and PCOSS22 (if available).
21. Proofs of Revenue for 2021/22 and 2022/23.