



“When You Talk - We Listen!”



MANITOBA PUBLIC UTILITIES BOARD

Re: MANITOBA HYDRO
2017/18 and 2018/19
GENERAL RATE APPLICATION
PUBLIC HEARING

Before Board Panel:

Robert Gabor	- Board Chairperson
Marilyn Kapitany	- Vice-Chairperson
Larry Ring, QC	- Board Member
Shawn McCutcheon	- Board Member
Sharon McKay	- Board Member
Hugh Grant	- Board Member

HELD AT:

Public Utilities Board
400, 330 Portage Avenue
Winnipeg, Manitoba
January 5th, 2018
Pages 3352 to 3596

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1 --- Upon commencing at 9:06 a.m.

2

3 RULING:

4 THE CHAIRPERSON: Good morning,
5 everyone. Today has been set aside for public
6 presentations and I note we have a ratepayer panel for
7 the Consumer Coalition. Before we do that, I need to
8 issue a ruling based on a request yesterday.

9 On January 4th, 2018 Green Action
10 Centre requested a ruling from the Board as to whether
11 certain information redacted in Manitoba Hydro's
12 revised response to PUB, second round Information
13 Request 57 would be placed on the public record by the
14 Board.

15 Manitoba Hydro opposed the request,
16 first, on the basis that the Board had already ruled
17 on the confidentiality of this Information Request; and
18 secondly, on the basis that if the generation marginal
19 value information that is redacted is disclosed, it
20 would disclose the future estimate of the capacity
21 value and it would be possible to reverse engineer
22 Manitoba Hydro's export price forecast.

23 The Consumer Coalition supported the
24 Green Action Centre's request on the basis that the
25 information is new and has not been ruled on by way --

1 sorry, on by the Board.

2 In considering this matter, the Board
3 reviewed the procedural history. PUB first round
4 Information Request 131(b) to (c) sought the
5 derivation of Manitoba Hydro's marginal value.
6 Manitoba Hydro filed with the Board a redacted version
7 of its response to the Information Request and by way
8 of Rule 13 motion sought confidential treatment of the
9 redacted information.

10 In submissions on the motion, Manitoba
11 Hydro argued that confidential treatment was required
12 as the generation component of the marginal cost
13 represents Manitoba Hydro's bottom line in its sales
14 negotiation.

15 In Order 112-17 the Board accepted the
16 redacted information as confidential pursuant to Rule
17 13(2) (a) (ii) as public disclosure would reasonably be
18 expected to harm significantly Manitoba Hydro's
19 competitive position.

20 Manitoba Hydro subsequently filed a
21 motion under Rule 13 seeking confidential treatment of
22 portions of certain round 2 Information Request
23 responses. This motion did not include the response
24 to PUB second round Information Request 57; that
25 Information Request sought an update to the

1 information provided in PUB first round Information
2 Request 131(b) to (c), but at the time of the motion,
3 Manitoba Hydro's response stated only that updated
4 information would be provided when available.

5 The revised response to PUB second
6 round Information Request 57 was filed in the course
7 of the oral hearing in December of 2017. The revised
8 response contains redactions to portions of that
9 information.

10 The Board has, therefore, determined
11 that it has not previously adjudicated a Rule 13
12 request for confidential treatment of the response to
13 PUB second round Information Request 57.

14 In considering this request by Green
15 Action Centre, the Board finds that the redacted
16 information in the response to PUB second round
17 Information Request 57 will be received as
18 confidential information by the Board pursuant to Rule
19 1 -- Rule 13(2)(a).

20 The Board accepts Manitoba Hydro's
21 position that disclosure of this information would
22 facilitate reverse engineering of its export price
23 forecast and would, therefore, reasonably be expected
24 to harm significantly Manitoba Hydro's competitive
25 position.

1 GAC's request is therefore denied and
2 the information will remain redacted on the public
3 record.

4 We'll now proceed to the Consumer
5 Coalition panel. Ms. Dilay, would you kindly
6 introduce the people appearing today.

7 MS. KATRINE DILAY: Thank you very
8 much. And so before introducing the panelists, we do
9 have one (1) exhibit that we will be -- we intend to
10 refer to during the ratepayer panel and so we have
11 provided copies to the Public Utilities Board and we
12 propose -- it's a chart. We propose it will be filed
13 as Exhibit CC-35.

14

15 --- EXHIBIT NO. CC-35: Chart

16

17 MS. KATRINE DILAY: And so now I'll
18 introduce the ratepayers panel for the Consumers
19 Coalition and I'll start to my immediate right.

20 We have Mr. Dan Mazier; followed by Ms.
21 Rebecca Trudeau; followed by Mr. Gordon Barton. And
22 then just on the -- on the next table over, we have
23 Ms. Lyndie Bright and, finally, Ms. Emily Mayham.

24 And I'll also note that we do have some
25 individuals in our back row that I'll introduce as

1 well. The executive director for the Consumers
2 Association of Canada Manitoba branch, Gloria DeSorcy.
3 We also have Meaghan Erbus from Winnipeg Harvest.
4 She's the community engagement manager; Mr. Byron
5 Williams, as well as Ms. Navi Dhaliwal who is the
6 articling student at the Public Interest Law Centre.

7 Perhaps I'll ask Mr. Simonsen to swear
8 or affirm the witnesses.

9

10 CONSUMER COALITION PANEL 1 - CONSUMER RATEPAYER

11 DAN MAZIER, Sworn

12 REBECCA TRUDEAU, Affirmed

13 GORDON BARTON, Sworn

14 LYNDIE BRIGHT, Affirmed

15 EMILY MAYHAM, Sworn

16

17 EXAMINATION-IN-CHIEF BY MS. KATRINE DILAY:

18 MS. KATRINE DILAY: Thank you, Mr.
19 Simonsen. And we will also note that we did have one
20 -- a sixth panel member who was scheduled to appear
21 today. She was driving in from Pimicikamak Cree
22 Nation. Unfortunately, we're not -- we're unsure if
23 she will be able to make it this morning. If she
24 does, then we will address that if she does appear.

25 So we would propose that the ratepayer

1 panel today be -- testify to their personal
2 experiences with Hydro bills in the past, as well as
3 in the present and they will also speak to how they
4 will be personally impacted by the proposed Manitoba
5 Hydro rate increases.

6 We have already circulated a brief
7 summary of what you can expect to hear from each
8 witness and following their testimony, we would invite
9 the Board, Manitoba Hydro and other Intervenors to ask
10 any questions that they may have.

11 Given that for many of these witnesses
12 it is their first time appearing in a regulatory
13 proceeding, we would ask that the Board please hold
14 their questions until they have provided their
15 testimony.

16 So what I propose to do is go through a
17 series of questions with -- with each of the witness
18 and I'll start with Mr. Mazier who is directly to my
19 right.

20 THE CHAIRPERSON: Sorry, Ms. Dilay,
21 I'm just wondering, have you taken them through how
22 our microphones work? The warning I would just give
23 you is before you -- you are admonished by our fine
24 court reporter, they look easy, they're not. The
25 button at the bottom needs to be pushed pretty hard.

1 You'll notice the red light here. Your microphone is
2 only on when the red light's on. They're quite
3 sensitive, but if you could speak into them because
4 otherwise we'll have to stop and you'll be asked to do
5 so.

6 I just give you that warning as -- as
7 someone who fought with -- who has fought with them
8 for the last year.

9 MS. KATRINE DILAY: Thank you, Mr.
10 Chair. We appreciate that and we did advise them that
11 the court reporter might talk to them about speaking a
12 little bit louder if needed or moving the microphone.
13 Thank you very much.

14 Mr. Mazier, I'll start with you with
15 asking you a few questions. And I understand that you
16 are from the rural municipality of Elton, Manitoba;
17 correct?

18 MR. DAN MAZIER: Correct.

19 MS. KATRINE DILAY: And how long have
20 you lived there?

21 MR. DAN MAZIER: Pretty well all my
22 life. I lived in Brandon for ten (10) years but born
23 and raised on the farm and then we built a new house
24 in '94. We moved back out onto -- onto the country.

25 MS. KATRINE DILAY: And can you

1 explain what is located on your property in -- in
2 Elton?

3 MR. DAN MAZIER: So we have two (2)
4 properties. We have the farmyard across from where
5 our residence is, our primary residence and I have the
6 ability -- so the one (1) house was built in 1994 in
7 our farmyard that I was raised in is across the road
8 and it was built in 1950.

9 MS. KATRINE DILAY: And do you heat
10 with electrical heat or gas heat?

11 MR. DAN MAZIER: Electrical heat. So,
12 we're going to talk about the -- the house residence
13 and then we're going to talk about the farmyard.

14 So on the -- on the farmyard it is all
15 electrical heat and for -- for that residence and for
16 the farming operation as well. It's all electricity.
17 There's no access to natural gas except for grain
18 drying, we use a little bit of propane. On the -- but
19 we don't use it for heating at all.

20 On the house side, 1994 we use electric
21 -- electricity for heating, but we have a geothermal
22 furnace put in at that time, and then we also have --
23 I was part of a solar installation or exploratory
24 pilot program with Manitoba Hydro. So I have a 10
25 kilowatt solar PV system, grid tie system as well.

1 MS. KATRINE DILAY: And how many
2 members live in your household?

3 MR. DAN MAZIER: Currently two (2).

4 MS. KATRINE DILAY: And can you please
5 describe for us your family income?

6 MR. DAN MAZIER: Well, my wife's a
7 schoolteacher and we both farm approximately a
8 thousand acres.

9 MS. KATRINE DILAY: And can you
10 confirm that you are the president of the Keystone
11 Agricultural Producers?

12 MR. DAN MAZIER: I am.

13 MS. KATRINE DILAY: And can you
14 confirm also that today, in this ratepayers panel you
15 are speaking as an individual ratepayer and not as the
16 president of Keystone Agricultural Producers?

17 MR. DAN MAZIER: That is correct.

18 MS. KATRINE DILAY: Thank you. I'd
19 like to talk a little bit about your experience in
20 terms of paying your Hydro bills.

21 Can you explain how much your household
22 pays for Hydro per month?

23 MR. DAN MAZIER: So on our house, on
24 our residence side, basically, it's a net zero house.
25 We've been very impressed with the -- with the

1 performance of the panels and how it was structured as
2 far as trying to get to that net zero. So we're maybe
3 a hundred (\$100) a year.

4 On the other -- on the farmyard side,
5 though, on the house side, that '50s house, it is
6 three thousand dollars (\$3000) a year I would say at
7 the least.

8 MS. KATRINE DILAY: And bills for your
9 farm operation?

10 MR. DAN MAZIER: I'd be another two --
11 depending how much grain drying we do and how hard a
12 winter we have, but it would be another three thousand
13 dollars (\$3000)

14 MS. KATRINE DILAY: And would your
15 electricity bills be different in the winter and in
16 the summer?

17 MR. DAN MAZIER: Most definitely,
18 that's -- that's one (1) of our problems. I think
19 it's -- when you're sitting in the wintertime and you
20 need that heat, and you don't have any access to
21 natural gas or expensive propane, electricity is our -
22 - been our main heat source for many many years,
23 especially in our -- in our house and our farmyard.

24 So it -- it does pose some different
25 problems. On our -- in our personal residence with

1 the geothermal, we do have access to air conditioning.
2 So that's -- it -- it does offer a different dynamic
3 but we, in the country, we don't really get that hot.
4 We have the opportunity to have the wind blow through
5 our house and that so air conditioning costs actually
6 aren't that bad for the -- for country homes, but it
7 is the heating that really sneaks up on you, and even
8 the solar PV panels while they do offset some of the
9 production -- actually I was producing the other day
10 and on a cloudy day we were still exporting during the
11 day, but the hours are so much lesser. So it does
12 hamper you a little bit more.

13 But on the other side, it definitely --
14 depending on how cold it gets, and how windy it is and
15 what direction the wind's from, you can -- those bills
16 are definitely variable in the wintertime.

17 MS. KATRINE DILAY: And are you able
18 to give us a sense of the percentage of your income
19 that you would be paying on Hydro bills?

20 MR. DAN MAZIER: On the resid -- well,
21 on the -- on the residence side, a hundred dollars
22 (\$100). I guess when you consider that probably
23 invested over forty thousand dollars (\$40,000) on --
24 on just to get to that point on my own, that's -- so
25 that's on that side. So it's not so much a reflection

1 of income, but a reflection of investment to -- to
2 have that sustainable type of lifestyle.

3 On the -- it's interesting to see on
4 the farm side, I -- I basically -- my mom was done
5 with the house and I inherited the house, which -- we
6 were trying to decide what to do with that -- with the
7 farmyard house and there was everything from tearing
8 it down, which was a perfectly good house, to put some
9 renters in it. So that's what we decided to do and
10 the rent is a thousand dollars (\$1000) a month. We --
11 for twelve hundred (1200) square-foot bungalow,
12 hardwood floors. It's a very nice house, very, very
13 good house.

14 And we -- we got a younger couple in
15 there and we allowed -- it costs about two hundred
16 (\$200) a month on the -- if you -- took that three
17 thousand dollar (\$3000) bill, you would take about two
18 hundred (\$200) a month just for electricity costs in
19 that house. So out of that thousand dollars (\$1,000)
20 we're -- we're taking about 20 percent of that income
21 to just to pay for utilities.

22 MS. KATRINE DILAY: Thank you. And
23 prior to your -- your participation in this panel had
24 you heard about the possibility of Hydro rates going
25 up?

1 MR. DAN MAZIER: Yes.

2 MS. KATRINE DILAY: And, in general,
3 how would you like to learn about rate increases?

4 MR. DAN MAZIER: Yeah, I've been given
5 that some thought and this day of all the information,
6 it's -- it's a real challenge to figure out what is
7 fact and fiction.

8 So I think Manitoba Hydro does have a
9 role in that. But I -- I would think there also needs
10 to be a third party, and I don't know if that's the
11 PUB, I don't know who that is in this province, but I
12 think we need a -- a sounding board that consumers and
13 ratepayers can talk to in-between Manitoba Hydro and
14 so Manitoba Hydro can get busy with providing the
15 services of what they have to do.

16 MS. KATRINE DILAY: Thank you. I'm
17 wondering, Kristen, if we could put up CC-35, the
18 chart that was provided.

19 And, Mr. Mazier, are you familiar with
20 this chart?

21 MR. DAN MAZIER: Yes.

22 MS. KATRINE DILAY: And can you -- can
23 you confirm that we walked through this chart with you
24 in advance of today?

25 MR. DAN MAZIER: Yep, you bet.

1 MS. KATRINE DILAY: And I'm wondering
2 if we can just walk through what this chart outlines
3 for everyone present here today.

4 And so can you confirm that the -- the
5 first two (2) rows are -- are the title and after that
6 the -- the fourth row down we see the years starting
7 in 2017/'18?

8 MR. DAN MAZIER: Yeah, yep.

9 MS. KATRINE DILAY: And then if we go
10 all the way to the right, you'll agree that it goes
11 all the way to 2035/'36?

12 MR. DAN MAZIER: Yes.

13 MS. KATRINE DILAY: And if we move
14 down to the next few rows, we've -- we have the annual
15 rate increases and there are two (2) rows there that
16 show two (2) different rate paths; is that right?

17 MR. DAN MAZIER: Yep.

18 MS. KATRINE DILAY: And then the next
19 three (3) sections would outline annual Hydro bills
20 depending on monthly consumption?

21 MR. DAN MAZIER: Yes.

22 MS. KATRINE DILAY: And there are
23 annual bills there outlined for annual consumption --
24 for monthly consumption, pardon me, based on the two
25 (2) different rate plans. Is that correct?

1 MR. DAN MAZIER: Correct.

2 MS. KATRINE DILAY: And can you point
3 out which line of this chart would best reflect your
4 family circumstances or are you able to -- to give us
5 a sense of that?

6 MR. DAN MAZIER: Well, there --
7 there's two (2) different scenarios. The -- of course
8 the top one, the 1000 kilowatts, that wouldn't be --
9 I'm below that on our residence because of the
10 investment in renewable energy and solar panels and
11 geothermal.

12 And then, of course, the farmyard and
13 the farmhouse is the above the 4000 kilowatt hours.
14 So we're -- we're at like, say, the five (5) to six
15 thousand dollars (\$6000) a year for expenses right
16 now.

17 MS. KATRINE DILAY: Thank you. And
18 are you able to outline what we told you about this
19 chart in advance of today? Just very briefly.

20 MR. DAN MAZIER: This -- there's two
21 (2) different plans here. There is one basically
22 locked in at 3.95 percent and the other one is the
23 Manitoba Hydro plan that starts at 7.9 percent I think
24 for five (5) years and then drops down to 4.5 and then
25 continues on for 2 percent.

1 MS. KATRINE DILAY: And are you also
2 aware that the Manitoba Hydro plan we have set out
3 here, that there are other scenarios that Manitoba
4 Hydro has -- has put forward in this hearing?

5 MR. DAN MAZIER: Yes, I am.

6 MS. KATRINE DILAY: I'd like to move
7 on to the impacts of rate increases on yourself and
8 your family.

9 Are you able to -- to talk about what
10 the impact of the proposed rate increases by Manitoba
11 Hydro will have on your spending and your budget?

12 MR. DAN MAZIER: On the residence side
13 it -- it's interesting because it -- once you start
14 investing in your own energy, it's -- it's amazing how
15 it takes over your life. You start looking for those
16 pri -- prices or deals on LED bulbs or what is the
17 difference is if you do -- what -- what is that return
18 on payback.

19 And it's on a very personal level. On
20 the farm side and on the -- on the -- on that house
21 and everything else, it's all about dollars and a
22 return on investment from your crop and your business
23 and a lot of those decisions are made are out of your
24 control, so how do you -- what type of alternatives
25 can you get for heating or drying your -- your grain

1 in those peak seasons.

2 So I know there's lots of people as --
3 as farms expand or if as the price of electricity goes
4 up, the -- the possibility of bringing in a temporary
5 or seasonal generator set to power your grain dryers
6 and your fans for a couple months a year to get your
7 grain in condition is becoming a real possibility and
8 becoming quite feasible, not just on the cost of
9 electricity, but actually the cost of bringing in that
10 much more power to your operation.

11 So it's -- I think the -- these numbers
12 are pretty concerning even if -- even if we'd left our
13 operation at the same size, it would start eating into
14 quite a bit of a -- even for that rental property for
15 those -- those people staying there. I would think it
16 would start creeping into their -- their income and in
17 their rents pretty quickly.

18 MS. KATRINE DILAY: Thank you. And
19 just going back to the chart in front of us with the
20 two (2) different rate increases.

21 So we have the first plan, which is the
22 3.95 percent that goes all the way across and then the
23 second one is the Manitoba Hydro plan with six (6)
24 years of 7.9 percent, one year 5 -- 4.54 and the rest
25 is 2 percent.

1 You see that there?

2 MR. DAN MAZIER: Yeah.

3 MS. KATRINE DILAY: And given the
4 choice, Mr. Mazier, would you prefer to have higher
5 rate increases for the next few years, followed by
6 lower rate increases; or would you prefer to have
7 lower rate increases, but for a longer period of time?

8 MR. DAN MAZIER: Lower rate increases
9 for a longer period of time.

10 MS. KATRINE DILAY: And are you able
11 to explain why?

12 MR. DAN MAZIER: It's predictable and
13 it's -- it's realistic. I think any time -- and being
14 a farmer, I understand swings and understand price
15 rings and things. Stuff happens. These -- these
16 increases -- well, we might as well call them 8
17 percent -- we're just dancing around 7.9 -- is quite
18 sis -- and it's 8 percent on 8 percent, those -- that
19 comes to 16 in my math.

20 And it just -- it adds up. It's too
21 fast of a rate increase for what I see what's going on
22 in agriculture and -- and the cost of doing business
23 in Manitoba. I don't think any -- any other business
24 is predicting that much growth. And when you start
25 increasing utilities by that much, unless something

1 else happens in the world that we can start getting
2 more money for our products, it's going to put us in a
3 less competitive place quicker.

4 Whereas if we know -- if we can predict
5 long-term steady growth, we start with our foundation.
6 We know that is what's coming at us and I think it's a
7 lot more predictable not only for the -- for the
8 producers, but act -- actually for the food processors
9 as well. So, we're talking about stabilizing our --
10 our food production system as well at the same time.

11 MS. KATRINE DILAY: Thank you, Mr.
12 Mazier. I just have a -- a few more questions for
13 you.

14 Turning to Manitoba Hydro's energy
15 efficiency programs. Have you heard about any of
16 Manitoba Hydro's energy efficiency programs?

17 MR. DAN MAZIER: Yes.

18 MS. KATRINE DILAY: What did you hear?

19 MR. DAN MAZIER: I just this last
20 summer when I was retrofitting the farmhouse, I
21 actually took advantage of it for the -- for attic
22 insulation and ironically enough, I still haven't
23 heard -- I don't know if I'm supposed to apply for it
24 or the installer was supposed to apply for it. So I'm
25 just looking up that right now as -- as we speak,

1 actually.

2 MS. KATRINE DILAY: And how did you
3 learn about these programs?

4 MR. DAN MAZIER: When I was roofing --
5 the -- the roofer of the -- when we were re-shingling
6 the -- the house, he said, You should look at
7 insulating your -- this -- your house. You probably
8 might even get paid for it. So it was the contractors
9 that were talking about it.

10 MS. KATRINE DILAY: And in general,
11 would you like to know more about Manitoba Hydro's
12 energy efficiency programs?

13 MR. DAN MAZIER: Yeah, and I -- yes, I
14 would. I -- I thought they were really -- there were
15 very good. I mean, it was a good concept, but looking
16 around and -- and seeing if you qualify, don't
17 qualify, things like that, and different scenarios,
18 especially for rural residences, I think that
19 something that would be a pretty unique thing if we
20 could the put in for rural Manitoba. I think it'd be
21 really beneficial.

22 MS. KATRINE DILAY: And it -- how
23 would you like to hear about these programs?

24 MR. DAN MAZIER: I think that the --
25 on the website, I guess, or -- or through the

1 contractors. I think that's a good -- I think that's
2 a good move as far as getting the industry to support
3 it, as well as Manitoba Hydro. I think that's a
4 really positive move on that. But again, it's -- it's
5 trying to get out to the -- say even the renters. I -
6 - I think that's what I couldn't get over is there's a
7 -- I -- I don't know if you're going to ask me about
8 the affordability program, but there's another program
9 out there that renters can help themselves in -- with
10 their landlords, and start having that kind of
11 conversation. That's -- facilitating that
12 conversation is -- is interesting as well, but we need
13 a lot more tools available for that.

14 MS. KATRINE DILAY: And are you able
15 to speak also whether on your farm operations side,
16 you have heard or implanted any energy efficiency
17 programs or measures?

18 MR. DAN MAZIER: Yeah. We put in
19 actually LED lights, like, even -- I'm waiting for the
20 dusk-to-dawn to burn out so I can put in my own LED
21 light, but the there's not too much you can do when
22 you buy new electricity fans now and that. It's more
23 the -- the type of power we're getting. We were down
24 to two (2) phase. To get a -- a three (3) phase power
25 in -- is -- costs a lot of money, and Manitoba Hydro

1 makes you pay for that, because you're expanding your
2 business and its rural residents in that. But it --
3 it is -- that would be another way to get more
4 efficient, because you'd have -- you be able to run
5 more efficient machinery, and -- and fans, and dryers,
6 and stuff like that, but that's just not an
7 opportunity at all. It only goes back to buying a
8 temporary generating power plant to supply that power.

9 MS. KATRINE DILAY: And sorry, can you
10 just clarify. So -- so you have to go back to a
11 temporary generator?

12 MR. DAN MAZIER: To get to real
13 efficiencies, you -- there's not much opportunity for
14 that. We either have to, again, go back and invest in
15 a whole bunch of money to -- a lot more money to -- to
16 upgrade into modern practices, but then we don't --
17 still don't know if Manitoba Hydro's going to provide
18 that service at the end of the day.

