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February 13, 2023

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 2023/24 & 2024/25 GENERAL RATE APPLICATION – REPLY TO MOTION FROM INTERVENERS ON ROUND 1 INFORMATION REQUEST RESPONSES

Manitoba Hydro is in receipt of the motion filed by the Consumer Coalition (Manitoba Branch of the Consumers' Association of Canada, Harvest Manitoba, Aboriginal Council of Winnipeg) ("Coalition") seeking an Order from the Public Utilities Board of Manitoba ("PUB") requiring Manitoba Hydro to file further responses to certain Round 1 Information Requests. In accordance with the PUB's procedural direction in its letter of February 9, 2023, Manitoba Hydro's reply to Coalition's motion is provided below.

COALITION/MH I-25

Despite the rationale offered in Coalition's motion that the IR "does not invite speculation on the financial results of the province of Manitoba", the IR as posed clearly does as it states:

- a) Please calculate the increase in Province of Manitoba outstanding debt that will result from the reduction in payments by Manitoba Hydro to the Province that are described in Figure 3.1, including the financial compounding of that outstanding debt at the same interest rates that are assumed in the preparation of Figure 3.1.

As initially responded to, Manitoba Hydro is simply not in a position to speculate and calculate the Province of Manitoba's debt going forward. Furthermore, any impacts to the Province of Manitoba's outstanding debt or financial health is not relevant to a determination of the issues within the Application. What is relevant to the Application is how the reduction in the Provincial Debt Guarantee and water rental fees impacts Manitoba Hydro's finances, forecasted debt and recommended rate path all of which is amply demonstrated in Manitoba Hydro's Amended Application and in several IR responses that request different scenarios. Therefore, Manitoba Hydro repeats and relies on its position set out in its February 3,

2023 response to COALITION/MH I-25a-d and objects to providing a response.

COALITION/MH I-75

Coalition's motion seeks an Order of the PUB requiring Manitoba Hydro to file all components of its information technology plan. Based on the clarification provided in Coalition's motion, Manitoba Hydro advises that it can provide additional information on its IT technology plan, including risks, opportunities and objectives, description of the initiatives and discussion on the connection between the IT plan and Strategy 2040.

Manitoba Hydro is in the preliminary planning stages for many of its Digital & Technology initiatives and is in the process of developing business cases for future investments. As noted in the response to COALITION/MH I-76a) related to cloud computing arrangements, Manitoba Hydro is in the pre-planning stage of determining the approach to the newer version of SAP (SAP S/4HANA) and is working with a consultant to develop a business case for this platform. Manitoba Hydro is in the planning stage with respect to small software systems and business cases will be developed for each investment as they are prioritized for solutioning.

Manitoba Hydro will provide as part of its updated IR response, available CIJ documents related to its digital and technology initiatives. However, given the current planning stage for many of the initiatives, Manitoba Hydro does not have business cases completed to be filed as part of the GRA.

COALITION/MH I-88, COALITION/MH I-89(d), COALITION/MH I-90(f)

Coalition's motion on COALITION/MH I-88, COALITION/MH I-89(d), COALITION/MH I-90(f) seeks an Order from the PUB requiring Manitoba Hydro to provide project costs, by year, for Bipole I and II Refurbishments, Advanced Metering Infrastructure and Grid Modernization.

As noted in the response to MIPUG/MH I-90, Appendix 7.7 of the Application includes both specific projects already approved as part of Manitoba Hydro's capital investment approval process, as well as anticipated capital expenditure requirements in future years to address yet to be approved projects and projected expenditure levels to meet asset renewal and system growth requirements. In section 1.3 of Appendix 7.7, Manitoba Hydro identified at a high level anticipated future projects that the corporation is currently evaluating to provide the Public Utilities Board awareness of notable future capital investments, including the Bipole I and II HVDC Refurbishment, Advanced Metering Infrastructure and Grid Modernization. Since these projects are still in the evaluation stage and are not yet approved, project scope, costs and timing are under development, and as such Appendix 7.7 does not include specific cost flows by year for these projects as requested by Coalition.

Since Manitoba Hydro does not have the information requested by the Coalition, Coalition's motion with respect to IRs #88, 89(d) and 90(f) should be denied.

COALITION/MH I-91(e)

COALITION/MH I-91(e) requests a summary of the material changes between CEF16 and the Capital Expenditure Plan table provided in Appendix 7.7. In its motion, Coalition clarifies that it is looking for a breakdown of the major factors contributing to increases in Business Operations Capital, but not by project or investment category. Based on this clarification, Manitoba Hydro advises that it will be able to prepare a response to this request.

Manitoba Hydro expects that updated responses to COALITION/MH I-75 AND COALITION/MH I-91 e) will be complete by February 17, 2023. In its motion, Coalition requests that the Board permit parties appropriate time to review and file relevant second round information requests as needed. Manitoba Hydro suggests Interveners be provided with up to one week after the updated IR responses are filed to submit Round II IRs on these responses. Manitoba Hydro would endeavor to respond to those IRs when responses to Round II are due on March 10, 2023.

Should you have any questions with respect to the foregoing, please do not hesitate to contact the writer at 204-360-3257.

Yours truly,

MANITOBA HYDRO LEGAL SERVICES

Per:



for: Brent Czarnecki
Senior Counsel