19 MS. KATRINE DILAY: Thank you.
20 Turning now to the concept of energy poverty, can you
21 confirm that we have explained to you that the two (2)
22 most common definitions of energy poverty are spending
23 either 6 percent or 10 percent of your income on
24 energy expenditures, both on electricity, and gas, and
25 others?

1 MR. DAN MAZIER: Yeah, and that --
2 that surprised me. I -- that definition I have never
3 heard before, so it was -- it was quite interesting.

4 MS. KATRINE DILAY: And do you believe
5 that, given your circumstances, you -- you would be
6 considered energy poor, either based on the
7 definitions we discussed, or any other definition?

8 MR. DAN MAZIER: It depends. So not
9 on my residence side, but I've invested, so that -- it
10 -- things are skewed there, so that definition
11 probably wouldn't even preclude to that, because you
12 needed that -- another definition.

13 On the farm side, it's interesting,
14 because I got thinking about it more of -- as we all
15 know, you can have good crop years and you can have
16 bad crop years. So in a bad crop year, where you're
17 in a loss, I don't know if that puts me into energy
18 poverty or not. I -- that's -- that's a very
19 interesting definition.

20 So that's why I don't like these --
21 these whole definitions about high income and low
22 income, I -- I don't think is -- we're -- we're
23 different again, and living in agriculture and being
24 an agriculture producer is -- is -- we're in a
25 different category again, I think, anyways.

1 MS. KATRINE DILAY: And how would you
2 define energy poverty or being energy poor?

3 MR. DAN MAZIER: You're taking -- the
4 -- the one that really popped out to me was this 20
5 percent for my rental property. If I -- if I have so
6 many dollars coming in, and I -- I would say if you --
7 you -- like, if all I knew if I was bringing in a
8 thousand (\$1,000) a month, and I was spending two
9 hundred dollars (\$200) a month, at 20 percent, that is
10 too high. I think that's a pretty realistic number if
11 -- if you can nail down your income. Five percent, 6
12 percent is pretty high for just to spend in energy on
13 -- let's say on a hundred dollars (\$100), but yeah, I
14 would say it's a pretty accurate definition if you're
15 on a fixed income.

16 MS. KATRINE DILAY: And how much
17 maximum income, in your view, should Manitobans spend
18 on their energy bill?

19 MR. DAN MAZIER: That's -- it -- it --
20 that's a complicated question, and I -- I think it
21 maybe should reflect on the ability to pay, and I --
22 we talk about that a lot in -- when we talk about
23 taxes, but I have no problem -- if I -- if I have a
24 good year, and I -- I guess I go back to my farming
25 practices. If I have a -- a good year, or my business

1 is doing good, and I know I have good margins, I will
2 pay, but when times are tough, I don't know if the --
3 the Public Utility -- should we all look after each
4 other? And that -- that's more of a philosophical
5 question for me anyways. And it -- it's a tough
6 question to answer, but I -- I guess the short answer
7 is, I don't know.

8 MS. KATRINE DILAY: Thank you. And do
9 you -- should there be a program to assist low-income
10 Manitobans in paying their electricity bills?

11 MR. DAN MAZIER: Yeah, and I -- I
12 don't like the -- the whole definition of low income
13 kind of -- it -- it bothers me. I find it -- it --
14 you start off in a low place already, and I -- that --
15 that the whole definition, I -- I think -- and some of
16 the -- you'll hear from the other speakers -- or panel
17 members today, the ability to pay, I -- is -- I just
18 can't get over.

19 You only have so many dollars coming
20 in, and at the end of the day, everybody's case is --
21 is different, scenario is different for their reality.
22 And I think the -- the general rate increases and this
23 whole discussion about how we use power in Manitoba is
24 -- I think we all need to have it at a very personal
25 level, like we're having in our residence by investing

1 and realizing that -- how much power we actually use
2 in a day. I think we need to get there as Manitobans.

3 MS. KATRINE DILAY: And would you be
4 willing to pay more on your energy bill to support low
5 income customers, and if so, how much?

6 MR. DAN MAZIER: Only if it was
7 transparent, and I can't emphasize that enough. Where
8 is the money going? How do you follow this money?
9 Even these proposed rate increases, we don't know if
10 that's going to be paid out to the debt. We don't
11 know where this money is going. We're trusting
12 Manitoba Hydro. So I -- I think before we have that
13 conversation, we've got to know the transparency and
14 how we're going to follow this money.

15 MS. KATRINE DILAY: And would you
16 consider participating in an energy affordability
17 program if there was one?

18 MR. DAN MAZIER: Yeah. Yes. From
19 what the little bit I know of it this last summer, but
20 I -- I think there needs to be a lot more explanation
21 between the tenants and the --- and the landlord.

22 MS. KATRINE DILAY: And are there
23 factors that you believe would make it easier to
24 participate in an energy affordability program?

25 MR. DAN MAZIER: Yeah, I just

1 explained that. I -- I would think a little bit more
2 support on that.

3 MS. KATRINE DILAY: Thank you. And
4 the last question is: Is there anything that could be
5 done to assist you with the proposed rate increases by
6 Manitoba Hydro?

7 MR. DAN MAZIER: I -- I guess the
8 transparency. One (1) thing -- you didn't ask, I
9 don't know, or like, maybe I didn't answer, was that
10 the way we pay bills in -- in the rural areas, I don't
11 think -- in the city, I don't know if you read your
12 own meters. I -- I don't -- I don't know that.

13 We do in -- in the country, and if you
14 are on a budget plan, on an equal payment plan, if you
15 don't read those, you've got a four (4) day window to
16 actually read the meter, and then if you don't pay it,
17 they estimated for you -- or if you don't read the
18 meter, they estimate it for you.

19 So -- and it's quite interesting when
20 you have bills of five (5), six hundred dollars (\$600)
21 a month coming in and you say you didn't spend it, but
22 you didn't read it in time, you get charged for that.
23 You might get it -- the credit next month or something
24 like that, but it -- it's the -- whole of how we
25 interact with Hydro right today is -- is confusing, to

1 say the least. Our bills, the way they're presented
2 on the -- if we go on the graphs and that, there's no
3 units behind. There's numbers and there's numbers
4 with dollar signs, but there's nothing about
5 kilowatts, or kilowatt hours, megawatt hours, all
6 those definitions, all those things, how energy works
7 is -- is lacking. So I think we need a lot more
8 direction or a lot more explanation from either the
9 Utility or from somebody that -- explaining how energy
10 is produced and used as a consumer, and in Manitoba.

11 MS. KATRINE DILAY: Thank you very
12 much, Mr. Mazier. And so I'll move on to Ms. Trudeau
13 for the -- and I'll -- I'll be going through the same
14 questions. Good morning.

15 MS. REBECCA TRUDEAU: Good morning.

16 MS. KATRINE DILAY: Ms. Trudeau, I
17 understand that you live in Winnipeg, Manitoba. How -
18 - how long have you lived in the city?

19 MS. REBECCA TRUDEAU: So I've lived in
20 the city for about twenty-one (21) years. I was born
21 in Calgary and moved here when I was three (3) years
22 old.

23 MS. KATRINE DILAY: And can you
24 confirm that you are employed at Winnipeg Harvest?

25 MS. REBECCA TRUDEAU: Yes.

1 MS. KATRINE DILAY: Can you confirm
2 that your presentation here on the ratepayer panel is
3 as a ratepayer and not on behalf of the organization
4 of Winnipeg Harvest?

5 MS. REBECCA TRUDEAU: Yes.

6 MS. KATRINE DILAY: Mr. Trudeau, do
7 you own your home?

8 MS. REBECCA TRUDEAU: I do not.

9 MS. KATRINE DILAY: So you rent it?

10 MS. REBECCA TRUDEAU: Yes, I do rent.

11 MS. KATRINE DILAY: And what type of
12 home is it?

13 MS. REBECCA TRUDEAU: So it's about a
14 hundred year old building in downtown Winnipeg, and I
15 live with a roommate.

16 MS. KATRINE DILAY: And is it heated
17 with electricity or gas?

18 MS. REBECCA TRUDEAU: It is radiant --
19 radiant heating and then I pay electricity.

20 MS. KATRINE DILAY: And you mentioned
21 that there are two (2) people living in your
22 household?

23 MS. REBECCA TRUDEAU: Yes.

24 MS. KATRINE DILAY: And can you please
25 describe for us your family income?

1 MS. REBECCA TRUDEAU: So I work in the
2 nonprofit organization and I also work a second job.
3 I do cleaning on the side, then my roommate works in
4 the service industry.

5 MS. KATRINE DILAY: And how long have
6 you been employed?

7 MS. REBECCA TRUDEAU: For about three
8 (3) years at Winnipeg Harvest.

9 MS. KATRINE DILAY: And what were you
10 doing before that?

11 MS. REBECCA TRUDEAU: I was in
12 college, and then before that, university.

13 MS. KATRINE DILAY: And I'd like to
14 talk a little bit about your experience in terms of
15 paying your Hydro bills. What does your household pay
16 for Hydro per month?

17 MS. REBECCA TRUDEAU: So it depends on
18 the month. So in the summer months, it's about twenty
19 dollars (\$20) a month, and -- or summer months is
20 about thirty dollars (\$30) a month, and winter months,
21 it's only about twenty dollar (\$20) -- twenty dollars
22 (\$20) a month. I think that's because of the radiant
23 heating. And in the summer, I do have a window air
24 conditioner that I'm -- that I'm paying for.

25 MS. KATRINE DILAY: And are you on

1 Manitoba Hydro's Budget Plan or the Equal Payment
2 Plan?

3 MS. REBECCA TRUDEAU: I am not on the
4 Budget Plan. The reason that I would not sign up for
5 that is I'm not sure whether or not it would be even
6 at the end of the year, and it would really freak me
7 out to have to pay some sort of lump sum at the end of
8 the year if -- if it was not even, if the projection
9 wasn't done right.

10 MS. KATRINE DILAY: Are you able to
11 give us a sense of the percentage of your income that
12 you spend on Hydro bills?

13 MS. REBECCA TRUDEAU: Currently, it's
14 about 2 percent.

15 MS. KATRINE DILAY: And can you tell
16 us what has been your experience in paying your Hydro
17 bills to date?

18 MS. REBECCA TRUDEAU: So I do pay my
19 Hydro bill on time, but I would say that because I do
20 live paycheque-to-paycheque, generally, it's usually
21 just paid when my next paycheque is coming, so it's
22 not paid the day that the bill comes in. I have to
23 wait until the next Friday.

24 And at one point, actually, I had moved
25 from a different apartment, and they didn't transfer

1 over my -- my Hydro bills, so I had been paying into
2 my other apartment, which was just in this, like,
3 sphere of going nowhere, I would say. So I ended up
4 having to hon -- contact Hydro, and then had to
5 transfer over my bill, so that was a little bit
6 complicated, but ended up being on time after I
7 transferred things over.

8 MS. KATRINE DILAY: Thank you. Prior
9 to your participation in this panel today, had you
10 heard about the possibility of Hydro rates going up?

11 MS. REBECCA TRUDEAU: Yes.

12 MS. KATRINE DILAY: And in general,
13 how would you like to learn about rate increases?

14 MS. REBECCA TRUDEAU: I would say
15 directly from Manitoba Hydro would be the best fit for
16 me, either, like, direct contact through the My Bill
17 online system. I also do read the news quite a bit,
18 so that would be a secondary source that I think would
19 be pretty reliable as well.

20 MS. KATRINE DILAY: I'd like to move
21 to the chart that is on the screen currently, so
22 Exhibit CC-35. Are you familiar with this chart?

23 MS. REBECCA TRUDEAU: Yes.

24 MS. KATRINE DILAY: And can you
25 confirm that we walked through this chart with you in

1 advance of today?

2 MS. REBECCA TRUDEAU: Yes.

3 MS. KATRINE DILAY: And can you
4 provide briefly your understanding of what this chart
5 outlines?

6 MS. REBECCA TRUDEAU: So sort of the
7 same thing that Dan had said. The first line is a
8 projection about three point nine-five (3.95) for
9 about -- or throughout the next twenty (20) or so
10 years, and then the second chart is a projected
11 Manitoba Hydro plan, which is about seven point nine
12 (7.9) for about five (5) years; it goes down to four
13 point five (4.5) afterwards, and 2 percent following
14 from there.

15 MS. KATRINE DILAY: Thank you. And
16 can -- can you confirm what we told you about this
17 chart?

18 MS. REBECCA TRUDEAU: So what you had
19 said was the Manitoba Hydro plan is the projected, and
20 that is what's that hearing is about. It's about
21 trying to increase it to the 7.9 percent. Then you
22 had also mentioned that Winnipeg -- or that Manitoba
23 Hydro has other projections, or other proposed plans
24 that they may suggest as well.

25 MS. KATRINE DILAY: And are you able

1 to give us a sense on this chart where you would best
2 be represented?

3 MS. REBECCA TRUDEAU: I would say the
4 three point nine-five (3.95) throughout, because I am
5 not doing great now in terms of income, just because
6 of my need to work in the nonprofit world and give
7 myself some purpose. I would prefer the first line,
8 just because it's consistent, and it's reliable, and
9 this is a projection, as you can see, and we don't
10 know whether or not it will be decreasing to that four
11 point five (4.5) or 2 percent in years following.

12 So it kind of freaks me out about the
13 fact that this is just projected and it's not a
14 promise. So I would definitely prefer to stick with
15 the first line, because it's consistent, and I know
16 what to expect when it comes to my bill every month.

17 MS. KATRINE DILAY: And in terms of
18 your consumption level, so there are three (3) levels
19 of monthly use there. Are you able to give us a sense
20 whether you would be closer to the -- the monthly use
21 of 1,000 kilowatt hours, 2,000, or 4,000?

22 MS. REBECCA TRUDEAU: The 1,000
23 kilowatt hours. I'm a little bit less than that.

24 MS. KATRINE DILAY: Thank you. I'd
25 like to turn to talking about the possible impacts of

1 the proposed rate increases on -- on you. Are you
2 able to talk to us about the impact on your spending
3 and your budget?

4 MS. REBECCA TRUDEAU: So as I
5 mentioned in the beginning, I already do live
6 paycheque-to-paycheque. I work a second job, and I
7 pay for everything on my own. So I am right out of
8 school, and my parents did not have any savings for me
9 for college or universe -- university, so I did apply
10 for student loans. So I have both a Manitoba and a
11 federal government loan that I need to pay off. Also,
12 both of my parents are currently unemployed, so -- my
13 mother has some major mental health issues, so I grew
14 up on welfare, and I was unable to -- they were unable
15 to save for me, so I had to pay for everything myself.

16 And I also pay for my mom's phone bill
17 right now, and some other things that come up for her,
18 like sometimes she has to go to the hospital, and I
19 have to pay a massive taxi bill. Sometimes I need to
20 buy her groceries, because she's unable to get to the
21 store by herself or have any extra income to do so.

22 I pay everything else myself. I do not
23 have a car. I use my carpool and I use the public
24 transportation system because I definitely cannot
25 afford that. I pay everything else myself, including

1 my own rent, my phone, the internet. I do think it's
2 important to exercise, so I pay for a gym membership,
3 but otherwise I do live paycheque-to-paycheque, and
4 I'm really, really struggling right now, I'd say.

5 But I want to work in the nonprofit
6 organization, in -- in the industry, because I really
7 think that I need to have some purpose when I'm
8 working, and if I were to forego my need for purpose
9 and maybe work in a higher paying job, that -- that
10 might impact me, my mental health and my -- my need
11 for some sort of purpose in my job. So it would
12 definitely impact me and my ability to possibly have
13 some savings, which I do not have right now. At least
14 -- possibly get a car, travel, maybe, if that's in my
15 plans in the future, but not something that I could do
16 right now. I live paycheque-to-paycheque. I pay my
17 bills when I can, but otherwise, it's just really a
18 struggle.

19 MS. KATRINE DILAY: Thank you. And
20 would there be any other impacts in terms of your
21 family, your -- any levels of debt, or any trade-offs
22 that you might have to decide on?

23 MS. REBECCA TRUDEAU: M-hm. So I am
24 paying for my student loans probably for the next ten
25 (10) years or so, so -- and then I also do have a

1 very, very small debt just with a credit card. It's
2 not very big, but potentially not paying that off. In
3 terms of employment, like I said, maybe having to
4 switch to a job where I feel a little bit less
5 purpose, and just feeling not, like, emotionally
6 fulfilled in my job if I were to change to a job that
7 pays me more.

8 MS. KATRINE DILAY: Thank you. And
9 would there be any impacts on your future?

10 MS. REBECCA TRUDEAU: I would say that
11 again, it would probably just affect me -- affect me
12 emotionally. Everything is going up, like the basic
13 needs costs, so not only would the Hydro go up, but
14 transportation is going up, and healthy food is going
15 up, and all of those other things, so I know that
16 another thing going up makes me nervous; affects me,
17 makes me anxious, makes me feel very stressed out, I
18 would say, about the fact that everything is going up
19 except my income.

20 MS. KATRINE DILAY: Thank you. So
21 I'll move on to a -- a bit of a different topic. Do
22 you know about any of Manitoba Hydro's energy
23 efficiency programs?

24 MS. REBECCA TRUDEAU: Yes.

25 MS. KATRINE DILAY: What did you hear

1 about them?

2 MS. REBECCA TRUDEAU: So for example,
3 I know there is, like, LED lighting. I know that
4 there is -- I'm pretty sure there's a -- a furnace you
5 could get that you'd pay month-to-month off on your
6 bill. Other energy-efficient savings programs, I've
7 heard about those in the news, and also my partner,
8 with his own savings and his own -- his own plans, is
9 possibly looking into building a house, so he's
10 looking into many of those energy-efficient savings
11 programs.

12 And I think in the long-term it will
13 help him, but I, as a renter, it's not my
14 responsibility to implement those programs, so I've
15 even chatted with my landlord about sealing the holes
16 where, for example, my kitchen sink and my bathroom
17 sink some in, and they even refused to do that. So I
18 think even if I talked to them about the fact that
19 they should put in LED lighting or other energy-
20 efficient savings programs. I'm not sure whether or
21 not they're interested, or whether or not they would
22 like to take the time to do that so that their --
23 their tenants could save money.

24 So it's really not my responsibility.
25 I don't think that there is, from what I'm aware, a

1 savings program for renters specifically, so I do wish
2 that there was some sort of program where renters
3 could save in some way as opposed to just having the
4 responsibility on the landlord.

5 MS. KATRINE DILAY: And in general,
6 would you like to know more about Manitoba Hydro's
7 energy efficiency programs?

8 MS. REBECCA TRUDEAU: Yes.

9 MS. KATRINE DILAY: And how would you
10 like to hear about them?

11 MS. REBECCA TRUDEAU: So I'd say
12 again, directly from Manitoba Hydro would be great,
13 again, through that My Bill online, direct
14 communication through email or through the online
15 accounts especially, maybe attached to your monthly
16 bill so that you know -- you can read through it and
17 know directly from -- from Hydro what you're getting -
18 - or what you could get, possibly.

19 MS. KATRINE DILAY: And I know you
20 mentioned that currently, it is -- it would be your
21 landlord's responsibility, but have you ever applied
22 for an energy efficiency program?

23 MS. REBECCA TRUDEAU: I have not.

24 MS. KATRINE DILAY: And the last few
25 questions will be about energy poverty. And can you

1 confirm that we explained to you that the two (2) most
2 common definitions of energy poverty are spending
3 either 6 percent or 10 percent of your income on
4 energy expenditures?

5 MS. REBECCA TRUDEAU: Yes.

6 MS. KATRINE DILAY: Would you believe
7 that given your circumstances, you would be considered
8 energy poor, either based on the definitions we
9 discussed, or any other definition?

10 MS. REBECCA TRUDEAU: I would say
11 based on the definition I am not because of the 2
12 percent, but I don't like when my bill comes in every
13 month. It's an extra cost that I have. So that may
14 be a definition that I use is that I don't want to be
15 paying extra bills, but according to the definition,
16 no, I am not.

17 MS. KATRINE DILAY: And how would you
18 define being energy poor?

19 MS. REBECCA TRUDEAU: I would say that
20 if your energy bill is affecting your way of living,
21 living a happy and healthy life, and maybe not -- or
22 maybe not enabling you to be, like, a productive
23 member of society, then, you'd be energy poor.

24 MS. KATRINE DILAY: Do you believe
25 there should be a maximum income that Manitobans spend

1 on their energy bills, and if so, what should that be?

2 MS. REBECCA TRUDEAU: I would agree
3 with the definition, and I wouldn't go up to 10
4 percent, but possibly about 5 or 6 percent.

5 MS. KATRINE DILAY: Do you believe
6 there should be a program to assist low-income
7 Manitobans in paying their electricity bills?

8 MS. REBECCA TRUDEAU: Yes, definitely.

9 MS. KATRINE DILAY: Would you be
10 willing to pay more on your energy bill to support
11 low-income customers, and if so, how much?

12 MS. REBECCA TRUDEAU: Even though I do
13 not like this increase because of my work and my care
14 for community and the consumers of Manitoba, I
15 definitely would pay a few extra dollars on my bill
16 every month, honestly, if I knew that it was helping
17 somebody that was possibly affected, and could maybe
18 have a better way of life if it was only a couple
19 extra dollars.

20 MS. KATRINE DILAY: And would you
21 consider participating yourself in an energy
22 affordability program?

23 MS. REBECCA TRUDEAU: Yes, definitely.

24 MS. KATRINE DILAY: And are there
25 factors that would make it easier to participate in

1 such an energy affordability program?

2 MS. REBECCA TRUDEAU: I guess I would
3 say not necessarily an easy application process, but
4 when it comes to applying for some of these energy
5 efficient programs or other programs where you get
6 some sort of discount off, they usually just ask you
7 about your income, and they don't really factor in all
8 of those other costs associated with life.

9 So I would say that I would really like
10 them to have a line for what is your disposable
11 income, for example, because they don't factor in the
12 fact that I do have to care for family members, and
13 there are costs associated with that. They don't
14 factor in how much I pay for rent. They maybe
15 calculate the averages, but don't factor in all of the
16 other costs that are associated with living, so I feel
17 like they should really just be asking about
18 disposable income and realistically what that is as
19 opposed to just general income.

20 And also, they ask what it is before
21 taxes, and if you calculate after taxes, I am just
22 above the low income measure, so that's quite
23 difficult.

24 MS. KATRINE DILAY: And my last
25 question for you, Ms. Trudeau, is there anything that

1 could be done to assist you with the proposed
2 electricity rate increases?

3 MS. REBECCA TRUDEAU: I would say that
4 I would definitely like some sort of, like, income
5 sliding scale when it comes to the proposed rate
6 increase. So for example, if you are living off of a
7 low income, and if you are currently struggling, then
8 perhaps when you -- when you look at increasing -- the
9 rates may be increased, then, for the people that are
10 able to afford that, and not everyone.

11 MS. KATRINE DILAY: Thank you, Ms.
12 Trudeau. Thank you.

13 I'll move on now to Mr. Barton. Mr.
14 Barton, you could turn on your -- your mic just by
15 pressing the button, there. And the red light should
16 be going on. Great.

17 Mr. Barton, I understand that you are
18 from --

19 THE CHAIRPERSON: Just hold on --

20 MS. KATRINE DILAY: Sorry.

21 THE CHAIRPERSON: -- just a second.
22 What's the problem?

23

24 (BRIEF PAUSE)

25

1 THE CHAIRPERSON: Ten (10) minutes?

2 Okay. Ms. Dilay, we're going to take a break for --
3 for ten (10) minutes. We've got a problem with the
4 live streaming.

5 MS. KATRINE DILAY: Okay.

6 THE CHAIRPERSON: And -- and we think
7 this session is -- is important. We've got a problem
8 with our audio. So we're going to take a break.
9 We'll take the mid-morning break right now for ten
10 (10) minutes and reboot the -- the system, okay?

11 MS. KATRINE DILAY: Thank you, Mr.
12 Chair.

13 THE CHAIRPERSON: Thank you. Sorry,
14 Mr. Barton.

15

16 --- Upon recessing at 9:55 a.m.

17 --- Upon resuming at 10:05 a.m.

18

19 THE CHAIRPERSON: If we could resume
20 now. Thank you, Ms. Dilay.

21

22 (BRIEF PAUSE)

23

24 THE CHAIRPERSON: Dr. Williams, I
25 talked to Mr. Simonsen and if the two (2) of you want

1 to talk, if -- if she can't make it we'll try and fit
2 her in during a slot, okay.

3 Okay, Ms. Dilay, I'm happy to say that
4 apparently the technology is now working. We have
5 audio on the live stream, so, if you could continue
6 with Mr. Barton.

7 MS. KATRINE DILAY: That's great news.
8 Thank you, Mr. Chair.

9

10 CONTINUED BY MS. KATRINE DILAY:

11 MS. KATRINE DILAY: Mr. Barton, we can
12 continue on with your questioning, if you wouldn't
13 mind turning your microphone on.

14 MR. GORDON BARTON: I'm having a little
15 bit of trouble hearing you, sir.

16 THE CHAIRPERSON: Well, you won't have
17 to worry, Mr. Barton, because I won't be doing much
18 talking so.

19 MS. KATRINE DILAY: Mr. Barton, can
20 you hear me okay?

21

22 (BRIEF PAUSE)

23

24 MS. KATRINE DILAY: Perfect. Mr.
25 Barton, I understand that you're from Anola, Manitoba?

1 MR. GORDON BARTON: Yes.

2 MS. KATRINE DILAY: And how long have
3 you lived there?

4 MR. GORDON BARTON: Since 1976.

5 MS. KATRINE DILAY: Do you own your
6 home?

7 MR. GORDON BARTON: Yes.

8 MS. KATRINE DILAY: What year was it
9 built?

10 MR. GORDON BARTON: 1977, the cur --
11 the current one.

12 MS. KATRINE DILAY: And is it
13 electrical heat or gas heat?

14 MR. GORDON BARTON: All electric.

15 MS. KATRINE DILAY: How many members
16 live in your household?

17 MR. GORDON BARTON: Three (3).

18 MS. KATRINE DILAY: And can you please
19 describe for us your family income?

20 MR. GORDON BARTON: I'm just with my -
21 - I have a good pension from the city as a police
22 officer and between that and the CPP and everything
23 else it's just -- just on the shade under eighty
24 thousand (80,000).

25 MS. KATRINE DILAY: And can you

1 confirm that you are currently retired?

2 MR. GORDON BARTON: Yes.

3 MS. KATRINE DILAY: I'd like to talk a
4 little bit about your experience in paying your Hydro
5 bills.

6 Can you give us a sense of what your
7 household pays for Hydro bills per month?

8 MR. GORDON BARTON: It's two sixty-
9 five (265) right at the present. Last year it was two
10 seventy-seven (277). The last two (2) years was just
11 a shade over three thousand dollars (\$3000) a year.

12 MS. KATRINE DILAY: And are your bills
13 different in the winter, or the summer?

14 MR. GORDON BARTON: Yeah, they're
15 higher in the winter.

16 MS. KATRINE DILAY: And are you on the
17 budget plan, or as we know, Manitoba Hydro's equal
18 payment plan?

19 MR. GORDON BARTON: Equal payment
20 plan.

21 MS. KATRINE DILAY: And you are on
22 that plan?

23 MR. GORDON BARTON: Yes.

24 MS. KATRINE DILAY: Are you able to
25 give us a sense of what percentage of your income you

1 spend on Hydro bills?

2 MR. GORDON BARTON: I figured it out
3 last night and it's 3.8 or 3-8, not quite 4 percent.

4 MS. KATRINE DILAY: Thank you. Can
5 you tell us what your experience has been in paying
6 your Hydro bills to date.

7 MR. GORDON BARTON: Well, considering
8 I had a few children earlier on I used to run into a
9 little trouble now and again but always got around it.
10 It's hurting me now. My income sounds like a lot of
11 money but when you take off for all the taxes and
12 everything else, what's left is nowhere near that.

13 I'd also like to mention, if you don't
14 mind, when I built my house I, at that time, had one
15 of the best houses going in that I had insulation on
16 the inside walls and I also -- and that was R20. I
17 also had an inch and a half of Styrofoam on the whole
18 house. And I had asked Hydro at that time, should I
19 put that Styrofoam on the basement? And they weren't
20 sure about it at that time and they said we think
21 maybe not. So I went with that.

22 Nowadays, if I put the blue insulation
23 around my basement, I know I could really cut my Hydro
24 down but what to do that you have to dig up all around
25 the house, and I got a couple of quotes and they --

1 they ran from six thousand (6000) to eight thousand
2 (8000). So I have to ask myself just how good an
3 investment would that be?

4 If I could tell the Board and they
5 could tell everybody when houses are built should be
6 mandatory to put that blue Styrofoam on the outside.
7 It's so warm in there you can walk around in just a T-
8 shirt and you can paint the walls.

9 MS. KATRINE DILAY: Thank you, Mr.
10 Barton.

11 MR. GORDON BARTON: And I also had a
12 lady from Hydro came out inspected the house for me
13 last year I think it was and I went over the whole
14 house and could find nothing to offer me except give
15 me a showerhead and a few light bulbs which I
16 immediately installed and purchased more so my whole
17 houses basically as energy efficient as I can get it.

18 And I just find it it's getting harder
19 and harder.

20 MS. KATRINE DILAY: And, Mr. Barton,
21 prior to your participation in this panel, had you
22 heard about the possibility of Hydro rates going up?

23 MR. GORDON BARTON: Yes, I did.

24 MS. KATRINE DILAY: In general, how
25 would you like to learn about rate increase?

1 MR. GORDON BARTON: I do think that
2 Hydro should put slips in with the bills, simple to
3 read ones, telling that this is coming, do you have
4 any questions. Somebody there to answer them.

5 The news media does a relatively good
6 job of saying what's going on, little columns here and
7 there. I think perhaps Hydro could do a little bit
8 better job of communicating with people to simply let
9 them understand what's happening and give them a
10 voice.

11 MS. KATRINE DILAY: And, Kristen, I
12 was hoping we can put up the CC-35 again.

13 Mr. Barton, are you familiar with this
14 chart?

15 MR. GORDON BARTON: Yes.

16 MS. KATRINE DILAY: Can you confirm
17 that we walked through this chart with you in advance
18 of today?

19 MR. GORDON BARTON: Yes.

20 MS. KATRINE DILAY: And can you
21 provide a brief under -- a brief explanation of your
22 understanding of what this chart outlines?

23 MR. GORDON BARTON: I do, I fully
24 understand what it's doing. I don't agree with their
25 projections at all. And when you look at the -- I

1 don't see how they can possibly say, well, in ten (10)
2 years it's only going to be this much when they can't
3 even control money now.

4 So from that point of view, I -- I see
5 that as an absolute negative. I know it's very hard
6 to try to estimate what's going to happen, very very
7 hard but I must say I don't agree with these figures.

8 MS. KATRINE DILAY: And will you agree
9 that we discussed in advance of today that the first
10 few rows outline two (2) different rate plans?

11 MR. GORDON BARTON: Yes.

12 MS. KATRINE DILAY: And that the next
13 three (3) sections are annual bills depending on
14 monthly consumption?

15 MR. GORDON BARTON: Yes.

16 MS. KATRINE DILAY: And are you able
17 to point to which -- which section of the chart in
18 terms of monthly use best reflects your family
19 circumstances?

20 MR. GORDON BARTON: In-between the
21 bottom two (2) there.

22 MS. KATRINE DILAY: So in-between the
23 two thousand (2000) and four thousand (4000) kilowatt
24 hours monthly?

25 MR. GORDON BARTON: Yeah.

1 MS. KATRINE DILAY: Thank you. I'd
2 like to move on to the impacts of the proposed rate
3 increases on you and your family.

4 Are you able to talk about the impacts
5 of the rate increases on your family's spending and
6 your budget?

7 MR. GORDON BARTON: Well, if they got
8 their -- the full amount of 7.9 that they're asking
9 for, it would be a disaster. I already figured it out
10 what would happen and there's a good possibility that
11 I may have to consider changing where I live.

12 I know many people around me are the
13 same way. I think that if Hydro's going to do
14 something that the rate should come in nice and slow,
15 just on a steady pace so that as time goes on
16 everybody knows what's coming and they can adjust to
17 it.

18 This idea of getting all the money
19 upfront is an absolute negative for me because I know
20 that even if they got that, and they're projecting the
21 lower rates further on, that Hydro can simply come
22 back to the PUB and ask for more rate increases,
23 regardless of what they've got here.

24 I think Hydro tries to do the best they
25 can on estimating but I think they can do a lot

1 better.

2 MS. KATRINE DILAY: And would there be
3 any -- any other impacts in terms of your family's
4 budgets, your employment situation, or any trade-offs
5 that you might have to face?

6 MR. GORDON BARTON: Well, I'm tired of
7 working so I think it would be -- put a more squeeze
8 on us. I support my grandson right now. He's out of
9 work, lives with us and -- I don't know what else to
10 say. It's just getting tougher.

11 MS. KATRINE DILAY: Thank you. And I
12 know you've -- you've already touched briefly upon
13 this, but if we look again at the chart and the first
14 few rows where we have the two (2) different plans
15 there, the 3.95 percent plan and the Manitoba Hydro
16 plan, given the choice would you prefer to have higher
17 rate increases for the next few years followed by
18 lower rate increases --

19 MR. GORDON BARTON: No.

20 MS. KATRINE DILAY: -- or would you --
21 would you prefer lower rate increases but for a longer
22 period of time?

23 MR. GORDON BARTON: The lower ones for
24 a longer period of time.

25 MS. KATRINE DILAY: And you've already

1 explained a little bit. Is there anything else you'd
2 like to -- to add in terms of why you would pick that?

3 MR. GORDON BARTON: At least I would
4 know what's going to happen and I can adjust as I go
5 along. Just basically simple, getting used to, so to
6 speak.

7 MS. KATRINE DILAY: Thank you. Do you
8 know about any of Manitoba Hydro's energy efficiency
9 programs?

10 MR. GORDON BARTON: I know about all
11 of them. I've used what I can of them. I'm in the
12 process right now of trying to figure out if they'll
13 help me with the blue Styrofoam around the basement,
14 but they've got a -- it says they won't help you
15 unless you can guarantee 20 -- 25, I don't know what's
16 the name of it, the R-value of 25. I already have my
17 basement lined. I always have had and every -- I've
18 done everything I can other than that and it's R-12
19 inside. Cement doesn't mean anything.

20 And even if I put R-2 Styrofoam on the
21 outside, I can't come anywhere near that 25. So I
22 think that's a little ridiculous and it would
23 basically take me out of the ballpark, if I wanted to
24 do that.

25 I do want to save energy. I think we

1 can use it for much better purposes, you know, to
2 assist businesses coming in. And I've tried to do my
3 share and to keep my costs to a minimum.

4 MS. KATRINE DILAY: And in terms of
5 the energy efficiency programs, how did you hear about
6 them?

7 MR. GORDON BARTON: I think through
8 the Hydro slips that came along and things in the
9 newspaper. I find little slips in there are quite
10 informative. Sometimes I think they could be somewhat
11 better but if you just -- in the way they're explained
12 and why Hydro does certain things the way they do.

13 No, I don't think anybody really
14 understands how they think and how they work, but I
15 have the greatest respect for all the Hydro. They've
16 been very good with me throughout my life and I have
17 no complaints about the working people that do all the
18 actual physical work, but upstairs, I have some
19 serious doubts about, but I could be very wrong.

20 MS. KATRINE DILAY: And in terms of
21 the last question on energy efficiency, how would you
22 like to hear about energy efficiency programs? Are
23 there any improvements that could be done in terms of
24 communications of those programs?

25 MR. GORDON BARTON: I think Hydro

1 could do better by advertising more in the paper
2 explaining what they're doing, instead of just the
3 small thing, to buy a good section and explain why
4 they're doing something and what's available, how much
5 it might cost so that it's -- it's, you know, simple
6 to read, simple to understand.

7 MS. KATRINE DILAY: Thank you. My
8 last few questions will be regarding energy poverty.

9 Can you confirm, Mr. Barton, that we
10 have explained to you that the two (2) most common
11 definitions of energy poverty are spending either 6
12 percent or 10 percent of your income on energy
13 expenditures?

14 MR. GORDON BARTON: Yes, you did
15 explain it.

16 MS. KATRINE DILAY: And do you believe
17 that you would be considered energy poor either based
18 on the definitions of 6 and 10 percent or any other
19 definition?

20 MR. GORDON BARTON: No, not for me.

21 MS. KATRINE DILAY: How would you
22 define -- define being energy poor?

23 MR. GORDON BARTON: Well, you can't
24 pay your bills and I quite often I having been a
25 police officer in the city and working a lot with the

1 lower income people and that, quite frankly, I don't
2 know how they manage.

3 I think that somewhere along the way we
4 -- we have to do better for them. That's about all I
5 have to say.

6 MS. KATRINE DILAY: And do you believe
7 there should be a maximum income that Manitobans spend
8 on their energy bills; and if so, how much would that
9 be?

10 MR. GORDON BARTON: I do. I think 3
11 percent.

12 MS. KATRINE DILAY: Should there be a
13 program to assist low income Manitobans in paying
14 their electricity bills?

15 MR. GORDON BARTON: That I'm not sure
16 of. I'm -- I'm sorted of divided on that.

17 MS. KATRINE DILAY: Would you be
18 willing to pay more on your energy bill to support
19 low-income customers; and if so, how much?

20 MR. GORDON BARTON: Probably up to 2
21 percent.

22 MS. KATRINE DILAY: Would you consider
23 participating in an energy affordability program?

24 MR. GORDON BARTON: I don't quite
25 understand.

1 MS. KATRINE DILAY: If there was a
2 program in place to assist consumers in paying their
3 Hydro bills, would you consider participating?

4 MR. GORDON BARTON: Yes, I would
5 consider it.

6 MS. KATRINE DILAY: And are there
7 factors that would make it easier to participate in a
8 program like that?

9 MR. GORDON BARTON: Could you ask me
10 that in a different manner?

11 MS. KATRINE DILAY: If such a program
12 existed, are there elements or -- or things that would
13 make it easier to -- to apply for the program to learn
14 about the program or anything else?

15 MR. GORDON BARTON: Oh, yeah, I think
16 so, yeah.

17 MS. KATRINE DILAY: Can you expand on
18 that?

19 MR. GORDON BARTON: Yeah.

20 MS. KATRINE DILAY: How would -- how -
21 - what would make it easier?

22 MR. GORDON BARTON: Whatever
23 information and everything else is put out there for
24 people to understand, it has to be put in very simple
25 understanding language. It has to make -- make the

1 people want to take part in it. That's all I can
2 think about.

3 MS. KATRINE DILAY: Thank you. And my
4 last question for you, Mr. Barton, is there anything
5 that could be done to assist you with the proposed
6 rate increases?

7 MR. GORDON BARTON: To assist me?

8 MS. KATRINE DILAY: Yes.

9 MR. GORDON BARTON: I think what
10 they're asking for is outrageous. I -- I personally
11 do not believe that they need what they're asking for.
12 I have many doubts about the way Hydro's finances are
13 managed. I think that as far as loans go, that they
14 make to keep on going, I'm -- I'm not an expert on
15 that, but I -- I think they could get better
16 arrangements over a much longer terms.

17 I was thinking about it the other
18 night, and wondering if they should have a different
19 type of bond or put -- somehow get credit unions and
20 banks to buy in to long-term -- really long term
21 things. For instance, municipalities if they have to
22 do work they don't have money for, they go and they
23 borrow it on a very long term; anywhere from, usually
24 twenty (20) years up at a reasonable rate. But they
25 know exactly what they're going to pay every year and

1 everything.

2 With the -- I just don't think Hydro's
3 done a really good job with their finances. As far as
4 the working end of it at Hydro, perfect, really good,
5 can't ask for anything better. But I think they can
6 do a lot better. And I think they should be -- share
7 more information with the public. Everything is
8 secret.

9 MS. KATRINE DILAY: Thank you, Mr.
10 Barton. I will now move on to Ms. Bright who is
11 seated just at the other table there. And Mr. Barton,
12 if he could turn off your mic just so we don't get too
13 much feedback. Thank you.

14 Good morning, Ms. Bright?

15 MS. LYNDIE BRIGHT: Good morning.

16 MS. KATRINE DILAY: Ms. Bright, I
17 understand that you live in Winnipeg, Manitoba,
18 correct?

19 MS. LYNDIE BRIGHT: Correct.

20 MS. KATRINE DILAY: And how long have
21 you lived in the city?

22 MS. LYNDIE BRIGHT: Most of my life.
23 I have been out for education or work or travel, but
24 most of my life is Winnipeg.

25 MS. KATRINE DILAY: And, Ms. Bright,

1 can you confirm that you are a volunteer with Winnipeg
2 Harvest?

3 MS. LYNDIE BRIGHT: Yes, I do
4 volunteer there.

5 MS. KATRINE DILAY: And can you
6 confirm that your involvement today on the ratepayer
7 panel is on behalf -- on your own behalf as a
8 ratepayer and not on behalf of the organization of
9 Winnipeg Harvest?

10 MS. LYNDIE BRIGHT: I am here on my
11 own behalf.

12 MS. KATRINE DILAY: And, Ms. Bright,
13 do you own your own home?

14 MS. LYNDIE BRIGHT: No, I rent an
15 apartment.

16 MS. KATRINE DILAY: In what area?

17 MS. LYNDIE BRIGHT: Central Winnipeg.

18 MS. KATRINE DILAY: And do you know
19 what year your apartment was dealt?

20 MS. LYNDIE BRIGHT: I think 1988.

21 MS. KATRINE DILAY: And is it
22 electrical heat or gas heat?

23 MS. LYNDIE BRIGHT: It's electrical
24 heat.

25 MS. KATRINE DILAY: And how many

1 members in your household?

2 MS. LYNDIE BRIGHT: Myself.

3 MS. LYNDIE BRIGHT: And can you please
4 describe for us your family income?

5 MS. LYNDIE BRIGHT: My family income
6 has improved from the state of welfare,

7 THE CHAIRPERSON: ENBRIDGE...?to
8 pension and . It's basic government
9 income.

10 MS. KATRINE DILAY: Thank you. I'd
11 like to move on to your experience in paying your
12 Hydro bills to date.

13 What does your household pay for Hydro
14 per month?

15 MS. LYNDIE BRIGHT: Per month, I'm on
16 the budget and currently I'm paying thirty-three (\$33)
17 a month. However, my attitude toward income is based
18 on I imagine fear or insecurity, I tend to pay Hydro
19 in advance and the money that I'm saving for the
20 future, two (2) or three (3) months that's used for
21 another thing that I need.

22 MS. KATRINE DILAY: And you mentioned
23 that you are on the equal payment plan; is that right?

24 MS. LYNDIE BRIGHT: I am on the equal
25 payment plan.

1 MS. KATRINE DILAY: And do your bills
2 fluctuate depending on the winter or the summer?

3 MS. LYNDIE BRIGHT: They would
4 definitely fluctuate winter and summer. For a yearly
5 income, it would be three eighty-three thirty-one
6 (383.31). My budget would have paid three hundred and
7 fifty-six (356). There's always a slight imbalance
8 that must be corrected.

9 MS. KATRINE DILAY: Between what you
10 pay on the budget and in reality?

11 MS. LYNDIE BRIGHT: And reality, true.

12 MS. KATRINE DILAY: Are you able to
13 give us a sense of the percentage of your income that
14 you spend on Hydro bills?

15 MS. LYNDIE BRIGHT: I'm not certain of
16 the percentage. I just base on what I need to use.
17 And I have cut back on Hydro sufficiently by lowering
18 the heat. The apartment would be 65 and this room
19 would be 74 Fahrenheit. I have not used things like
20 cable or television or videos. The only thing that
21 runs continuously would be refrigerator, freezer,
22 stove for cooking and lights.

23 MS. KATRINE DILAY: Thank you. And
24 what has been your experience in paying your Hydro
25 bills, in general?

1 MS. LYNDIE BRIGHT: In general, paying
2 in advance is useful. Not everybody can do it, not
3 everybody's on the budget. I -- I find there's
4 continuous raises so that when I look through my
5 history of Hydro even if it's a dollar per month as an
6 -- as an increase, you look at everything else that's
7 gone up, factor that in and ask yourself, what you can
8 cut back on or you're living in confinement, what can
9 you do at home.

10 MS. KATRINE DILAY: Thank you. Prior
11 to your participation in this panel, Ms. Bright, had
12 you heard about the possibility of Hydro rate
13 increases going up?

14 MS. LYNDIE BRIGHT: I have heard that,
15 yes.

16 MS. KATRINE DILAY: How did you hear?

17 MS. LYNDIE BRIGHT: Basically radio
18 because that's my basic source of information and I do
19 read the paper occasionally but this is not on a daily
20 basis.

21 MS. KATRINE DILAY: And in general,
22 how would you like to learn about rate increases?

23 MS. LYNDIE BRIGHT: I still think the
24 media is doing a very good job. There are call-in
25 programs and the information in the Hydro bills are

1 also useful.

2 MS. KATRINE DILAY: Thank you. And
3 I'd like to point your attention to the chart that is
4 on the screen in front of us.

5 Are you familiar with this chart?

6 MS. LYNDIE BRIGHT: I'm familiar with
7 the chart.

8 MS. KATRINE DILAY: And can you
9 confirm that we walked through this chart with you in
10 advance of today?

11 MS. LYNDIE BRIGHT: We have walked
12 through it.

13 MS. KATRINE DILAY: And I'll just kind
14 of briefly outline your understanding of what is on
15 this chart.

16 Is your understanding that the first
17 part of it under "annual rate increases" would be the
18 two (2) different rate paths?

19 MS. LYNDIE BRIGHT: That's correct.

20 MS. KATRINE DILAY: One (1) of them
21 being 3.95 percent all the way through?

22 MS. LYNDIE BRIGHT: Yes.

23 MS. KATRINE DILAY: And the other one
24 being 7.9 percent for six (6) years followed by one
25 (1) year of 4.54, followed with 2 percent for the

1 remainder?

2 MS. LYNDIE BRIGHT: That's the
3 projected income, yes -- or the projected increase.

4 MS. KATRINE DILAY: Thank you. And
5 the next three (3) sections, as we move our way down,
6 are annual bills based on monthly consumption; is that
7 right?

8 MS. LYNDIE BRIGHT: Correct.

9 MS. KATRINE DILAY: And are you able
10 to point out which line of this chart would best --
11 best reflect your family circumstances? In other
12 words, would you be best reflected under the monthly
13 use of 1000, 2000 or 4000 kilowatt hours?

14 MS. LYNDIE BRIGHT: I am definitely
15 less than 1000 kilowatts hours.

16 MS. KATRINE DILAY: Thank you. In
17 terms of the impacts of Manitoba Hydro's proposed rate
18 increases on your life, are you able to describe for
19 the impacts on your spending and your budget?

20 MS. LYNDIE BRIGHT: Having a rate
21 increase and adding all other rate increases,
22 including rent, transportation, food, it just adds
23 more stress.

24 And I would like to see, I think, while
25 it's an increase, I would also like to see

1 transparency on Hydro's part as to what they're doing
2 to decrease those increases or to hold the line and
3 prove that they have also made sacrifices to hold what
4 they're doing.

5 MS. KATRINE DILAY: And would there be
6 other -- any other impacts on your life in terms of
7 your family situation, employment situation that any
8 trade-offs you might face in terms of spending?

9 MS. LYNDIE BRIGHT: In terms of
10 spending, moving from welfare to pension means I can
11 finally actually save some money and it's difficult
12 because things happen where you have a sudden need for
13 new eyeglass frames or transportation, you need to
14 rent a truck to move furniture. The unexpected will
15 happen and, therefore, you -- you can't plan for that,
16 you can only try to save for it.

17 People on fixed income and less than I
18 have have that much more of a difficulty with it. For
19 myself, I'm looking at, can I change transportation by
20 getting a bicycle; that just means summer riding. If
21 you're riding a bus will you use your transfer to
22 return home as quickly as possible so that you're on
23 the same time period so, therefore, you're not paying
24 two (2) bus fares. Even as a senior it's a lower rate
25 and yet you still think about these things.

1 MS. KATRINE DILAY: Thank you. Just
2 turning back briefly to the chart in front of us here.

3 As we explained the -- the first
4 section of the chart has two (2) different rate paths,
5 the first being 3.95 all the way through; the other
6 one with 7.9 percent, followed by 4.54, followed by 2
7 percent.

8 Is that your understanding?

9 MS. LYNDIE BRIGHT: It's my
10 understanding.

11 MS. KATRINE DILAY: And given the
12 choices, Ms. Bright, would you prefer to have higher
13 rate increases for the next few years, followed by
14 lower rate increases; or would you prefer lower rate
15 increases, but for a longer period of time?

16 MS. LYNDIE BRIGHT: Given only those
17 two (2) choices, lower increases for the entire
18 period. And if you note at the plan says at the
19 beginning you're -- you might spend one thousand
20 eighty dollars (\$1080), and at the end of the line
21 you're spending two thousand one hundred and seventy
22 (2170). It feels like you've just doubled it not --
23 you know, the rate increases are nice but you just
24 increased your Hydro bill by about 100 percent.

25 So looking at it that way, I'd like to

1 see even 3.95 if they want to play with the numbers
2 and just make it 4 percent I'd be quite happy because
3 rounding up and rounding down, playing with the
4 pennies as the people do, it just makes it difficult.

5 MS. KATRINE DILAY: Thank you, Ms.
6 Bright. Do you know about any of Manitoba Hydro's
7 energy efficiency programs?

8 MS. LYNDIE BRIGHT: I do know about
9 several of them.

10 MS. KATRINE DILAY: And when did you
11 hear about them?

12 MS. LYNDIE BRIGHT: When my friend had
13 a house that was being -- given a furnace and
14 insulation, I was there for the installation of that.
15 I was there for my own apartment. I put in air
16 stoppers in the electrical outlets to stop drafts. I
17 put on plastic on the windows. Foam board between the
18 balcony door and the inner door. I can only do so
19 much with my own apartment. I can't change it. If I
20 raise the heat so that I'm comfortable, the person on
21 the second floor above me will have a warm floor and
22 as heat rises throughout the whole building, by the
23 time you get to the seventh floor, the windows are
24 open and they never turn on the heat. I end up paying
25 a good brunt of the heat and I refuse to do it.

1 MS. KATRINE DILAY: Thank you, Ms.
2 Bright. Would you like to know more about Manitoba
3 Hydro's energy efficiency programs?

4 MS. LYNDIE BRIGHT: I would like to
5 see more energy efficiency programs, particularly
6 based in the construction industry and for homeowners
7 who are renters because plastic on the windows are
8 nice but you can't look out the window and it's only a
9 temporary fix.

10 MS. KATRINE DILAY: And in terms of
11 communications about energy efficiency programs, how
12 would you like to hear about them?

13 MS. LYNDIE BRIGHT: I read more than I
14 watch television or the Internet and I do hear about
15 it on the radio. I would like to see more written
16 material.

17 MS. KATRINE DILAY: Thank you, Ms.
18 Bright. Turning now to the topic of energy poverty.
19 Can you confirm that we've explained to
20 you the two (2) most common definitions of energy
21 poverty as being spending either 6 percent or 10
22 percent of your income on energy expenditures?

23 MS. LYNDIE BRIGHT: Yes, we have
24 talked about that.

25 MS. KATRINE DILAY: And do you believe

1 that you would be considered energy poor either based
2 on those definitions of 6 or 10 percent or any other
3 definition?

4 MS. LYNDIE BRIGHT: I would give you
5 the other definition of what you're using your power
6 for, how many things that the world can provide from
7 cable-television to internet to telephone to games,
8 anything that powers giving a person at home to
9 entertain themselves.

10 If your energy poor, and you can't do
11 those things. If you're a parent and you've got kids,
12 they demand those things. And now you're dealing with
13 higher energy costs because you're providing the
14 equipment and paying higher Hydro cost for it.

15 So there is a poverty of energy usage
16 when people cannot partake of those things.

17 MS. KATRINE DILAY: And would you --
18 do you believe there should be a maximum income that
19 Manitobans should spend on their energy bills?

20 MS. LYNDIE BRIGHT: If they're basing
21 it on percent, there should be some maximum. I note
22 that rent is based on maybe 28 percent of my gross
23 income. They use my income tax purposes -- income
24 form to find that. Hydro, again, is a lower number on
25 a yearly basis but everything is part of a full

1 paycheque, and therefore, you're living paycheque to
2 paycheque. You're living on what you can afford and
3 what you going to not have and you're living I'd say a
4 life of confinement because you can't go out to
5 restaurants and movies and buy clothing that you enjoy
6 based on your income. You -- there's far too many
7 restrictions on a fix income.

8 MS. KATRINE DILAY: And do you believe
9 there should be a program to assist low-income
10 Manitobans in paying their electricity bills?

11 MS. LYNDIE BRIGHT: That would be a
12 very good thing.

13 MS. KATRINE DILAY: Would you be
14 willing to pay more on your energy bill to support
15 low-income customers; and if so, how much?

16 MS. LYNDIE BRIGHT: On my energy bill
17 I believe I cannot pay more. I'm willing to donate
18 money to individuals who need help, and I have done so
19 this on a monthly basis.

20 MS. KATRINE DILAY: And would you
21 consider participating in an energy affordability
22 program?

23 MS. LYNDIE BRIGHT: I would if it
24 would improve the building that I live in but you're
25 always living with -- with the concept of you're going

1 to move to another building and you're facing the same
2 problem.

3 MS. KATRINE DILAY: And are there
4 factors that would make it easier to participate in an
5 energy affordability program?

6 MS. LYNDIE BRIGHT: Difficult to say.
7 I think some factors are easy to do because there are
8 specific categories of income ability, home ownership
9 and those things aid people that qualify. There's --
10 there's a line where people should qualify and cannot
11 because of their income and social assistance
12 combined, and there's a certain limit where they say
13 you don't qualify when you really should be qualified.

14 MS. KATRINE DILAY: And in terms of
15 your energy consumption in your household, have you
16 taken any steps to reduce your energy consumption?

17 MS. LYNDIE BRIGHT: Not keeping the
18 heat turned on and when I'm away. If I'm in the
19 apartment, turning the heat up and putting fans on to
20 circulate the air does help keep the place warmer.
21 Keeping hot water in the bathtub will keep the
22 bathroom for a while.

23 So, therefore reducing energy is as
24 simple as not using things, just not plugging in items
25 or unplugging things that would be left on.

1 MS. KATRINE DILAY: And my last
2 question for you, Ms. Bright, is there anything that
3 could be done to assist you with the proposed rate
4 increases?

5 MS. LYNDIE BRIGHT: Their proposed
6 rate increases? They don't know if anything could be
7 done to help. It would be see no rate increases, or
8 at least more transparency as to who is paying and why
9 or a scale of these people can pay more, let them pay
10 more. Those who can't; allow them not to.

11 MS. KATRINE DILAY: Thank you, Ms.
12 Bright, those are my questions for you.

13 MS. LYNDIE BRIGHT: Thank you.

14 MS. KATRINE DILAY: Ms. Mayham, I will
15 now ask you some questions. Good morning.

16 MS. EMILY MAYHAM: Good morning.

17 MS. KATRINE DILAY: Ms. Mayham, I
18 understand that you live in Winnipeg, Manitoba, is
19 that right?

20 MS. EMILY MAYHAM: That's correct.

21 MS. KATRINE DILAY: And how long have
22 you lived in the city?

23 MS. EMILY MAYHAM: I've lived on and
24 off in Winnipeg since 2008.

25 MS. KATRINE DILAY: And when you say

1 "on and off," where else have you lived in that time?

2 MS. EMILY MAYHAM: I have lived up
3 north in Split Lake and I have lived in Regina for
4 both employment and educational purposes.

5 MS. KATRINE DILAY: And prior to 2008,
6 can you tell us where you were living before that?

7 MS. EMILY MAYHAM: I was living in
8 Thompson and I was in university at the time.

9 MS. KATRINE DILAY: Thank you. Are
10 you able to confirm that you are employed by Winnipeg
11 Harvest and the low income intermediary program?

12 MS. EMILY MAYHAM: That's correct.

13 MS. KATRINE DILAY: And can you
14 confirm that today your participation on the ratepayer
15 panel, you are speaking on behalf of yourself as a
16 ratepayer and not on behalf of the organization?

17 MS. EMILY MAYHAM: Correct.

18 MS. KATRINE DILAY: Ms. Mayham, in
19 Winnipeg do you own your home?

20 MS. EMILY MAYHAM: No, I rent.

21 MS. KATRINE DILAY: And what type of
22 home is it?

23 MS. EMILY MAYHAM: It is two (2)
24 bedroom with a finished basement.

25 MS. KATRINE DILAY: And it's a house?

1 MS. EMILY MAYHAM: Yes, that's
2 correct.

3 MS. KATRINE DILAY: And do you know
4 what year it was built?

5 MS. EMILY MAYHAM: I have no idea.

6 MS. KATRINE DILAY: Does it heat with
7 electricity or with gas?

8 MS. EMILY MAYHAM: It's heated with
9 gas, but I also pay for electricity.

10 MS. KATRINE DILAY: And how many
11 members live in your household?

12 MS. EMILY MAYHAM: Me and my four (4)
13 children. So, there's five (5) of us.

14 MS. KATRINE DILAY: And how old are
15 your children?

16 MS. EMILY MAYHAM: They are 12, 13, 15
17 and 16.

18 MS. KATRINE DILAY: And, Ms. Mayham,
19 in terms of your experience paying your Hydro bills,
20 what does your household pay for Hydro per month?

21 MS. EMILY MAYHAM: It -- it varies. It
22 depends. In the spring and summer months we typically
23 see a lower Hydro bill. In the peak of winter,
24 December, January, February, that's when the Hydro
25 bill is at its -- its -- at its highest. But --

1 MS. KATRINE DILAY: Sorry, go ahead.

2 MS. EMILY MAYHAM: For November and
3 December alone I paid for one (1) month three hundred
4 and thirty (\$330) on my Hydro bill.

5 MS. KATRINE DILAY: And in the summer
6 do you have a sense of what the Hydro bill would be?

7 MS. EMILY MAYHAM: It varies, but
8 typically one twenty-five (125), one fifty (150).

9 MS. KATRINE DILAY: And are you on the
10 equal payment plan?

11 MS. EMILY MAYHAM: No, but I
12 previously was.

13 MS. KATRINE DILAY: And why are you
14 not on it anymore?

15 MS. EMILY MAYHAM: Well, my experience
16 with the equal payment plan was, I was on it for about
17 a year, from September til August of the next year.

18 And this is the thing, they take the whole consumption
19 of one (1) year and they average it out into low
20 monthly payments.

21 But what happens at the end of that
22 year when I was done was, the reconciliation was done
23 where the estimated and the actual were brought
24 together and I ended up owing money. So whether they
25 charge me now or later, I'm still not going to win.

1 MS. KATRINE DILAY: Thank you. Are
2 you able to give us a sense of the percentage of your
3 income that you spend on Hydro bills?

4 MS. EMILY MAYHAM: I would say about 6
5 percent but I can't give a definite.

6 MS. KATRINE DILAY: And are you able
7 to describe what your experience has been in paying
8 your Hydro bills to date?

9 MS. EMILY MAYHAM: My experience in
10 paying my Hydro builds has been one of three (3). Be
11 (a) either ignore the bill in order to pay a more
12 urgent bill, so, missed payment. 2. A partial payment
13 to pay as much as I can for the month; or 3, payment
14 arrangements is what I'm currently doing right now.
15 The bill that is due for December I'm not able to pay
16 it off until the end of January so I'm already behind.

17 MS. KATRINE DILAY: Thank you, Ms.
18 Mayham. Prior to your participation in this panel,
19 had you heard about the possibility of Hydro rates
20 going up?

21 MS. EMILY MAYHAM: Yes, I have through
22 the media.

23 MS. KATRINE DILAY: In general, how
24 would you like to learn about rate increases?

25 MS. EMILY MAYHAM: Well, the media has

1 done a pretty good job of explaining it. But since
2 there's e-billing I don't see why Hydro can't decimate
3 (sic) information through email too.

4 MS. KATRINE DILAY: Thank you.
5 Turning to the chart that's in front of you on the
6 screen, can you confirm that you are familiar with
7 this chart?

8 MS. EMILY MAYHAM: Yes, I am.

9 MS. KATRINE DILAY: And can you
10 confirm that we walked through this chart with you in
11 advance of today?

12 MS. EMILY MAYHAM: Yes, you have.

13 MS. KATRINE DILAY: And in terms of
14 what this chart outlines, is it your understanding
15 that the top portion of the chart shows two (2)
16 different rate plans?

17 MS. EMILY MAYHAM: That's correct.

18 MS. KATRINE DILAY: One of them being
19 3.95 percent, all the way through?

20 MS. EMILY MAYHAM: Yes.

21 MS. KATRINE DILAY: And the other one
22 being 7.9 percent for 6 years, followed by 4.54 and
23 the remainder of the years been 2 percent?

24 MS. EMILY MAYHAM: Yes.

25 MS. KATRINE DILAY: And the three (3)

1 sections in the bottom part of the chart, can you
2 confirm that your understanding is that those are
3 annual electricity bills, depending on monthly
4 consumption use?

5 MS. EMILY MAYHAM: Yes.

6 MS. KATRINE DILAY: And can you point
7 out which line of this chart would best reflect your
8 family circumstance? Would you best be represented
9 under the 1000 kilowatt hours, 2000 or 4000?

10 MS. EMILY MAYHAM: I would say I'm
11 between 2 and 4000.

12 MS. KATRINE DILAY: Thank you. In
13 terms of the impacts of Manitoba Hydro proposed rate
14 increases on your life, can you describe for us what
15 the impact would be in terms of your spending and your
16 budget?

17 MS. EMILY MAYHAM: I will be forced to
18 further dig in deeper into my food budget, decreasing
19 the amount of groceries I am able to buy per month.
20 And in terms of food I will be looking at
21 alternatives, cheaper, unhealthier alternatives in
22 order to make my groceries last.

23 It will reduce the amount -- it will
24 reduce the amount that I'm able to engage in social
25 activities with my children, social outings. It will

1 negatively impact us.

2 MS. KATRINE DILAY: Thank you. And in
3 terms of the impacts on your family, your employment
4 situation, your debt situation and any trade-offs that
5 you might have to make, are you able to talk about
6 that?

7 MS. EMILY MAYHAM: Yes, I am. The
8 rate increases would negatively impact us where it
9 would not allow me to save up for the future or to
10 have an emergency fund. It makes it more challenging
11 for me to put money away in terms of getting a vehicle
12 down the road and just saving -- saving money overall,
13 it would be very challenging because I'm having a hard
14 time with my utility bills as it is.

15 MS. KATRINE DILAY: Thank you. And
16 just turning back to the chart briefly, as we
17 explained the first part of the chart shows two (2)
18 different rate paths, one being 3.95 all the way
19 through, and the other one starting out with 7.9,
20 followed by 4.54, followed by 2 percent.

21 Given the choice, Ms. Mayham, would you
22 prefer to have higher rate increases for the next few
23 years, followed by lower rate increases; or would you
24 prefer lower rate increases, but for a longer period
25 of time?

1 MS. EMILY MAYHAM: I would prefer the
2 lower rate increases for a longer period of time
3 because it's predictable. I'm able to adjust and
4 adapt as needed.

5 MS. KATRINE DILAY: Thank you. In
6 terms of Manitoba Hydro's energy efficiency programs,
7 are you aware of any of those programs?

8 MS. EMILY MAYHAM: Yeah, a few of
9 them.

10 MS. KATRINE DILAY: And how did you
11 hear about them?

12 MS. EMILY MAYHAM: I took the
13 initiative and went on to their website to explore all
14 the different options that might've been available to
15 me.

16 MS. KATRINE DILAY: Was this prior to
17 your involvement in the hearing?

18 MS. EMILY MAYHAM: Yes.

19 MS. KATRINE DILAY: Would you like to
20 know more about Manitoba Hydro's energy efficiency
21 programs?

22 MS. EMILY MAYHAM: Well, yes and no
23 because I've noticed some of the efficiency programs
24 are geared toward homeowners. It makes the assumption
25 that people who are low income like myself are

1 homeowners and it disqualifies me.

2 With the other program that I seen was
3 they're geared toward landlords but the landlord has
4 to take the initiative to want to fix up the house to
5 be interested enough and concerned enough to want to
6 pass on the savings to their tenant. My experience
7 with landlords is it's business. They're in it for
8 the money.

9 But I would like to see energy
10 efficient programs geared more toward renters.

11 MS. KATRINE DILAY: And in terms of
12 the communication of energy efficiency programs, how
13 would you like to hear about them?

14 MS. EMILY MAYHAM: Well, right now you
15 can either go on to their website, or you hear by --
16 through the media but the -- the email wouldn't hurt,
17 either, just to have that additional option.

18 MS. KATRINE DILAY: And have you ever
19 applied for an energy efficiency program yourself?

20 MS. EMILY MAYHAM: No, I haven't, just
21 aside from what I've mentioned before with the EPP.

22 MS. KATRINE DILAY: And why haven't
23 you applied?

24 MS. EMILY MAYHAM: Well, I find too
25 that with -- with my current situation that I rent, so

1 it's not guaranteed that I'm going to be there the
2 next year. It all depends.

3 MS. KATRINE DILAY: Thank you. And
4 then I have a few questions relating to energy
5 poverty.

6 Can you confirm, Ms. Mayham, that we
7 have explained to you that the two (2) most common
8 definitions of energy poverty are spending either 6
9 percent or 10 percent of your income on energy
10 expenditures?

11 MS. EMILY MAYHAM: Yes, you have.

12 MS. KATRINE DILAY: And do you believe
13 that you would be considered energy poor either based
14 on the definition we discussed, or any other
15 definition?

16 MS. EMILY MAYHAM: Yes, based on the
17 definition that was discussed.

18 MS. KATRINE DILAY: And how would you
19 define being energy poor?

20 MS. EMILY MAYHAM: Energy poverty.
21 "Poverty" meaning you're having a hard time and with
22 energy, meaning you can barely afford it. So your
23 impoverished -- impoverished in terms of accessing
24 energy. But not only that, but paying for that
25 energy.

1 MS. KATRINE DILAY: Thank you. Do you
2 believe there should be a maximum income that
3 Manitobans spend on their energy bills; and if so, how
4 much would that be?

5 MS. EMILY MAYHAM: Well, I think the
6 max would probably be no more than 3 or 4 percent, but
7 it was mentioned before that there's -- like with
8 subsidized housing and legal aid, they use a -- a pay
9 scale or a sliding scale, and I believe that this --
10 this could also be utilized in terms of energy.

11 And also paying of the bills, that it
12 should be -- take that into account, because the one
13 size fits all approach isn't exactly working.

14 MS. KATRINE DILAY: And would you --
15 sorry, do you believe there should be a program to
16 assist low-income Manitobans in paying their
17 electricity bills?

18 MS. EMILY MAYHAM: Well, yes and no.
19 Yes, on the one hand, yeah, there should be more
20 programs to assist people in paying their bills. But
21 at the same time no, because whose definition of
22 poverty are we going to be using.

23 MS. KATRINE DILAY: And would you be
24 willing to pay more on your energy bill to support
25 low-income customers; and if so how much?

1 MS. EMILY MAYHAM: Yes. In terms of
2 how much, I can't answer that question right now.

3 MS. KATRINE DILAY: Thank you. Would
4 you consider participating in a program such as an
5 energy affordability program?

6 MS. EMILY MAYHAM: If it is geared
7 toward renters, yes.

8 MS. KATRINE DILAY: And are there
9 factors that would make it easier to participate in an
10 energy affordability program?

11 MS. EMILY MAYHAM: Yeah, there could
12 be. Are these people on CPP? Are they elderly? Are
13 they students? Are they single parents? Are they on
14 EIA?

15 MS. KATRINE DILAY: Thank you. And my
16 last question for you, Ms. Mayham, is there anything
17 that could be done to assist you with the proposed
18 rate increases?

19 MS. EMILY MAYHAM: I would like more
20 accountability and transparency from Manitoba Hydro.
21 As a consumer what I still have trouble with is why am
22 I, as a consumer, being held responsible for the
23 financial resp -- irresponsibility or the
24 mismanagement of a -- another company?

25 MS. KATRINE DILAY: Thank you, Ms.

1 Mayham. Those are my questions for you.

2 Mr. Chair, if I could just get one (1)
3 minute to just confer with my clients, and then
4 subject to any -- any comments they might have, those
5 would be my questions for the panel.

6 THE CHAIRPERSON: Certainly.

7 MS. KATRINE DILAY: Thank you.

8

9 (BRIEF PAUSE)

10

11 MS. KATRINE DILAY: Thank you, Mr.

12 Chair, those are all of our questions for the panel.

13 THE CHAIRPERSON: Thank you, Ms.

14 Dilay. We're going to see if there are any questions.

15 I had asked GAC if they have any questions of any of

16 the ratepayer panel.

17

18 (BRIEF PAUSE)

19

20 MR. DAVID CORDINGLEY: Mr. Chair, if I
21 could just have thirty (30) seconds --

22 THE CHAIRPERSON: Certainly.

23 MR. DAVID CORDINGLEY: -- we're just
24 reviewing out notes.

25 THE CHAIRPERSON: Yes.

1 (BRIEF PAUSE)

2

3 CROSS-EXAMINATION BY MR. DAVID CORDINGLEY:

4 MR. DAVID CORDINGLEY: Mr. Chair, I --
5 I have two (2) quick questions and I'm going to direct
6 these at you, Ms. Trudeau. I've picked you somewhat
7 arbitrarily, however, all -- I -- I think -- I think
8 you may be able to speak to this.

9 You -- you mentioned that you thought
10 it would be a good idea if -- if there was some
11 support for low income folks in terms of paying their
12 energy bills?

13 MS. REBECCA TRUDEAU: Yes.

14 MR. DAVID CORDINGLEY: I'm not going
15 to ask you this as a representative of -- of -- of
16 Winnipeg Harvest. I appreciate you're appearing on
17 your own personal capacity.

18 Do you speak with other folks who are
19 discussing energy poverty issues in and around your
20 workplace? It would be folks who are using the
21 services or -- or -- or otherwise?

22 MS. REBECCA TRUDEAU: Yes, we
23 definitely do. So we are in -- my work is within the
24 community engagement department and often we host
25 panels or lived experienced panels, especially when it

1 comes to educating the community. So we take people,
2 seniors and students, people living with mental and
3 physical disabilities, they are often talking about
4 all of the different basic needs and the cost of
5 living.

6 So, we're often talking about them and
7 how everything is rising, and their income, especially
8 when it comes to something like income assistance is
9 not rising. Even the price of food when it comes to
10 income assistance has not raised since on the '80s I'm
11 pretty sure.

12 So, we often talk with them that any
13 extra money even if it's 10, 20, \$30 really really
14 hits them hard and they really have to make sacrifices
15 in other ways.

16 MR. DAVID CORDINGLEY: Given -- given
17 your connections with the community, if there was a
18 program in terms of assisting low-income ratepayers
19 with -- with differentiated rates or with their rates,
20 is that information that -- that you could usefully
21 provide to people in the community?

22 Is that something that there'd be
23 demand for you to provide or value in you providing?

24 MS. REBECCA TRUDEAU: Could you just
25 clarify what we would be providing?

1 MR. DAVID CORDINGLEY: Well, simply
2 information on the program, if there was one
3 available? Would -- would you be one sort of outlet
4 that could provide that information?

5 MS. REBECCA TRUDEAU: Oh, definitely.
6 So we have a network of about four hundred (400)
7 different food distribution agencies within Harvest,
8 and we often distribute information on different
9 resource -- resources in the community. We also have
10 a waiting room where we provide emergency food to our
11 clients. We could post information there as well.

12 And we also work with a few other
13 committees within the city working on hunger and
14 poverty issues so I think that that would be also a
15 way to distribute to those people. Working on these
16 issues and the people that they then work with that
17 are focusing on the issue.

18 MR. DAVID CORDINGLEY: Let me just
19 pick up on that last point, if I could briefly. If --
20 if -- do you think an organization like these
21 community organizations, Harvest or the others you
22 work with, with appropriate training might be useful
23 in -- in helping to administer such a program in terms
24 of engaging the community and helping them fill out
25 forms or apply?

1 Would there be a useful role there?

2 MS. REBECCA TRUDEAU: I definitely
3 think so. Nonprofits are extremely flexible and
4 throughout the years we have to change and adapt
5 according to what's available and staff that are
6 working at these organizations are really -- really
7 care so much about their clients and care so much
8 about who they're providing services to so they will
9 adapt.

10 And if the resources are, perhaps some
11 funding is provided by Manitoba Hydro for these
12 organizations to hire individuals to administer those
13 programs, that would be very beneficial as well.

14 MR. DAVID CORDINGLEY: Thank you.
15 And thank you to all the panel, that was very useful
16 to hear from you all. It was very valuable. Thank
17 you.

18 That's my questions, Mr. Chair.

19 THE CHAIRPERSON: Thank you. Manitoba
20 Hydro...?

21

22 CROSS-EXAMINATION BY MS. MARLA BOYD:

23 MS. MARLA BOYD: Good Morning, Mr.
24 Chair and members of the Board. By way of
25 introduction for some of them, I'm Marla Boyd. I

1 appear on behalf of Manitoba Hydro this morning.

2 I think I'm not alone in that.

3 Good morning, panel. Thank you for
4 your information this morning. I just have a few
5 questions for you if -- if I direct the question to
6 one and others want to contribute, please feel free to
7 do that.

8 Mr. Mazier, I'd like to start with you.
9 Do you -- you run a farming operation, is what we
10 heard this morning?

11 MR. DAN MAZIER: Correct, yep.

12 MS. MARLA BOYD: And do you have a
13 line of credit associated with that farming operation?

14 MR. DAN MAZIER: Yes.

15 MS. MARLA BOYD: And that line of
16 credit will attract interest?

17 MR. DAN MAZIER: Yes.

18 MS. MARLA BOYD: And do you monitor
19 the interest rates that are paid on the line of
20 credit?

21 MR. DAN MAZIER: Yes.

22 MS. MARLA BOYD: This is the amount
23 that you can borrow limited by the bank or the lender?

24 MR. DAN MAZIER: Yes.

25 MS. MARLA BOYD: And ultimately, you

1 need to repay that debt, correct?

2 MR. DAN MAZIER: Yes.

3 MS. MARLA BOYD: Do you see interest
4 rates as a risk to your business?

5 MR. DAN MAZIER: Yeah, yeah, some
6 days. Depends what part of the cycle. I've lived
7 through 20 percent interest rates. So, yeah, over my
8 years, yeah, at times it becomes relevant.

9 MS. MARLA BOYD: And if you pay your
10 line of credit over a longer period of time, you'll
11 pay more interest, correct?

12 MR. DAN MAZIER: Correct.

13 MS. MARLA BOYD: And during that time
14 you're at risk of interest rates increasing, correct?

15 Sorry, that was "yes"?

16 MR. DAN MAZIER: Yes.

17 MS. MARLA BOYD: Could I ask you to
18 pull up the CAC chart, please.

19

20 (BRIEF PAUSE)

21

22 MS. MARLA BOYD: Mr. Mazier, are you
23 aware that none of the proposals that are on this page
24 are before this Board for approval by Manitoba Hydro?

25 MR. DAN MAZIER: None? None of the --

1 MS. MARLA BOYD: Neither of the 3.95
2 plan or the MH plan are what Hydro's seeking approval
3 of in this hearing.

4 MR. DAN MAZIER: It says Manitoba MH
5 plan on there. So I would say by the designation of
6 the -- of the title, I would say that was Manitoba
7 Hydro's plan -- proposal anyways.

8 MS. MARLA BOYD: So --

9 MR. DAN MAZIER: But you're asking the
10 question is it in front of the Board or is it -- has
11 it been proposed at one (1) point in time by Manitoba
12 Hydro? I -- that I don't know what's in front of the
13 Board, but I know what's in front of me.

14 MS. MARLA BOYD: Would it surprise you
15 to learn that today Manitoba Hydro is seeking approval
16 of 7.9 for only one year, 2018/'19?

17 MR. DAN MAZIER: It would be.

18 MS. MARLA BOYD: It would be a
19 surprise to you?

20 MR. DAN MAZIER: Surprise to me
21 especially in his -- listening to the last couple of
22 months in -- in the media and what's been going on.

23 MS. MARLA BOYD: Mr. Chair, I
24 circulated by email yesterday a Manitoba Hydro Aid To
25 Cross. It's been distributed to the panel I

1 understand, to the ratepayer panel. I'm not sure if
2 it's before the Board panel. I have it here.

3 THE CHAIRPERSON: We do not have it.

4

5 (BRIEF PAUSE)

6

7 MS. MARLA BOYD: I did provide this to
8 the Coalition counsel yesterday. I would like to ask
9 that it be marked as an exhibit. I believe it's
10 Manitoba Hydro Number 104.

11 MR. KURT SIMONSEN: Thank you.

12

13 --- EXHIBIT NO. MH-104: Manitoba Hydro Aid To
14 Cross document

15

16

17 CONTINUED BY MS. MARLA BOYD:

18 MS. MARLA BOYD: What this -- this is
19 and I understand that you've also seen this as well,
20 Mr. Menzies (sic)?

21 MR. DAN MAZIER: Yes.

22 MS. MARLA BOYD: Sorry, Mr. Mazier.

23 This includes a third line on the chart that was
24 provided by the Coalition. It's a line that was in
25 response to an Information Request that the Public

1 Utilities Board posed to Manitoba Hydro. It is also
2 consistent with the evidence of Manitoba Hydro that
3 was given during its testimony; that Manitoba Hydro's
4 intention is that once it reaches a 25 percent equity
5 target that the rates would have the possibility of
6 decreasing.

7 MR. DAN MAZIER: Okay.

8 MS. MARLA BOYD: You're aware of that.

9 MR. DAN MAZIER: Yeah.

10 MS. MARLA BOYD: So I'd ask you to
11 look to the period '27 -- 2027/'28.

12 MR. DAN MAZIER: Yeah.

13 MS. MARLA BOYD: And you can see there
14 that under the 3.95 plan, 4000 kilowatt hours, the
15 rate increase would be -- sorry, the total monthly --
16 annual bill would be one thousand five hundred ninety-
17 two dollars (\$1592)?

18 MR. DAN MAZIER: Yes.

19 MS. MARLA BOYD: And under the PUB-21b
20 plan, the annual bill would be one thousand four
21 hundred and eighty-eight dollars (\$1488). Do you see
22 that?

23 MR. DAN MAZIER: Yeah.

24 MS. MARLA BOYD: And similarly as we
25 follow that row down with monthly use of 200 kilowatt

1 hours, the 3.95 plan is two thousand nine hundred
2 twenty-five dollars (\$2925); and the PUB -- sorry,
3 three thousand forty-one dollars (\$3041) and the PUB-
4 21b plan is two thousand eight hundred and forty-three
5 dollars (\$2843). Do you see that?

6 MR. DAN MAZIER: Yes.

7 MS. MARLA BOYD: And finally, under
8 the column of 4000 kilowatt hours in the '27/'28 year,
9 the 3.95 plan is five thousand nine hundred and
10 thirty-eight (\$5938) and the PUB 21b plan is five
11 thousand five hundred and fifty-three dollars (\$5553).

12 Do you see that?

13 MR. DAN MAZIER: Yep.

14 MS. MARLA BOYD: So when you look at
15 rate increases which are over the long term more
16 predictable, I think was the word you used, do you
17 still prefer that you pay longer -- lower rate
18 increases over a longer time when you realize that you
19 could have lower rate increases overall in the year
20 2027 and following?

21 MR. DAN MAZIER: This is a
22 hypothetical scenario ten (10) years out, I believe,
23 and in any business plan as far as we go out -- the
24 furthest I've ever gone is probably five (5) years;
25 unless it becomes into retirement.

1 To -- for a Utility to suggest that
2 they're going to give you a reduction in rates over a
3 19 percent, almost 20 percent in ten (10) years time
4 with no guarantees, I don't take it as -- I don't hold
5 much weight with that. So I would go back to my
6 principles of if I've borrowed the money, I know it's
7 going to cost me more interest rates, and that is
8 where we started the conversation. The cost is there.
9 And I realize that someone has borrowed a lot of money
10 and you gotta make up with this money somehow, but so
11 much can change in ten (10) years.

12 So if -- if you were to stabilize
13 things -- if you gave that -- to that in a five-year
14 plan, we can maybe talk about it then, but even then
15 the 8 percent increases, I think that's what's -- it's
16 just -- it's staggering everybody because it's just
17 too much. You start talking -- you're getting into
18 double digit increases over the ten (10) years anyway.
19 And it's just too much impact.

20 MS. MARLA BOYD: And each of these
21 scenarios that you see is a -- is a forecast? They're
22 all long-term plans. You understand that?

23 MR. DAN MAZIER: Yes, yeah, and I -- I
24 would prefer for Manitoba Hydro to focus on the
25 immediate five (5) years. It's more believable. It's

1 more sellable to the public. It's more credible. And
2 I think we could all have a -- a more con -- better
3 conversation of, here's what's happening in the next
4 two (2) to three (3) years, and then let's move
5 forward. Start on year 2 on the next three (3) years,
6 or something like that versus let's project for the
7 next twenty (20) years and here we might have a carrot
8 at the end of the day.

9 MS. MARLA BOYD: That would suggest
10 that if you were going to pay higher rate increases
11 for a shorter period of time to pay down debt in a
12 five (5) year period, you'd be looking at a ran --
13 increase substantially in excess of the 7.9 that's
14 been applied. You're aware of that?

15 MR. DAN MAZIER: M-hm, yep.

16 MS. MARLA BOYD: And would you be
17 willing to pay a rate increase in the order of 15
18 percent or more to have a surety of your debt being
19 paid down in five (5) years?

20 MR. DAN MAZIER: If I would've had a
21 say in the -- in the original debt that was undertaken
22 -- I didn't make this problem; that -- that's --
23 that's their whole problem here, right.

24 I understand that the -- the conundrum
25 that Manitoba Hydro's under, but I had no -- no

1 control over how much debt was actually being
2 accumulated. I look back to the building of the first
3 dam I think -- so that was Key -- Wuskwatim and I was
4 involved in the -- the whole process of trying to
5 build renewable energy at that time in -- in Manitoba
6 Hydro under the expression of interest for wind
7 production in Manitoba.

8 And it was quite amusing as we talked
9 about alternate sources of energy for Manitoba Hydro
10 and I talked to the board and I talked to the Chairman
11 and the CEO at the time about implementing a community
12 power program. They kept on saying about our power
13 was only costing \$0.02 to \$0.03 of power -- a kilowatt
14 to produce so why would we entertain the fact of
15 bringing in alternative forms of power. And so they
16 decided to build dams and that came in at much higher
17 than \$0.02 to \$0.03 a kilowatt hour, as we're all
18 aware, and here we sit we a bad problem.

19 And I think Manitobans are generally --
20 or at least, ratepayers, I am, saying that it's --
21 we've got to approach is a different way that's much
22 more affordable. There's -- there's bigger things at
23 play not just in Manitoba and not just for the
24 ratepayers. But how do we maintain competitiveness on
25 the world stage.

1 We've got trade deals that are
2 happening outside of us that we -- we really gotta get
3 our head around and I know Manitoba Hydro's just as
4 exposed as agriculture is when it comes to trade
5 deals.

6 MS. MARLA BOYD: Are you aware that
7 Manitoba Hydro's evidence in this proceeding is that
8 proposed higher rate increases over a shorter period
9 of time will result in more stable rates in the
10 future?

11 MR. DAN MAZIER: Yes.

12 MS. MARLA BOYD: And are you aware
13 that Manitoba Hydro's evidence in this proceeding has
14 been that the current rates are not generating enough
15 cash to pay for expenses?

16 MR. DAN MAZIER: Yes.

17 MS. MARLA BOYD: Are you aware that if
18 rate increases approved in this application are less
19 than 7.9 percent, Manitoba consumers are at higher
20 risk for higher rate increases in the future?

21 MR. DAN MAZIER: Yeah. Yes. With a
22 grey zone. Prove it, I guess that -- that's always --
23 things change. Thanks change.

24 MS. MARLA BOYD: You're aware that
25 that's Hydro's evidence in this proceeding?

1 MR. DAN MAZIER: Yeah and for how many
2 years out I guess that's -- that's the question. I
3 guess I go back to that -- let's focus on the five (5)
4 years not the twenty (20) years.

5 THE CHAIRPERSON: Sorry, Ms. Boyd, I
6 don't want to interrupt. We're running into a time
7 problem, but I don't want to affect your cross-
8 examination. We have another witness who is supposed
9 to start at 11:00 who has time constraints, I'm just
10 wondering if we could interrupt this panel for about a
11 half an hour, have the other witness testify and then
12 you could continue your cross-examine -- I'd like you
13 to complete your cross-examination, but otherwise
14 we're going to lose the other witness.

15 MS. MARLA BOYD: If that's your
16 preference, Mr. Chair, certainly.

17 THE CHAIRPERSON: If that's okay. Ms.
18 Dilay, do we have a problem with your panel?

19 MS. KATRINE DILAY: I may have to
20 check on that. If I can have one (1) minute --

21 THE CHAIRPERSON: This is -- this is
22 the problem when we have public participation, we're
23 subject to a whole bunch of schedules.

24 MS. KATRINE DILAY: And I believe Dr.
25 Williams is just checking currently.

1 (BRIEF PAUSE)

2

3 THE CHAIRPERSON: I apologize for
4 doing it. I hate, you know, splitting this but we --
5 we really don't have any other option. Are we okay?

6 MS. KATRINE DILAY: It looks like we
7 are okay.

8 THE CHAIRPERSON: Okay, if we could
9 just -- you know, and if -- if this panel -- till the
10 bitter end, Mr. Barton. We survived through C10
11 yesterday, I think we can survive through this.

12 Mr. Alward, if you could maybe move
13 beside Ms. Dilay, is that okay -- you can just stay
14 there. You can just sit there; that would probably be
15 the easiest but if we could have his testimony because
16 I understand he has to leave by a little after 11:30
17 or... Again, I apologize to Manitoba Hydro.

18 DR. BYRON WILLIAMS: Mr. Chair, just
19 for a -- if any of the witnesses wish to just take a
20 break and go --

21 THE CHAIRPERSON: Oh, absolutely, no,
22 you're very free to -- to leave the room until quarter
23 to -- quarter -- I think we'll be resuming at that
24 point. Is that when...

25

1 (BRIEF PAUSE)

2

3 THE CHAIRPERSON: Sorry. Yes, he'll
4 be ten (10) or fifteen (15) minutes, but if -- if the
5 participants for the ratepayer panel want to go out?
6 Okay.

7

8 (CONSUMER COALITION RATEPAYER PANEL RETIRES)

9

10 JONATHAN ALWARD, Affirmed

11

12 PRESENTATION BY CANADIAN FEDERATION OF INDEPENDENT
13 BUSINESSES:

14 THE CHAIRPERSON: Thank you for
15 attending, Mr. Alward. Please proceed.

16 MR. JONATHAN ALWARD: Thank you.
17 Yeah, I appreciate the opportunity of everyone to come
18 and speak this morning, and for you accommodating a
19 time that worked. It's my pleasure to be here on
20 behalf of the Canadian Federation of Independent
21 Business, and certainly we appreciate the opportunity
22 to present the small business perspective on Manitoba
23 Hydro's General Rate Application. If you can proceed
24 to the next slide. Thank you.

25 So, as mentioned here, my name's

1 Jonathan Alward, and I'm Manitoba's director of
2 Provincial affairs at CFIB. We are passionate about
3 small business. Because of their massive
4 contributions to our economy, employment, and our
5 communities, we believe that small businesses deserve
6 a strong voice in government decisions, and we provide
7 that reasonable, credible, and effectively for small
8 businesses to participate in the political process,
9 just like big businesses and unions do.

10 Across the country, CFIB represents a
11 hundred and nine thousand (109,000) independently
12 owned and operated businesses, including forty-eight
13 hundred (4,800) small businesses right here in Canada
14 (sic). We are strictly nonpartisan, not-for-profit
15 organization, and our members importantly are located
16 in every region of the Province and in sectors that
17 very closely mirror our Province's economy. If -- if
18 you can skip, there should be other bullets there on
19 that slide. Thank you.

20 Every CFIB position is set by direct
21 feedback from our members, and we place a -- a very
22 strong emphasis on this, and this is done through
23 accurate, regular surveys, which operate under a one
24 member, one vote system. Our views are strictly based
25 on the results of these surveys, and it's therefore

1 with great confidence that I can present here on
2 behalf of our forty-eight (4,800) members in Manitoba
3 to express the concerns that small business owners
4 have with the proposed 7.9 percent rate increase being
5 debated this morning. Next slide, please.

6 Our members have made it clear that the
7 electrical rate increases of 7.9 percent annually
8 until 20 -- 2023/'24, would severely impact the
9 businesses and their employees. In fact, energy costs
10 are already among the top three (3) cost pressures
11 identified by the Manitoba small business owners in
12 CFIB's December 2017 business barometer, as well as in
13 November.

14 As you can see on the slide, our
15 barometer has been decreasing significantly throughout
16 the year. Although it rebounded slightly in December,
17 it remains very weak. Low electricity rates are
18 important to keep Manitoba's businesses competitive in
19 a global economy, and higher Hydro rates means small
20 businesses have fewer resources to create jobs, invest
21 in their businesses, and contribute to the economic
22 growth of the Province. If costs continue to increase
23 without more significant relief measures, Manitoba's
24 small businesses and the small business climate will
25 suffer. Next slide, please. Thank you.

1 The CFIB surveyed its members on this
2 important issue between October 26th and November
3 10th, 2017, just recently, of course, and these
4 results were collected from two hundred and twenty-
5 three (223) small business owners. When asked:

6 "If Manitoba Hydro increases
7 consumer electrical rates by 7.9
8 percent annually until 2023/2024,
9 what would be the impact on your
10 business?"

11 A majority, 76 percent of respondents
12 said it would significantly increase their electrical
13 costs, 62 percent said that it would increase prices
14 of their products or services, 53 percent said it
15 would delay investments in their business, such as
16 employee training, equipment purchases, et cetera.

17 Even more concerning is the fact that
18 29 percent said they would -- it would put future
19 hiring plans on hold, 18 percent said they would
20 reduce their number of staff, and 16 percent said they
21 would reduce staff hours.

22 Manitoba business owners are already
23 dealing with much uncertainty related to the concerns
24 about the federal government's proposed tax changes,
25 the NAFTA renegotiation, the Made-in-Manitoba carbon

1 tax, looming increases to employment insurance
2 premiums and Canada Pension Plan premiums. A large
3 increase to electrical rates will have a major
4 negative impact on the small business climate in
5 Manitoba.

6 Furthermore, one (1) of the intentions
7 of the Made-in-Manitoba carbon tax is to incentivize
8 consumers to switch from natural gas to electricity
9 and -- by increasing the price of fossil fuels.
10 However, we worry that a massive hike in electricity
11 would nullify any financial incentives for small
12 business or resident, for that matter, switch to
13 renewable energy consumption.

14 Instead of pursuing significant cost
15 increases, we believe that Manitoba Hydro should
16 further its efforts to curb operating spending first.
17 It's important to note that CFIB commended Manitoba
18 Hydro's necessary first step to reduce its workforce
19 by nine hundred (900) positions in early 2017. I
20 understand this will save Manitoba Hydro approximately
21 \$65 million each year when fully implemented. Next
22 slide, please.

23 However, a recent CFIB survey found
24 that a strong majority, 87 percent of Manitoba small
25 business owners still believed that Manitoba Crown

1 corporations should reduce the size and cost of their
2 civil service through attrition. More can and must be
3 done to further reduce Manitoba Hydro's labour costs.

4 Thank you again for considering the
5 concerns of Manitoba small business owners outlined in
6 my presentation. It's our hope that the Public
7 Utilities Board will limit electrical rate increases
8 and instead emphasize the need for Manitoba Hydro to
9 continue reducing its costs. Thank you.

10 THE CHAIRPERSON: Thank you. GAC, any
11 questions? No, sorry, yes --

12 MR. DAVID CORDINGLEY: No questions.

13 THE CHAIRPERSON: Ms. Ramage, are you
14 on the mic now?

15 MS. PATTI RAMAGE: It looks like it.
16 We may have a few questions. Can we just have one
17 moment --

18 THE CHAIRPERSON: Absolutely.

19 MS. PATTI RAMAGE: -- to consult?

20 THE CHAIRPERSON: Certainly.

21

22 (BRIEF PAUSE)

23

24 CROSS-EXAMINATION BY MS. PATTI RAMAGE:

25 MS. PATTI RAMAGE: We just have a

1 couple of questions. To begin with, Mr. Alward, you
2 indicated that the -- I think it was energy costs is
3 the top three (3) con -- concerns of your members.
4 What --

5 MR. JONATHAN ALWARD: Yeah.

6 MS. PATTI RAMAGE: -- are the other
7 two (2)?

8 MR. JONATHAN ALWARD: Sorry, fuel and
9 energy costs.

10 MS. PATTI RAMAGE: Fuel and energy?

11 MR. JONATHAN ALWARD: Yes.

12 MS. PATTI RAMAGE: What were the other
13 two (2) concerns?

14 MR. JONATHAN ALWARD: The other two
15 (2) -- I have it here -- for December would be taxes,
16 not surprising, and wage costs would be the -- the
17 second.

18 MS. PATTI RAMAGE: And you also made
19 it clear that your members believe that Crown
20 corporations such as Manitoba Hydro should continue to
21 reduce labour costs. Is that correct?

22 MR. JONATHAN ALWARD: Yes, that's
23 correct.

24 MS. PATTI RAMAGE: And I assume the
25 basis for that -- to -- the reason you want to reduce

1 labour costs is because you want the overall costs of
2 the Utility to be optimized, or as low as possible.

3 Is that correct?

4 MR. JONATHAN ALWARD: That -- that is
5 correct.

6 MS. PATTI RAMAGE: And I don't know if
7 you've been following these proceedings, but if I was
8 to advise you that interest expense, which is driven
9 by Manitoba Hydro's debt, is significantly -- a
10 significantly greater cost than our annual employment
11 cost, interest debt on an annual basis is
12 significantly greater than employment, would you also
13 agree that it's important that Manitoba Hydro get a
14 handle on that interest cost?

15 MR. JONATHAN ALWARD: I look at the --
16 I look at this question from the perspective of -- of
17 our members, they're small business owner. They have
18 to control the costs that they can ultimately control,
19 and that's what should be done first and foremost.
20 And for them, that would mean making difficult
21 decisions, and that's certainly the first place that
22 Manitoba Hydro should be focusing.

23 MS. PATTI RAMAGE: Correct. Manitoba
24 Hydro, I don't think, disagrees. I think that's the
25 plan.

1 But having taken action on the -- on
2 those operating cost funds, do you agree that we need
3 to focus attention on getting the debt under control?

4 MR. JONATHAN ALWARD: We -- we're not
5 really here to dispute whether there is a debt
6 problem. We think that there certainly -- the
7 arguments laid out have -- have a lot of merit, but
8 again, we're here to talk about what we can control,
9 and we believe that Manitoba Hydro has a
10 responsibility to continue finding efficiencies first
11 before they try and increase their revenues, no
12 different than any small business in the Province
13 would have to do themselves.

14 MS. PATTI RAMAGE: Well, in terms of
15 your survey to your membership, did you put any
16 questions to your members along the lines of, If rates
17 are lower in the long run, would that impact their
18 behaviour if they -- if they knew these rate increases
19 would result in lower rates in the long run? Was that
20 put to them?

21 MR. JONATHAN ALWARD: It -- it hasn't
22 been yet, although certainly we would welcome any --
23 any opinions or questions that you'd be interested in
24 finding out from our members in the future, or -- or
25 anyone certainly on the board as well. If that's

1 something you're interested in, we can certainly look
2 at that.

3 But again, I know it was raised
4 earlier. You know, we're looking at very, very long-
5 term costs, and we've already seen significant cost
6 overruns, Manitoba Hydro looking at infrastructure
7 projects. It's very difficult to project those costs
8 out long-term and make a -- a very definitive decision
9 on whether or not that's a good idea. We don't even
10 know if those significant infrastructure projects will
11 be going on ten (10) years, because we just -- we --
12 we don't know. It's -- it's too far out to -- to say
13 definitively what might happen.

14 MS. PATTI RAMAGE: Would it be fair to
15 say that your -- your constituents are interested in
16 stable rates, stable and predictable rates?

17 MR. JONATHAN ALWARD: You know,
18 generally, but -- but again, we brought this
19 information forward to really illustrate the impact
20 that these rates are going to have. We know that this
21 is a consultation process. We expected that the
22 Public Utilities Board and others would want to find
23 out what the impact would be of these proposed
24 increases, and really focus on first and foremost
25 reducing costs instead of trying to increase revenues.

1 We believe that is the necessary step
2 that has to happen. I know we're only looking at,
3 really, this year ahead. We would certainly encourage
4 the -- that Manitoba Hydro look at the -- reducing
5 costs instead of increasing revenues, first and
6 foremost.

7 MS. PATTI RAMAGE: Okay. Fair -- fair
8 enough, but would you agree that your members would
9 not be satisfied if Manitoba Hydro looked at one (1)
10 aspect of its business, reducing operating costs, and
11 let others continue -- continue to result in greater
12 costs to the system? They expect all legs of the
13 chair to be dealt with?

14 MR. JONATHAN ALWARD: I -- it -- it's
15 a good question, and I -- I can say -- I -- I can't
16 say with certainty that, you know, as I mentioned from
17 the get-go, we base everything off of member survey
18 data. Every position, you know, including the
19 question you've presented with me now.

20 Again, I'd reiterate, we're -- we're
21 focused on the costs that you control. That's the
22 questions we've asked so far, and we think that
23 Manitoba Hydro has to look at reducing those costs
24 first, and then we can start to have a conversation
25 about what increases might need to happen in one (1)

1 year versus another long-term plans, et cetera.

2

3

(BRIEF PAUSE)

4

5

MR. JONATHAN ALWARD: And -- and just
6 to reiterate to everyone on the Board, I mean, this is
7 one (1) of many, many increases facing small business
8 owners over the next two (2) to three (3) years that
9 we already know of, not even to mention the things
10 that could come up in the meantime, significant cost
11 increases through federal tax changes, Canada Pension
12 Plan premiums, a new carbon tax, especially on those
13 energy-reliant in -- businesses, and things that we
14 don't even already know the full ramifications of,
15 like what's happening with the North American Free
16 Trade Agreement. There are huge incoming costs to
17 small businesses in the short term, and this would
18 really be a significant blow to the small business
19 climate here in Manitoba, from our data.

20

MS. PATTI RAMAGE: You're aware
21 Manitoba Hydro is a cost recovery business, correct?
22 Yes. It -- it certainly sounds like your members are
23 very concerned about costs it cannot control.

24

MR. JONATHAN ALWARD: M-hm.

25

MS. PATTI RAMAGE: Is that correct?

1 You have to say --

2 MR. JONATHAN ALWARD: Yeah. Sorry,
3 correct. Yes

4 MS. PATTI RAMAGE: The court -- the
5 court reporter doesn't pick up the nod. It look me a
6 long time to get used to that. So -- and I would
7 expect your business members, though positions --
8 position themselves, knowing that there's a potential
9 carbon tax, that there's a potential interest --
10 interest rate increase, something like that, would
11 that -- that would be the prudent thing to do, to
12 position themselves on things they can't control?

13 MR. JONATHAN ALWARD: You know, I -- I
14 -- again, I'm -- I'm here to -- to represent our
15 businesses, and I have to rely on the survey data that
16 we've taken. That is the virtue and the vice of -- of
17 what we do at CFIB. You know, certainly there are
18 controlled -- they're concerned about those costs that
19 they control, and the costs that they're -- they're
20 reasonably expecting in the very short term based on
21 what legislations come out, for example.

22 But further than that, you know,
23 certainly many small business owners plan for the --
24 plan for the worst. But you have to continually
25 rethink on a regular basis based on new information

1 that's coming at you.

2 MS. PATTI RAMAGE: Okay. Thank you
3 very much. I -- we appreciate your coming out. We
4 appreciate hearing your perspective.

5 MR. JONATHAN ALWARD: I appreciate the
6 -- the opportunity to speak, and if there are any
7 other questions.

8 THE CHAIRPERSON: Yeah. Thank you.
9 I'll ask if the panel has any questions.

10 BOARD MEMBER MCCUTCHEON: Good
11 morning, Mr. Alward. On your -- page 3, your business
12 barometer index, I was just curious if you would have
13 an opinion or a comment on the significant drop from
14 sort of the midpoint of 2017 to -- towards the end of
15 2017 on that index. What would the factors be, and --
16 why we're seeing that.

17 MR. JONATHAN ALWARD: Thank you for
18 the question. It's -- it's a very interesting one.
19 We get quite often. It's very difficult to infer one
20 (1) specific reason. We're looking at business
21 optimism in general. It could look at federal
22 policies, provincial, municipal policies, as well as
23 external policies like the North American Free Trade
24 Agreement.

25 Certainly, there were significant tax

1 increases proposed at that time; federal government
2 concerns about NAFTA. I believe that around that same
3 time, the Provincial government also proposed the idea
4 of increasing the healthcare premium. We know that
5 there's been significant talk about long-term
6 significant increases at Manitoba Hydro.

7 We think that there are -- are many
8 ways. If I had to guess, which is difficult, just
9 based on the increase in the tax and regulatory cost
10 as a cost pressure, it's probably a combination of
11 those -- those increases.

12 BOARD MEMBER MCCUTCHEON: Thank you.

13 BOARD MEMBER GRANT: Mr. Alward, do
14 you have any idea how much the average -- one (1) of
15 your average member spends, what their electricity
16 bill is as a percentage of their total cost?

17 MR. JONATHAN ALWARD: That's a very
18 good question. It's -- it's very difficult for me to
19 give you a hypothetical. And I think that's one (1) -
20 - one (1) reason why if you look at, I believe it was
21 figure 1, why we had such interesting questions. We
22 asked:

23 "Is -- is -- would those costs that
24 Hydro has -- Manitoba Hydro has
25 proposed, would it significantly

1 increase your business's electrical
2 cost?"

3 Really, to sort out what businesses are
4 energy-dependent, if you take a manufacturing poll,
5 it's going to be significant, and it's not just a --
6 an -- a hypothetical amount, you know, a percentage of
7 your -- of your operating costs, but it's based on
8 what your production is, and certainly, your
9 production can increase based on what your -- what
10 your costs need to be.

11 I -- I don't have a solid answer, but I
12 would certainly suggest for those industries that are
13 energy-dependent, it is a significant cost, as they've
14 outlined.

15 BOARD MEMBER GRANT: Okay. It's just
16 I'm -- I'm just trying to put in proportion. I mean,
17 my impression was that -- and while certainly, a lot
18 of small business areas, electricity costs tend to be
19 a small portion of overall costs, and so that if you
20 get a 7.9 percent increase on a fairly small portion
21 of total costs, it may not lead to the sort of severe
22 reaction that normally happen if it was a -- a larger
23 proportion.

24 So I guess part of my question is: You
25 -- you represent forty-eight hundred (4,800) members,

1 and your sample size is two hundred and twenty-three
2 (223). Not a great response rate. And -- and so then
3 to put this in context, I'm used to getting a lot of
4 bad student evaluations on courses, and I satisfy
5 myself that those are just the cranks in the class
6 that are -- so that it's potentially a kind of a
7 biassed sample, is I'd like to statis -- but -- so I
8 guess my question is -- is: How to interpret these
9 results within that broader context. Am I getting a -
10 - a kind of a -- a reaction from one (1), you know,
11 very extreme group of potential members?

12 MR. JONATHAN ALWARD: Well, I will
13 appreciate the concern. Certainly, if you look at the
14 history of our data, and if you look at -- one (1)
15 great example would be, like, our national environment
16 survey. If you look at what happens in Manitoba
17 versus what happens in all other Provinces combining,
18 you're looking at a sample size of closer to, say,
19 seven (7) or eight thousand (8,000). The results are
20 very, very consistent.

21 So I think that there is an extreme
22 amount of credibility in our survey data, and that's
23 why, for example, the federal government uses our
24 business barometer that we were just discussing to --
25 to help build their projections in their federal

1 budget. So certainly appreciate the concern, but
2 would agree to disagree.

3 But -- but again, there -- there might
4 be some small business owners that rent their
5 property, for example. And if -- if you looked at a
6 small accounting firm that might rent a property,
7 their electrical costs might not be proportionately a
8 significant impact if we -- if we're trying to find
9 that.

10 But if you look at a manufacturing
11 firm, some in the construction industry and others,
12 there's huge, huge reliant -- reliance on energy
13 costs. And if you take a -- a manufacturing firm as
14 just a hypothetical, they maybe have already accepted
15 -- or been awarded a tender for the coming year that
16 they have to -- to build a certain product. And if
17 they're facing an 8 percent cost -- or nearly 8
18 percent cost in their electrical rates over the next
19 year, have no way to recover that cost in a lot of
20 cases.

21 So again, just to reiterate, we -- we
22 we've seen that most small business owners believe
23 that this cost increase would be significant, that it
24 would have an impact on their business, and certainly,
25 it's going to have a greater impact on some than

1 others.

2 BOARD MEMBER GRANT: Okay, and this is
3 going to be a nasty comment, but It takes some
4 interpretation. I -- I'm assuming that the small
5 businesses, they're operating in perfectly competitive
6 markets. That means they're price-takers. And half
7 of them are responding, or a good chunk are responding
8 that they're going to raise their price in response to
9 the potential electricity cost increase. Aren't they
10 price-takers?

11 MR. JONATHAN ALWARD: We -- we live in
12 a global economy, and we certainly also, you know,
13 even if you just look at the new Canadian Free Trade
14 Agreement, there is more provincial trade expected to
15 happen in the near future.

16 Price-takers certainly understand the -
17 - the context there, but you have to look at --
18 comparatively at other Provinces. And, you know, if -
19 - if I can, if you look at even the significant
20 collaborative effort from Mayor Bowman, Premier
21 Pallister, to try and attract Amazon, if you look at
22 really, what one (1) of the core arguments of why
23 Manitoba would be an excellent home for business is
24 because we have low, stable, electrical rates. So I
25 certainly think that -- that is an important value

1 proposition.

2 BOARD MEMBER GRANT: Okay. Thanks.

3 THE CHAIRPERSON: Mr. Alward, I
4 believe the evidence in the hearing to date is that
5 Manitoba Hydro has -- is reducing its workforce by
6 nine hundred (900) people over a period of time. Is
7 that considered a large number of people?

8 MR. JONATHAN ALWARD: Well, my
9 understanding is it's around 15 percent. Is that --
10 is -- is that -- yeah, sorry. It, you know, certainly
11 it -- it is, you know, we -- we commend good policy
12 and criticize bad. We commended the policy very
13 publicly, and we were pleased to do so. It is a very,
14 very positive step.

15 But the question -- or the -- the
16 survey response cited in our -- in our presentation
17 inherent in the -- the PowerPoint, this was taken
18 afterwards. So, you know, we believe it was a
19 significant step, but small business owners believe
20 that more can and should be done.

21 THE CHAIRPERSON: Why attrition?

22 MR. JONATHAN ALWARD: We -- we think
23 that's the most effective way to do that. We would
24 certainly look at many other ways. In a lot of cases,
25 it's often the most feasible way for government to

1 begin making this.

2 THE CHAIRPERSON: Well, but if -- if
3 the linemen are retiring, are we not going to replace
4 the linemen?

5 MR. JONATHAN ALWARD: Again, there --
6 there -- in small business, you have to control the
7 costs.

8 THE CHAIRPERSON: Okay. In a small
9 business, if you reduce your cost, do you do it by
10 attrition, or you do it by determining what people or
11 what positions can be replaced or combined?

12 MR. JONATHAN ALWARD: In some cases
13 you would. You know, we can certainly ask the
14 question whether or not small business owners support
15 Manitoba Hydro specifically reducing the size of their
16 staff, even if it's outside of through attrition, and
17 if it's through restructuring and -- and dismissals.
18 We can certainly ask that. We just don't have that
19 data yet.

20 THE CHAIRPERSON: Okay. Ms. McKay,
21 did you have a question?

22

23 (BRIEF PAUSE)

24

25 BOARD MEMBER MCKAY: I just have one

1 (1) question. It's on page 4 of your PowerPoint.

2 MR. JONATHAN ALWARD: Okay.

3 BOARD MEMBER MCKAY: And I just want
4 to know, did the respondents have the opportunity to
5 check more than one (1) answer. I'm presuming they --
6 they did, but --

7 MR. JONATHAN ALWARD: Yes.

8 BOARD MEMBER MCKAY: Okay.

9 MR. JONATHAN ALWARD: That's correct.

10 BOARD MEMBER MCKAY: That's all I want
11 to know.

12 THE CHAIRPERSON: Thank you, Mr.
13 Alward. We really appreciate you appearing before us
14 today.

15 MR. JONATHAN ALWARD: Thank -- thank
16 you.

17 THE CHAIRPERSON: Thank you.

18 MR. JONATHAN ALWARD: The -- other
19 thing I -- I forgot to mention, in our survey, it
20 wasn't as black and white as this. We did provide pro
21 and -- background context so that they can make an
22 educated decision when -- when filling out those
23 survey responses. So again, appreciate the
24 opportunity to present.

25 THE CHAIRPERSON: Well, that -- that

1 leads -- sorry. If we're going to receive this, we
2 actually need that other information as well so -- so
3 that we --

4 MR. JONATHAN ALWARD: Yeah. And we --
5 we can -- we can certainly provide that.

6 THE CHAIRPERSON: -- can consider it
7 in --

8 MR. JONATHAN ALWARD: Yeah.

9 THE CHAIRPERSON: -- in context.

10 MR. JONATHAN ALWARD: Yeah. We can
11 certainly provide that.

12 THE CHAIRPERSON: Okay? Thank you.

13 MR. JONATHAN ALWARD: Thank you.

14 THE CHAIRPERSON: Thank you, Mr.
15 Alward. Is Ms. Dilay back? Thank you again, Mr. Alw
16 -- Alward.

17 Are we doing the shuffle, Ms. Ramage?
18 We're going to do the shuffle. Okay. I look forward
19 to it. Ms. Ramage, you weren't here for C-10. I was
20 disappointed. Although -- although Mr. Barnlund had
21 quite enjoyed it.

22

23 (BRIEF PAUSE)

24

25 THE CHAIRPERSON: Again, I apologize,

1 Ms. Boyd, if you want to -- to continue.

2 MS. MARLA BOYD: Thank you very much,
3 Mr. Chair. I should note as well that although I
4 introduced myself because I was new to the process
5 today for some of the panel members, I neglected to
6 introduce the other people from Hydro who are sitting
7 here with me, and some of them, of course, will be new
8 to our witnesses today.

9 So -- so if I might take just a minute,
10 on my far left is Greg Barnlund, who is the director
11 of rates and regulatory affairs. Next to him is Jamie
12 McCallum, who is the chief finance and strategy
13 officer, and on my right is Mr. Paul Chard, who is the
14 director of customer care.

15

16 CONTINUED CONSUMER COALITION PANEL 1 - CONSUMER
17 RATEPAYER

18 DAN MAZIER, Previously Sworn
19 REBECCA TRUDEAU, Previously Affirmed
20 GORDON BARTON, Previously Sworn
21 LYNDIE BRIGHT, Previously Affirmed
22 EMILY MAYHAM, Previously Sworn

23

24 CONTINUED CROSS-EXAMINATION BY MS. MARLA BOYD:

25 MS. MARLA BOYD: So carrying on --

1 sorry for the interruption, but Mr. Mazier, you
2 indicated that you would consider helping in energy
3 affordability programs if there was one, correct?

4 MR. DAN MAZIER: Yes.

5 MS. MARLA BOYD: Are you aware of the
6 Neighbours Helping Neighbours Program?

7 MR. DAN MAZIER: No.

8 MS. MARLA BOYD: So I gather you don't
9 participate in that program?

10 MR. DAN MAZIER: No. That's -- I --
11 all the -- the -- when I was assuming the
12 affordability program is as a -- as a landlord and
13 having a renter, there was a affordability program
14 there. If -- if I could -- that was what I was
15 envisioning as that -- part of that program that I had
16 only been exposed to.

17 MS. MARLA BOYD: Thank you. Ms.
18 Trudeau, you spoke today about your challenges with
19 your electricity bill. Would that -- those challenges
20 hold true for other bills as well, if your phone bill
21 goes up, or if your transportation costs go up?

22 MS. REBECCA TRUDEAU: Yes

23 MS. MARLA BOYD: You also discussed
24 the definition of energy poverty. And if I could ask
25 that we have Exhibit 88 brought up, please, and slide

1 66 in particular.

2 Are you aware that was -- there was a
3 stakeholder group with Winnipeg Harvest, and the
4 Coalition, and Manitoba Hydro to look at bill
5 affordability?

6 MS. REBECCA TRUDEAU: No.

7 MS. MARLA BOYD: Sorry, it's slide 46.
8 So in the course of that process, there was another
9 definition of energy poverty offered, which is on the
10 top of your screen. And I just wanted you to have a
11 look at it and tell me whether you agree with that as
12 the definition of energy poverty? It says:

13 "Energy poverty refers to
14 circumstances in which a household
15 is, or would be required to make
16 sacrifices or trade-offs that would
17 be considered unacceptable by most
18 Manitobans in order to procure
19 sufficient energy from Manitoba
20 Hydro."

21 MS. REBECCA TRUDEAU: Yes, I would
22 agree.

23 MS. MARLA BOYD: Thank you. Given
24 your current electricity bills. are you aware of how
25 much your bill will change on a monthly payment basis

1 if Manitoba Hydro's application is approved?

2 MS. REBECCA TRUDEAU: Yes.

3 MS. MARLA BOYD: And what would that
4 be?

5 MS. REBECCA TRUDEAU: Twenty-five
6 dollars (\$25) a month.

7 MS. MARLA BOYD: And your monthly
8 bills, as I understand it, are about twenty-five
9 dollars (\$25)?

10 MS. REBECCA TRUDEAU: In between
11 twenty (20) and thirty (30). The max was about thirty
12 (30).

13 MS. MARLA BOYD: And the requested
14 increase is 7.9 percent?

15 MS. REBECCA TRUDEAU: Yes.

16 MS. MARLA BOYD: So as I do that math,
17 and we often joke about lawyers doing math in public,
18 but as I do that math, the increase would be in the
19 order of two dollars (\$2). Do you have any reason to
20 question that?

21 MS. REBECCA TRUDEAU: No.

22 MS. MARLA BOYD: And if a bill
23 increase were to be in the order of 3.95 percent, it
24 would be roughly half of that, or about one dollar
25 (\$1)?

1 MS. REBECCA TRUDEAU: Yes.

2 MS. MARLA BOYD: So as a young person
3 who plans to spend time in Manitoba, given the extra
4 one dollar (\$1) per month now for the possibility of
5 lower rate increases in the future, would you not view
6 that as a -- a good investment?

7 MS. REBECCA TRUDEAU: I would say if
8 it's a dollar now, yes, it'd be fine, but I feel like
9 it would set a precedent for our future.

10 So, for example, that's only seven
11 point nine (7.9) for this year, but in further years.
12 It will be an increase even more, so it could be
13 upwards of five (5), ten (10), fifteen dollars (\$15)
14 in the future.

15 MS. MARLA BOYD: Thank you.

16 MS. REBECCA TRUDEAU: And again, that
17 is a projection within the ten (10) years, would that
18 decrease in the 20 percent or nineteen (19) point --
19 whatever it was.

20 MS. MARLA BOYD: Thank you. Mr.
21 Barton, good morning. You expressed this morning a
22 desire for more transparency. Is that right?

23 MR. GORDON BARTON: Yes, I did.

24 MS. MARLA BOYD: And are you aware of
25 the volume of material that's been filed in this

1 proceeding?

2 MR. GORDON BARTON: Not really,
3 although I assume it is voluminous.

4 MS. MARLA BOYD: Would it surprise you
5 to learn that there's over thirty-two thousand
6 (32,000) pages of information on the record?

7 MR. GORDON BARTON: No.

8 MS. MARLA BOYD: And I take it you're
9 aware that this public utilities process is designed
10 to create that transparency to -- and to allow people
11 to review Manitoba Hydro's rate increases?

12 MR. GORDON BARTON: Yes.

13 MS. MARLA BOYD: Thank you. Could I
14 ask you to look at the definition of energy poverty
15 that's on the screen?

16 MR. GORDON BARTON: I agree with that.

17 MS. MARLA BOYD: Thank you. Ms.
18 Bright, you appear to manage your expenses very
19 carefully. Would you recommend that any business or
20 per -- a person adopt a plan that would require them
21 to borrow money to make interest payments?

22 MS. LYNDIE BRIGHT: I wouldn't
23 necessarily recommend it, because the interest rates
24 on borrowing are quite high. On my credit card, might
25 be 19.9 percent, and I tried to pay the credit card in

1 advance so I don't feel guilty about using it, but
2 there's no way I can influence the rate offered by
3 banks or credit card companies.

4 MS. MARLA BOYD: And you understand
5 that Manitoba Hydro can't influences those rates
6 either?

7 MS. LYNDIE BRIGHT: I agree.

8 MS. MARLA BOYD: Do you think it's
9 important that -- that we all pay our bills today and
10 not leave them for our children and grandchildren?

11 MS. LYNDIE BRIGHT: It would be good
12 to do that. I'm worried that this rate increase over
13 twenty-five (25) years will affect children and
14 grandchildren. I've chosen not to have kids; that's
15 my choice, but for those who have kids and for kids
16 who are having kids, they may have difficulties
17 because the employment situation is not in their
18 favour.

19 MS. MARLA BOYD: And did Ms. Dilay or
20 anyone from the Coalition explain to you that after
21 ten (10) years of paying a 3.95 percent increase, that
22 you will have paid interest on debt, but not made any
23 appreciable difference on the principle of the debt?

24 MS. LYNDIE BRIGHT: It sounds like a
25 amortization of a loan, and I've gone through that in

1 classes. It's difficult to say that in twenty-five
2 (25) years, My loan has paid off, and at twenty-five
3 (25) years, I'm paying more on our loan than I'm
4 paying on interest, but I would prefer to have another
5 way of paying the loan where you know you're paying
6 the loan.

7 MS. MARLA BOYD: And could ask you to
8 look at the definition of energy poverty on the
9 screen?

10 MS. LYNDIE BRIGHT: M-hm.

11 MS. MARLA BOYD: And you agree with
12 that definition that's at the top of that page 46?

13 MS. LYNDIE BRIGHT: I agree with it.

14 MS. MARLA BOYD: Thank you. Ms.
15 Mayham, could I ask you as well to look at the
16 definition of energy poverty that's on the screen? Do
17 you agree with that definition?

18 MS. EMILY MAYHAM: For myself, yes.

19 MS. MARLA BOYD: Thank you. Could I
20 have just a minute, Mr. Chair?

21

22 (BRIEF PAUSE)

23

24 MS. MARLA BOYD: Thank you very much,
25 panel. Thank you, Mr. Chair. Those are our

1 questions.

2 THE CHAIRPERSON: Thank you. The
3 panel has some questions.

4 THE VICE-CHAIRPERSON: Ms. Mayham,
5 thank you for being here today. I think I heard you
6 tell us that you heat your home with a gas furnace?

7 MS. EMILY MAYHAM: That's correct.

8 THE VICE-CHAIRPERSON: But your
9 electricity bill seemed quite high for the fact that
10 you use gas heat, so are you using supplemental
11 electric heat as well?

12 MS. EMILY MAYHAM: Yes, I am.

13 THE VICE-CHAIRPERSON: And in the form
14 of baseboard heaters, for example?

15 MS. EMILY MAYHAM: A furnace.

16 THE VICE-CHAIRPERSON: So you've got
17 an electric furnace and a gas furnace?

18 MS. EMILY MAYHAM: Well, it's -- the
19 house is powered by both the gas and the electricity,
20 so I -- when my Hydro bill comes, I get billed for
21 both, but what I've noticed in the last month or two
22 (2) is I got billed more for electricity than I did
23 for the gas.

24 THE VICE-CHAIRPERSON: Okay, but you
25 do heat with the -- a gas furnace?

1 MS. EMILY MAYHAM: Yes.

2 THE VICE-CHAIRPERSON: Okay. Thank
3 you.

4 BOARD MEMBER MCCUTCHEON: Good
5 morning. Mr. Mazier, now, you -- just want to ask you
6 a couple of questions about your solar and your
7 geothermal.

8 MR. DAN MAZIER: Yeah.

9 BOARD MEMBER MCCUTCHEON: You talked -
10 - forty thousand dollars (\$40,000) was your capital
11 investment. Did that apply to the two (2) of them?

12 MR. DAN MAZIER: Yeah. Yeah. Thirty
13 thousand (30,000) -- it's three dollars (\$3) a watt
14 for the solar and 10 kilowatt system. And then in
15 '94, it was approximately ten thousand dollars
16 (\$10,000) for the geothermal --

17 BOARD MEMBER MCCUTCHEON: Okay. And--

18 MR. DAN MAZIER: -- when I was
19 building the house.

20 BOARD MEMBER MCCUTCHEON: And the
21 other question I had was I think you said your
22 geothermal installation was 1994?

23 MR. DAN MAZIER: Yes.

24 BOARD MEMBER MCCUTCHEON: I was
25 curious how the maintenance has been on it, and what

1 the maintenance costs have been on an installation
2 that's twenty-four (24) years old now.

3 MR. DAN MAZIER: Interesting question.
4 I just put in my first control board about six (6)
5 months ago. Other than that, I haven't spent a penny
6 on it. It's a closed-loop system, and then went down.
7 Actually, I got three (3) loops at 120 feet, and --
8 no, two (2) loops at a hundred and twenty (120), and
9 three (3) at eighty (80). They hit bedrock at around
10 ninety (90), so that's why they went shallower, but
11 they must have hit water, I think, around that fifty
12 (50) foot mark. So it's -- it's a very efficient
13 system.

14 It was interesting when I was debating
15 when we were building a house -- I didn't get to tell
16 this story -- we were deciding whether we're going to
17 put geothermal in -- in the house at the time, and so
18 it was just going to be part of the mortgage when we
19 were building it. So we got estimates from Manitoba
20 Hydro, and if we just went with air conditioning and
21 heating, the electric -- electric standard, it was
22 going to be three hundred (\$300) a month on the Equal
23 Payment Plan. If we went with the geothermal, it was
24 going to be hundred and fifty dollars (\$150) a month.
25 So it was exactly half.

1 So that was just a no-brainer, just put
2 in the house. And were looking at about a ten (10)
3 year payback at that time. Well, lo and behold, the
4 first year we -- we ran the system, it actually came
5 in at eighty dollars (\$80) a month. So we were very
6 much a positive. And then rates increased, so the
7 payback was actually down around four (4) years. For
8 the extra money that I actually spent in all that, it
9 was -- it was back within just under the four (4)
10 years.

11 So I think we -- there's a lot of good
12 efficiencies happen with the geothermal systems, and
13 there's a lot more research. I don't think they've
14 been supported very well. Because it reduces the
15 amount of energy, I had the kick and scratch with my
16 contractor just to get that -- that type of service in
17 the -- in the house. My contractor was not very happy
18 that I wasn't picking his plumber to put in his
19 furnace kind of thing, and his air conditioner, but
20 that -- that kind of stuff is -- is -- there's quite a
21 bit of pressure being put on consumers or house
22 builders that if you are -- are actually making the --
23 the right choice.

24 I know I've heard a lot of complaints
25 on the eastern side of the Province when they went

1 with the open-loop system, and they were cooling with
2 open -- like, well water and things like that, they've
3 had a lot of troubles. Good friends of mine have
4 actually put it in at the same time and he's had
5 nothing but trouble.

6 BOARD MEMBER MCCUTCHEON: Thank you.

7 THE CHAIRPERSON: Sorry, Dr. Grant?

8 BOARD MEMBER GRANT: I just wanted to
9 follow up on that, because I'm very jealous of your --
10 you said you were down to almost -- the one (1) bill
11 you were paying was almost nothing --

12 MR. DAN MAZIER: Yeah.

13 BOARD MEMBER GRANT: -- in the -- so
14 do me a favour, walk across the street with me, and
15 we'll be sitting in the farm, now, looking over at
16 your residence that has the net metering on it, or the
17 --

18 MR. DAN MAZIER: Yeah.

19 BOARD MEMBER GRANT: -- and we would
20 look at the big power lines, and the grid. It --
21 would there be a concern that you're not paying
22 anything to be hooked up to the grid, and, you know,
23 the cost of the distribution/transmission system? I
24 guess I'm wondering if being across the street, being
25 the farmer now --

1 MR. DAN MAZIER: Yeah.

2 BOARD MEMBER GRANT: -- and you go,
3 That son of a --

4 MR. DAN MAZIER: Yeah, who's paying
5 for the --

6 BOARD MEMBER GRANT: -- inappropriate
7 person --

8 MR. DAN MAZIER: Yeah.

9 BOARD MEMBER GRANT: -- he's getting
10 away with -- how come I'm paying these charges and
11 he's -- he's not paying for any of the distribution
12 charges? Do you have that sense of --

13 MR. DAN MAZIER: I -- that's been
14 asked. Actually, I've had fellow farmers and fellow
15 ratepayers ask me that direct question. Like -- and
16 Manitoba Hydro has actually asked the question. Why
17 should we support renewable energy projects? And
18 especially, like, if people in rural and remote
19 Manitoba want to be sustainable, I think Manitoba
20 Hydro has a role to play in education on how we use
21 energy in this Province.

22 With different agencies I've come
23 across with, I -- I -- I can't get over -- when you're
24 aware of just how much energy you need, it changes the
25 way you use it, and I -- I have gone through it -- I -

1 - I put in my solar PV system to get -- supplement my
2 hot tub, actually. I got an outdoor hot tub. The net
3 result was that after a year of running the solar
4 panels and the hot tub in the winter, I shut down my
5 hot tub because it was using too much energy. I
6 couldn't get to that net zero without -- with running
7 my hot tub. So I chose -- like, I, you know, it --
8 not -- not a restraint by any means, but it's funny
9 how it changes your attitude towards your prob --
10 like, your -- your situation for energy.

11 But we're in a different situation in
12 rural Manitoba. I think -- and Manitoba Hydro, we
13 really focused on the transmission, the sale of all
14 this Hydro, how much it's costing. But it's a service
15 of that Hydro. There was -- the previous panel member
16 was talking about Manitoba Hydro as a cost recovery
17 institution, or that's what they can -- they work on.

18 I understand that, but that's not why
19 Manitoba Hydro was first developed. It was to bring
20 and electrify Manitoba. And I think Manitobans are
21 really still looking at it that way, and I -- I don't
22 know how we change that conversation, but I -- in the
23 end of the day, I think maybe if -- if someone wants
24 to develop their own sustainable type of energy in
25 remote or rural Manitoba, and it saves Manitoba Hydro

1 at the end of the day, they should probably support
2 that. They would have less troubles in the
3 distribution system, and they would have less needs.
4 You would have a -- an out. They get to provide the
5 services and the expertise and this is how you would
6 work with that grid.

7 I've always -- in all these discussions
8 with development of renewable energy, I always wanted
9 to complement Manitoba Hydro, not -- not tear it down
10 not sell it off, and Manitoba Hydro never took that
11 attitude. All the time we're -- they were always --
12 they thought it was a threat to them because they're
13 Manitoba Hydro, they're water. They're not renewable
14 energy.

15 And I think that's -- that's got to
16 change a little bit from their perspective, as well as
17 Manitobans.

18 BOARD MEMBER GRANT: Can I -- just one
19 (1) last question for Ms. Trudeau. This is -- I don't
20 know how to best go with this.

21 I -- I was just curious, the radiant
22 heat you referred to is in -- built into your rent?
23 Are you paying a natural gas bill?

24 MS. REBECCA TRUDEAU: Definitely not
25 within my expertise. I think I'm just paying

1 electricity and not for the heat.

2 BOARD MEMBER GRANT: Okay, so the
3 space heat is probably a gas space heating that's in -
4 - I guess -- the reason why I was asking is that in
5 these definitions of energy poverty and this magic 6
6 or 10 percent or whatever, the concern was, people
7 like you were not getting properly measured in the
8 sense that you don't really know what your total
9 energy cost is because you're probably paying a lot of
10 it in your rent and you don't actually see it broken
11 down and so part of the concern was how to best get a
12 handle on that when a large segment of potential
13 renters aren't even captured in the kind of data that
14 was looked at so. Thanks, that's all.

15 MS. REBECCA TRUDEAU: M-hm.

16 THE CHAIRPERSON: Mr. Mazier, I've got
17 a question. In the early part of your testimony you
18 made a comment about consumers need a sounding board
19 outside of Manitoba Hydro.

20 And I'm just wondering if you could
21 expand on that. What you meant by that and -- and how
22 you would see the role? I mean, you -- you prefaced
23 it by saying, I don't know if this is the Public
24 Utilities Board and I was badly taking notes of the
25 exact words but I -- I just wanted to return to it.

1 You had -- you had, I guess, some
2 comments about communication from Manitoba Hydro but
3 then I -- then I wrote "sounding board" down. What
4 actually did you mean by that?

5 MR. DAN MAZIER: There is -- with all
6 these cutbacks, I -- I listened with interest when
7 they talk about cutting staff and -- and things like
8 that. There is -- there is a real need in rural
9 Manitoba to -- you still have to service that area --
10 square footage. It doesn't matter, you know, how many
11 people if we can do it more efficiently with having
12 bigger trucks and less people and more concentrated
13 centres, but you still need a local representative and
14 I think we've -- we've kind of gotten away from that
15 with Manitoba Hydro. They're pulling away our
16 districts.

17 The first step -- like, the first step
18 was, well, we're going to take out the ability to me -
19 - you can pay your bill at the bank or your local
20 credit union versus like going to the service centre.
21 Well, that kind of makes sense, and we can pay it
22 online now, so, that -- that's okay. But when it
23 comes down to the actual service or who you need to
24 talk to in -- in Manitoba Hydro to get a certain
25 service.

1 So if I wanted to expand my farming
2 operation, want to build a -- put in a new barn or put
3 in a new cleaning facility or -- or expand my -- I
4 needed more power. It is quite a struggle to figure
5 out who in the area. I'm fortunately, I live quite
6 close to Brandon so it's pretty focused. But when you
7 get out in the -- in the, we'll say, you know, east of
8 Dauphin, like get further away from a major centre
9 you're -- you're getting into some -- there's a lot of
10 decisions made in Winnipeg not at -- not to your local
11 level, so they -- they have no really idea of what's
12 the development plan in the area.

13 So, I'm wondering if there's some
14 opportunity there to either Manitoba Hydro -- and if
15 they don't want to hire anymore body -- anybody else,
16 maybe there's an opportunity to develop some kind of
17 entity in Manitoba to look at our energy needs. And -
18 - and as far as a broader development plan.

19 So there -- there is some talk of a new
20 development -- of a Crown Corporation, I think its
21 Energy Manitoba or something like that.

22 THE CHAIRPERSON: Energy Manitoba.

23 MR. DAN MAZIER: Yeah. So that's --
24 that's what I've just been hearing in the media. I
25 don't know how far it's come. I haven't really looked

1 at that but I thought if that's maybe part of its
2 service that it would be -- and it may not be a bad
3 thing and people would be able to start believing
4 Manitoba Hydro bec -- or they could -- that third
5 entity can make it understandable because we've heard
6 comments about -- it does get pretty over --
7 overbearing when you start looking at a lot of the
8 information that's coming at them, like, what is it,
9 32,000 pages. It takes a lot for just an average
10 ratepayer to just to sift through to get an answer.

11 THE CHAIRPERSON: On behalf of the
12 panel, I want to thank the Consumer Coalition for
13 putting together this ratepayer panel. It was
14 important to hear from you. We appreciate you --

15 MS. KATRINE DILAY: Mr. Chair? Sorry,
16 I meant just have one (1) question on redirect.

17 THE CHAIRPERSON: Oh, I'm sorry, yes,
18 go ahead.

19 MS. KATRINE DILAY: If I could just
20 confer with my cocounsel for thirty (30) seconds.
21 Thank you.

22 THE CHAIRPERSON: My apologies.

23

24 (BRIEF PAUSE)

25

1 MS. KATRINE DILAY: Thank you, Mr.
2 Chair and I apologize for interrupting.

3 THE CHAIRPERSON: That's fine.

4

5 RE-DIRECT EXAMINATION BY MS. KATRINE DILAY:

6 MS. KATRINE DILAY: And I -- I just
7 have one (1) question, and it will be directed to Mr.
8 Barton. If you wanted to turn on your mic.

9 And Kristen, I'm wondering if we could
10 pull up, I believe it was Manitoba Hydro Exhibit 104
11 that was filed earlier this morning.

12 And Mr. Barton, you saw this chart
13 earlier this morning, correct?

14 MR. GORDON BARTON: Yes.

15 MS. KATRINE DILAY: And you'll agree
16 that the difference between the chart that was filed
17 by the Coalition this morning and this chart is that
18 there is a third scenario that was added in terms of
19 rate increases?

20 MR. GORDON BARTON: Yes.

21 MS. KATRINE DILAY: And if you look to
22 the left-hand side, that third scenario would be the
23 row that has the annotation PUB-2-21b?

24 MR. GORDON BARTON: Yes.

25 MS. KATRINE DILAY: And that in that

1 scenario the first ten (10) years up to 26 -- 2026/'27
2 are identical to the row that says "MH plan."

3 Do you see that?

4 MR. GORDON BARTON: M-hm.

5 MS. KATRINE DILAY: And the difference
6 begins after -- in the year 2027/'28, correct?

7 MR. GORDON BARTON: Yes.

8 MS. KATRINE DILAY: So I believe to
9 confirm your answer from earlier you had said that
10 given the choice you would prefer lower rate increases
11 for longer; is that correct?

12 MR. GORDON BARTON: Yes.

13 MS. KATRINE DILAY: Given that there
14 is this third scenario on this chart, would your
15 answer change at all?

16 MR. GORDON BARTON: No.

17 MS. KATRINE DILAY: And why is that?

18 MR. GORDON BARTON: Well, the
19 important part is to keep everything steady. If
20 everything's steady people have the opportunity to
21 just adjust as we go. To throw big rates upfront --
22 like, first of all, I don't believe in this twenty
23 (20) year proposition that Hydro is putting forward.

24 By that time, we might be totally
25 nuclear. You have no idea. I think that if you look

1 at -- at ten (10) years, you could get a more rather
2 solid experience. Like nobody knows what's going to
3 happen in the future and I, for one, do not believe
4 for one (1) minute that Hydro will lower their rates
5 later on as they say. I believe that your expenses
6 incurred will -- will climb. We're going to -- even
7 you're now -- your sales to the United States and that
8 are -- are not very good, and you just can't tell
9 what's going to happen. The United States is -- is --
10 is virtually going back to all like gas from the shale
11 and I don't see any indication that that's going to
12 stop.

13 So, I think -- I think it's going to be
14 really tough for Hydro to try to figure these things
15 out. And I think that -- that a ten (10) year plan,
16 you can have a twenty (20) year in the background but
17 if you have a solid ten (10) year plan and you know
18 what you're going to do for that period of time, ev --
19 not much will change in ten (10) years. But if -- if
20 you go too long like that, there's so many changes. I
21 know I will be here in twenty (20) years, because I'm
22 only 49 now. The thing is -- I've got -- I've got
23 four (4) boys -- sorry, four -- three (3) boys and a
24 girl. I've get ten (10) grandchildren, not one of my
25 boys has a pension plan.

1 I am very, very lucky to have mine.
2 They're not going to see the things that we saw, and
3 it wouldn't doubt to me one bit that Hydro may have to
4 cut back on pension plans because it's so expensive.
5 So I -- I think looking at the shorter term --
6 everybody says, well, I don't know where we're going
7 to be in twenty (20) years. If they put forward
8 something based on ten (10) years, everybody says, oh,
9 ten (10) years. Okay, we can understand that.

10 So, I have an issue with that. May I
11 speak freely? I won't hurt anybody.

12 THE CHAIRPERSON: Actually, Mr.
13 Barton, you're here to answer questions not to give
14 speeches --

15 MR. GORDON BARTON: All right.

16 THE CHAIRPERSON: -- so if you could
17 just --

18 MS. KATRINE DILAY: Thank you, Mr.
19 Barton --

20 THE CHAIRPERSON: -- Ms. Dilay, if you
21 could conclude.

22 MR. GORDON BARTON: That's fine.

23 MS. KATRINE DILAY: Thank you, Mr.
24 Barton. And the last comment I just had was that I
25 have heard from the consumer from Pimicikamak,

1 unfortunately, something came up today and she is
2 unable to attend. She has mentioned that she might
3 like the opportunity to participate at some other
4 time, perhaps by phone.

5 So perhaps I can speak with Board
6 counsel and the PUB.

7 THE CHAIRPERSON: That would be --
8 that would be fine.

9 MS. KATRINE DILAY: Thank you.

10 THE CHAIRPERSON: Again, a shorter
11 version, thank you very much for attending today. We
12 appreciate you taking the time and we -- we welcome
13 your input. Thank you.

14 We're going to adjourn until one
15 o'clock sharp. We have somebody at one o'clock. We
16 have members of the public all afternoon and we will
17 have to move it along, so thank you again.

18

19 --- Upon recessing at 12:10 p.m.

20 --- Upon resuming at 1:02 p.m.

21

22 THE CHAIRPERSON: Okay, if we -- we
23 could start now. Mr. Simonsen if he could swear in
24 Mr. Sale.

25

1 TIM SALE, Sworn

2

3 THE CHAIRPERSON: Mr. Sale, thank you
4 for coming today. We've allocated approximately ten
5 (10) minutes for your presentation and then if there
6 are any questions, we'll proceed that way.

7

8 PUBLIC PRESENTATION BY MR. TIM SALE:

9 MR. TIM SALE: Thank you very much,
10 Mr. Chair. In my previous submission in 2014 I made
11 the argument that Hydro should not proceed with
12 Keeyask, and certainly not with Conawapa. I made that
13 argument on the basis of the very steep descending
14 cost curves for alternative forms of renewable energy,
15 specifically, wind and solar at that time, geothermal
16 as well, but particularly solar and wind.

17 I basically was saying that when you've
18 got a situation in any industry of rapidly decreasing
19 costs and the impact of disruptive technologies which
20 I'm sure is a term that all of you are -- are well
21 familiar with, you just shouldn't make bet-the-house
22 kind of decisions, long term bet-the-house kind of
23 decisions. Of course, that advice was worth what I
24 was paid for it and -- and was ignored.

25 I -- I would like to ask and this is

1 obviously maybe a little strange, but I'd like to ask
2 that that presentation also be tabled today with the
3 Board because I think there's a sequence between the
4 two, 2014 and 2018.

5 So what's changed since 2014 and what
6 hasn't? Well, the first thing that hasn't changed is
7 Hydro's ability to forecast costs. As you have said
8 in -- in your documentation, and others have said,
9 costs of Keeyask are now at least likely double
10 initial estimates and the -- the final cost is not
11 known. Similar issues that are not any comfort to
12 Manitobans is that BC's facing the same thing with
13 Site C. Newfoundland and Labrador facing the same
14 thing with Muskrat Falls.

15 I think it's the nature of megaprojects
16 and the kind of world that we're in that it's
17 virtually impossible to make accurate forecasts of
18 costs even two (2) or three (3) years down the line,
19 let alone the case of a big dam which is a ten (10),
20 fourteen (14) year project. It's simply not possible
21 to make cost estimates that are -- that -- that prove
22 out.

23 The second thing that I think is
24 important to note is that there are enormous
25 structural changes happening in the world of carbon

1 lower futures. Canada appears to have made a firm
2 commitment to the Paris Accord. I think virtually all
3 economists will tes -- will say that fifty dollars
4 (\$50) a ton for carbon is not going to move the demand
5 curve enough to make our commitments real in 2030 or
6 2035. But fifty (\$50) a ton will make a big impact on
7 the cost of carbon fuels, natural gas and coal in --
8 in particular.

9 So it seems to me that, first, for this
10 province rather than dispute the mechanism or the
11 level of the carbon cost in Manitoba, which will
12 affect Manitobans less than most other provinces, we
13 ought to be saying, how can we make our economy more
14 efficient and more -- and more conducive to job growth
15 and quality of life here, using the fact that we need
16 to transition off carbon in all forms. How do we make
17 that a useful future trajectory rather than something
18 to argue about in the present?

19 Most dramatically what is not changed
20 are the steep S curves that typify the adoption rate
21 of new technologies, disruptive technology
22 specifically. And as you know, the adoption rates
23 that are so rapid are also accompanied by very rapid
24 decreasing in unit costs. Unit costs have come down
25 so rapidly that they actually are not even predictable

1 and last year, for example, the unit cost of solar in
2 one (1) year dropped 41 percent between a major
3 project in Dubai and a major project announced about
4 two (2) or three (3) weeks in Mexico. The cost went
5 from two seven seven (277) per kilowatt hour to one
6 point seven seven (1.77) per kilowatt hour in the
7 Mexican project. So the cost declines are just
8 astonishingly fast, as well as the adoption rates.

9 The wind costs are now stabilizing but
10 they're stabilizing it before -- between two (.02) and
11 four (.04) cents per kilowatt hour in North America.
12 And as you probably know Alberta just announced a 600
13 megawatts of twenty (20) year wind contracts at an
14 average of 03.7 cents. So when you see that kind of
15 cost, you have to know what kind of a difficult market
16 Hydro is -- is now in.

17 Offshore wind, the United States and in
18 Europe is hovering at around .02 cents a kilowatt
19 hour. In my presentation, I've provided a number of
20 links to websites and sort of documentation for these
21 -- for these numbers, and I hope that -- that staff
22 and the Board members will have a chance to look at
23 some of these -- these documentation site-ings.

24 The third most important disruptive
25 technology is Elon Musk & Company. Essentially, Musk

1 is showing how you can put very large battery arrays
2 into both short and longer term storage
3 implementation, and the most recent perhaps dramatic
4 example of that was 100 megawatt storage that was put
5 in place in the northwestern United States because of
6 a failure of a natural gas system. And that -- that
7 hundred watt -- hundred megawatts storage has already
8 been used on the grid to stabilize grid prices and
9 again, I provide a reference for that.

10 So why do these matters ri -- actually,
11 -- why do these realities matter to -- to Manitoba
12 Hydro? Here we are with lots of hydropower; 97 or 8
13 percent of our power comes from Hydro. It's
14 renewable. It's at least arguably partially green.
15 Why -- why should this matter? Well, it matters
16 because Hydro's already slim export earnings between
17 .03 and .04 cents per kilowatt hour are in direct
18 competition with these dis -- disruptive technologies
19 in the United States.

20 Solar is at grid parity basically in --
21 in the entire United States now. Storage arrays of
22 scale are already being implemented. So where people
23 say, well, you know, solar only -- is any good when
24 the sun shines. Well, power demand also peaks in the
25 daytime and that's when the sun shines. And if you

1 can put large storage arrays in place in eighty (80)
2 days, which Musk did, in the northwestern United
3 States, then the scalability of storage and
4 stabilization for power that is -- is not baseline
5 power, baseload power is pretty impressive.

6 The larger Manitoba companies, you
7 already heard about one (1) this morning. You heard
8 from Mr. Mazier about geothermal and about -- and
9 solar. I would be really surprised if the really
10 large companies in Manitoba are not only running --
11 running the numbers and say to themselves, if Hydro
12 gets rate increases of 7 or whatever percent are
13 finally awarded by this Board, I'm going to take a
14 look at solar payback. I'm going to take a look at
15 geothermal payback. And rapid rate increases are
16 likely to induce more load loss for Manitoba Hydro.
17 They're not going to induce consumption, they're going
18 to induce a -- a reduction in demand.

19 And I'm talking about the kind of
20 companies that have large roofs or have large plants
21 and they have the room to install large systems.
22 They're going to require Hydro to provide the kind of
23 demand metering that allows them to lower their costs
24 and become more efficient and more effective, as
25 American companies are doing all over the United

1 States.

2 So the reality in the American market
3 is flat to declining demand. The reality is that
4 technologies are making new power far cheaper than we
5 can. The reality in Manitoba is that while we're a
6 lot farther north, Denmark is able to get 25 percent
7 of its power on reasonably -- reasonably consistent
8 basis from solar and from wind. So, there on the
9 latitude of Labrador. So if it can work in Denmark, I
10 think probably solar works just about anywhere; not as
11 efficiently as in Dubai, but cheaper than Hydro is
12 going to make power from Keeyask, and certainly from
13 Conawapa.

14 So these are not "if" statements, these
15 are not "maybe" statements, these are documented
16 realities of power pricing in North America today, and
17 they're still going down from the renewable side.

18 The other thing that's important to
19 note is that the changes that are going on in -- in
20 power technologies are not driven by environmental
21 concerns. This is not something that, you know, if
22 you're in favour of a green economy, then you're in
23 favour of solar. Solar, wind, storage, geothermal are
24 driven entirely on an economic basis now. They're not
25 driven because somebody thinks green is good, they're

1 driven because, frankly, people are motivated by
2 reducing their costs; whether it's on an individual
3 basis or a corporate basis. And these new power
4 technologies do that. Whatever --

5 MR. KURT SIMONSEN: Excuse me, Mr.
6 Sale --

7 THE CHAIRPERSON: Mr. Sale, a couple
8 of minutes please.

9 MR. TIM SALE: -- Trump says coal is
10 not coming back.

11 So let me then -- let me then focus on
12 what I think the government in Manitoba Hydro ought to
13 be doing.

14 Frankly, they should stop pursuing firm
15 export contracts because these export contracts will
16 already, but certainly will in the future, not distant
17 future, be in direct competition with technologies
18 that can generate power at .03 and .04 and .05 cents a
19 kilowatt hour at the bus, and so that's the first
20 thing.

21 The second thing is to start measures
22 to increase electrical energy composite -- consumption
23 in Manitoba. Geothermal, yes, that acquires a little
24 bit more energy than natural gas. Why we're still
25 installing natural gas in houses it astounds me

1 because the price of natural gas has to go up with
2 carbon taxes. It's better to sell power to Manitobans
3 at 7.2 cents than it is to sell it to Americans at .03
4 or .04.

5 Thirdly, start working with the major
6 corporations and property owners in Manitoba to
7 utilize solar and geothermal heat pumps and wind to
8 increase their efficiency and energy costs and thereby
9 make them more successful Manitoba companies. That's
10 one of our great assets is our low -- relatively low
11 power costs. Geothermal and wind will make them even
12 lower, or at least will hold them down. So work with
13 Manitoba companies to increase their consumption of
14 Manitoba power.

15 And finally, and I'm sure this sounds
16 like a -- the reddest of red herrings, but I have
17 always thought as a Prairie person that it is not
18 reasonable to have two (2) power corporations in
19 Saskatchewan and one (1) in Manitoba. They're
20 actually, if you take a little sort of step back and
21 look at those two (2) power corporations, they are
22 very complementary. Saskatchewan has baseload power,
23 and if you converted their brown dirty coal to natural
24 gas, it would be reasonable power for peaking and for
25 backup.

1 Manitoba has lots of green energy.
2 We're Prairie people. If we could work together
3 between those two (2) corporations that just happen
4 right now to have two (2) complementary governments,
5 that to me would provide the kind of path for a
6 sustainable, really exciting future for Manitoba Hydro
7 to think about how do you green up Saskatchewan's
8 economy, how do you make use of natural re -- the
9 natural resources of Manitoba and buffer Manitoba
10 ratepayers from the kind of increases that you're
11 being asked to consider today.

12 So, that leaves out a chunk of my
13 presentation, Mr. Chair, but I know you'll have it
14 available to you and I hope I can answer any questions
15 you might have.

16 THE CHAIRPERSON: Thank you, Mr. Sale.
17 I -- I guess we'll start... Dr. Williams, do you have
18 any questions?

19 DR. BYRON WILLIAMS: No, we've
20 listened with great interest to Mr. Sale both in 2014
21 and this year and we thank him for attending.

22 THE CHAIRPERSON: Okay, GAC...?

23 MR. DAVID CORDINGLEY: No questions.

24 THE CHAIRPERSON: Manitoba Hydro...?

25 MS. MARLA BOYD: If I could have just

1 one (1) second, please, Mr. Chair.

2

3 (BRIEF PAUSE)

4

5 MS. MARLA BOYD: We just have a couple
6 of questions, Mr. Chair.

7

8 CROSS-EXAMINATION BY MS. MARLA BOYD:

9 MS. MARLA BOYD: Good afternoon, Mr.
10 Sale. You indicate in your presentation that you make
11 reference to Hydro contracting for ex -- exports in
12 the order of .03 cents per kilowatt hour; correct?

13 MR. TIM SALE: No, what I said was the
14 average cost of Hydro's -- average revenue from
15 Hydro's exports are between .03 and .04 cents when you
16 combine wheeling (sic) with firm.

17 MS. MARLA BOYD: Could I have page 22
18 of Manitoba's application.

19 MR. TIM SALE: I'm not hearing you,
20 I'm sorry.

21 MS. MARLA BOYD: I'm sorry, could I
22 have page 22 of Manitoba Hydro's application, tab 7
23 brought up please.

24 If I understood you correctly, you are
25 averaging the opportunity and the dependable sales in

1 that --

2 MR. TIM SALE: That's correct.

3 MS. MARLA BOYD: So hopefully in a
4 moment we'll have tab 7, page 22.

5 Figure 7-11 that you see on the screen
6 shows you the average dependable and average
7 opportunity price for Manitoba Hydro for the 2016/'17
8 fiscal year at the end of that graph.

9 Do you see that?

10 MR. TIM SALE: The blue line is the
11 opportunity and the dependable is the red?

12 MS. MARLA BOYD: Yes.

13 MR. TIM SALE: Yep.

14 MS. MARLA BOYD: And if you were to
15 average those two (2), you would be considerably above
16 .03 to .04 cents would you not?

17 MR. TIM SALE: I don't believe so
18 because the -- the opportunity is approximately 80
19 percent of their exports and the firm is approximately
20 20 percent of their exports. So, you can't average
21 the two (2) on the screen.

22 MS. MARLA BOYD: Well, if you were to
23 look at the volumes, you'll see them down below. But
24 you can see that the opportunity volume -- sorry, the
25 opportunity price is in the order of 2 1/2 cent?

1 MR. TIM SALE: That's right.

2 MS. MARLA BOYD: And that the
3 dependable volume is in the order of 7 1/2 cents?

4 MR. TIM SALE: Yes, that's right.

5 MS. MARLA BOYD: Thank you.

6 MR. TIM SALE: But you can't average
7 those two (2) because they're not the same volume.

8 MS. MARLA BOYD: That's fair. Yes, I
9 have your -- I have your point.

10 In your view, when Manitoba Hydro's
11 forecasting the export market prices and forecast, is
12 it your view that an escalating export price would be
13 questionable?

14 MR. TIM SALE: Well, I think based on
15 their history it's questionable and their last rate
16 application they were forecasting prices that are
17 about double what they're actually getting and -- on
18 average.

19 And in the light of the adaptation of
20 wind, solar, geothermal, natural gas for fracing, I
21 can't imagine how they will expect to average more
22 than they are getting now. I expect that to go down
23 not up.

24 MS. MARLA BOYD: Thank you. With
25 respect to your comments today about solar use in

1 Denmark, are you aware what the average cost of
2 electricity is in Denmark?

3 MR. TIM SALE: No, I'm not but I know
4 that it's much higher than it is here.

5 MS. MARLA BOYD: If I was to suggest
6 to you it's in the order of four (4) to five (5) times
7 higher, would that surprise you?

8 MR. TIM SALE: Four (4) to five (5)
9 times higher than our current price of -- I would
10 think it might be around \$0.25 a kilowatt hour right
11 now. I'm not absolutely sure about that, but in that
12 order.

13 MS. MARLA BOYD: Would it surprise you
14 to know it's actually closer to \$0.50 a kilowatt hour?

15 MR. TIM SALE: I think some cost of
16 diesel is \$0.50, it's \$0.80. But cherry picking
17 numbers doesn't change the fact that the average cost
18 of new solar is now under .03 cents a kilowatt hour in
19 North America. So we're talking about apples,
20 oranges, and bananas when we look at the cost of
21 installed solar in a country installed over the last
22 ten (10) years versus new solar that's installed in
23 the next four (4) or five (5) years when the solar
24 price is still declining very sharply.

25 MS. MARLA BOYD: Thank you, Mr. Sale.

1 Those are our questions.

2 THE CHAIRPERSON: Thank you. Does the
3 panel have any questions? No...?

4 Thank you, Mr. Sale. We'll read your
5 presentation with great interest.

6 MR. TIM SALE: Thank you very much,
7 Mr. Chair. I think this set of hearings is probably
8 the most important that are going to happen in
9 Manitoba in a long time so I wish you well.

10 THE CHAIRPERSON: Thank you.

11

12 (BRIEF PAUSE)

13

14 BONNIE SHEPPARD, Sworn

15

16 THE CHAIRPERSON: Good afternoon, Ms.
17 Sheppard. Thank you for joining us. If you could
18 keep your presentation to about ten (10) minutes and
19 then we'd leave some time for questions.

20 MS. BONNIE SHEPPARD: I've timed it so
21 if I speak quickly, it's to fit it all in.

22 THE CHAIRPERSON: Perfect. Thank you.

23

24 PUBLIC PRESENTATION BY MS. BONNIE SHEPPARD:

25 MS. BONNIE SHEPPARD: I'd first like

1 to take a look back in history to get some background
2 understanding of Manitoba Hydro and its operations.

3 According to its 51st annual report for
4 the fiscal year ending March 31st, 2002, Manitoba
5 Hydro had generated no electricity rate increase in
6 2001 and '02 marking the sixth consecutive year of no
7 rate increases for most customer groups. For
8 industrial customers, rates had not increased in
9 eleven (11) years. At the same time, Manitoba Hydro
10 also announced an offer to purchase Winnipeg Hydro
11 from the City of Winnipeg for a cost savings estimated
12 to be \$8 million per year and a new all-time record of
13 588 million in export sales was achieved, up 23
14 percent from the previous year.

15 Now jump ahead ten (10) years and in
16 their 61st annual report for the fiscal year ending
17 March 31st, 2012, Manitoba Hydro earned 61 million in
18 net income for the 2011/'12 fiscal year, a decrease in
19 net income of 89 million and lower than the forecasted
20 net income of 99 million. Still, this was an increase
21 in the Corporation's retained earnings to \$2.5 billion
22 at March 31st, 2012, which contributed to the highest
23 level of equity in the Corporation's history.

24 Now, if we take a step back a year and
25 take a look at Manitoba Hydro's annual report for 2010

1 and '11, we read that Manitoba Hydro had conducted a
2 comprehensive risk management review with the help of
3 two (2) external consulting firms, ICF International,
4 and KPMG, in order to ensure that major risks were
5 being properly managed. Both external consultants
6 came to the conclusion that Manitoba Hydro's
7 hydroelectric operational risks were being well-
8 managed. Interesting to note, however, that was the
9 latter company that was in 2015 accused by the Canada
10 Revenue Agency of tax evasion schemes.

11 Taking a look at the auditor's report
12 for the same year, on page 61, we read, and I quote:

13 "Manitoba Hydro is actively planning
14 a number of major projects such as
15 Keeyask and Conawapa generating
16 stations, and the Bipole III
17 transmission line, in order to
18 further improve electrical system
19 reliability to meet the future
20 energy needs of the Province and
21 take advantage of export
22 opportunities. These plans will
23 involve the investment of
24 approximately \$18 billion over the
25 next ten (10) years, which will

1 generate significant returns for
2 Manitobans over ensuing decades.
3 Construction of new generation
4 projects will only proceed once firm
5 export sales contracts are secured.
6 Extensive consultations with
7 stakeholders in First Nations are
8 concluded, and environmental and
9 regulatory approvals are received."

10 Shortly after that report, Manitoba
11 Hydro announced the signing of new export sales
12 contracts with Minnesota Power and Wisconsin Public
13 Service, combined with the previously announced sale
14 to Northern States Power. These sales have a total
15 value exceeding \$4 billion.

16 Now, if we take another step back in
17 time to 2008, we find that a former Hydro consultant-
18 turned-whistleblower came forward to allege that the
19 Crown corporation was miscalculating how much power it
20 could generate and sell. A complaint was filed with
21 the Manitoba ombudsman's office, accusing it of taking
22 too many risks with Manitoba's supply of power, and
23 accusing it of mismanagement, which cost it more than
24 \$1 billion. The former consultant also suggested that
25 then-CEO Bob Brennan had been told that future

1 financial forecasts were incorrect. Apparently, he --
2 when he was supplied with evidence of that, he ignored
3 it.

4 Later that year, the NDP government
5 ordered a special audit of Hydro based on this unnamed
6 whistleblower's complaint, and asked the office of the
7 auditor general to make it a priority. However, then-
8 auditor-general Carol Bellringer said that she would
9 not take part in a special audit of Manitoba Hydro,
10 and proceeded to hand a file alleging mismanagement of
11 Hydro back to the provincial ombudsman's office.

12 So the whistleblower complaint ended up
13 being bounced among various provincial watchdog
14 groups, including the auditor general's office. The
15 PUB planned to hold public hearings in order to hear
16 from witnesses and allow Hydro staff to be cross-
17 examined, and only after that would Manitoba ombudsman
18 Irene Hamilton begin her work.

19 Enough of background history. Now I
20 want to take a look at the June 2014 PUB report on
21 NFAT and a review of Manitoba Hydro's PDP. The
22 following were some of the conclusions of the panel
23 from 4.7 section, starting on page 71. The panel has
24 less confidence in Manitoba Hydro's forecast in the
25 long term, as it does not address the effects of

1 potential structural change from new technologies or
2 grid parity. It also found that Manitoba Hydro's
3 electricity export price forecast was optimistic. The
4 panel did not share Manitoba Hydro's view that it
5 could sell all of its surplus dependable energy and
6 capacity as long-term, firm contracted sales at
7 premium prices.

8 Considering the uncertainty of future
9 export revenues, specifically those that flow from
10 Conawapa, all of these factors add up to heightened
11 and unacceptable risk associated with the PDP, and the
12 actual construction of cost of Keeyask will increase
13 beyond Manitoba Hydro's currently projected capital
14 cost of 6.5 billion. Budgeting, at least, for
15 Manitoba Hydro's high estimate of 7.2 billion would be
16 prudent.

17 The panel encouraged Manitoba Hydro to
18 sell a portion of its 49 percent stake in the Great
19 Northern Transmission Line, and given the panel's
20 recommendation to discontinue spending on Conawapa,
21 the north-south transmission system upgrade would not
22 be required.

23 And in August 2013, Manitoba Hydro
24 suggested that the PDP would have an incremental net
25 present value of \$1.7 billion, compared to the all-gas

1 plan. The incremental net present value is now -- or
2 at that time -- only \$45 million. Accordingly, it is
3 clear that the economic analysis does not support
4 proceeding with the PDP.

5 And lastly -- or not lastly, Manitoba
6 Hydro can contribute to the impact of rate increases
7 in two (2) ways. It can relax its 75/25 debt-to-
8 equity ratio policy to moderate its proposed
9 electricity rate increases. Manitoba Hydro should
10 also mitigate rate increases by seeking to reduce its
11 own expenditures through operational savings. Then,
12 based on current circumstances, the risks related to
13 Conawapa's development far exceed any rewards to
14 ratepayers over the next fifty (50) years. It would
15 not be prudent to continue spending money on Conawapa,
16 which led to their recommendations on 14 -- section
17 14.0 of the same report.

18 Number 1 recommendation, the panel
19 recommended that the Manitoba government not approve
20 Manitoba Hydro's Proposed Preferred Development Plan.

21 Number 4, the panel recommended that
22 the government not approve the construction of the
23 Conawapa project and the north-south transmission
24 upgrade project.

25 Number 5, the panel recommended that

1 the government direct Hydro to immediately cease any
2 and all expenditures associated with the design,
3 implementation, and future development of the Conawapa
4 project.

5 Number 13, the panel recommended that
6 Hydro relax its 75/25 debt-to-equity ratio policy to
7 moderate its proposed electricity rate increases.

8 Number 14, the panel recommended that
9 Hydro implement cost containment measures to moderate
10 its proposed electricity rate increases.

11 Lastly, number 16, the panel
12 recommended that the government not approve the
13 construction of any generating facilities, nor approve
14 the beginning of the required infrastructure work for
15 any generation facility beyond the Keeyask project,
16 unless such facilities were justified through an
17 integrated resource planning process.

18 Yes, Hydro needs rate increases to
19 generate more revenue from us, the consumer, of
20 Manitoba Hydro electrical power. Notwithstanding the
21 fact that we in Manitoba may have benefitted from some
22 of the lowest Hydro rates in the country for years,
23 these current proposed increases are outrageous and
24 insulting considering the decades-long dance of Hydro,
25 its leadership and management, and the various

1 provincial governments to dodge, obfuscate, deflect,
2 deny, or possibly even lie in answer to questions or
3 concerns regarding Manitoba Hydro's business
4 practices, long-term profits projections, fiscal
5 accountability, et cetera, et cetera. Such questions
6 were beginning to surface as long ago as 2004, and
7 then we had the 2008 and '09 whistleblower allegations
8 regarding widespread mismanagement.

9 As well, unrealistic suggestions and
10 too-rosy forecasts were being made on projected Hydro
11 sales and profits to the US and other Provinces.
12 Since then, there have been the questionable calls
13 regarding the Bipole III route, and the Keeyask dam
14 project and their sky high costs and overruns, and why
15 the \$8.7 billion Keeyask dam is now nearly triple the
16 first cost estimate.

17 And here we are over ten (10) years
18 later, with them asking us, the good citizens of
19 Manitoba, to bail them out and fix their wilful
20 mistakes and miscalculations. How have we come to
21 this pass? It seems that we, the public, have been
22 woefully under served and massively disrespected by
23 both Hydro and our provincial governments in this
24 ongoing saga.

25 The lack of consideration of and

1 delivery on the basics of proper management of this
2 jewel of a Crown corporation is appalling, yet the
3 failure to somehow get this almost train wreck back on
4 track might possibly be worse. Does it mean
5 bankruptcy if the increases were not implemented? And
6 does Premier Pallister really think that cutting nine
7 hundred (900) jobs from one (1) of Canada's top one
8 hundred (100) employers in our economy plus double-
9 digit rate increases make Manitoba the most improved
10 Province?

11 So in conclusion, it would be far more
12 beneficial for Manitoba Hydro to clean up its own
13 house and correct systemic failures than to assign its
14 failures onto the backs of taxpayers. Otherwise, it
15 would only be a continuation of bad decisions, poor
16 management, and fiscal irresponsibility, which will
17 only end up at the -- as the same scenario in the
18 future, at which time the recourse for the powers that
19 be will be privatization, but perhaps that has been
20 the secret agenda all along.

21

22 (BRIEF PAUSE)

23

24 THE CHAIRPERSON: Thank you, Ms.
25 Sheppard. I see Dr. Williams isn't here. Does the

1 GAC have any questions?

2 MR. DAVID CORDINGLEY: No questions,
3 Mr. Chair.

4 THE CHAIRPERSON: Manitoba Hydro...?

5 MS. MARLA BOYD: No. We thank Ms.
6 Sheppard for her presentation. We have no questions.

7 THE CHAIRPERSON: Does the panel have
8 any questions?

9 Ms. Sheppard, thank you very much for
10 the clear effort in your presentation. We appreciate
11 it.

12 MS. BONNIE SHEPPARD: Thank you for
13 allowing me to speak, Mr. Chair.

14 THE CHAIRPERSON: Thank you.

15

16 (BRIEF PAUSE)

17

18 THE CHAIRPERSON: We'll take a -- a
19 break for, sorry, for five (5) minutes and -- and the
20 court reporter's requested a break. We'll be back in
21 five (5) minutes.

22

23 --- Upon recessing at 1:33 p.m.

24 --- Upon resuming at 1:38 p.m.

25

1 HAIMANA ROMANA, Affirmed

2

3 PUBLIC PRESENTATION BY MR. HAIMANA ROMANA:

4 MR. HAIMANA ROMANA: I thank you very
5 much for hearing us today.

6 THE CHAIRPERSON: Thank you very much,
7 sir. If you could try and do your presentation in
8 about ten (10) minutes.

9 MR. HAIMANA ROMANA: Yes, sir.

10 THE CHAIRPERSON: We would like to
11 leave some time for questions.

12 MR. HAIMANA ROMANA: I've got it down
13 to ten (10) minutes.

14 THE CHAIRPERSON: Thank you.

15 MR. HAIMANA ROMANA: It's like, no
16 problem.

17 Yeah, I'm just an ordinary guy who
18 lives down on 670 Green Avenue. I pay a bill with
19 Manitoba Hydro, and as I've -- I've mentioned on the
20 screen, here, the purpose of my presentation today is
21 to question the usage of the allocation of taxpayer
22 funding.

23 It's important in this civilized
24 society to prioritize the sustainability of human life
25 and dignity over money, especially with respect to the

1 public utilities and Manitoba Hydro. Next slide,
2 please.

3 What about the rest of us? I'm here
4 today because I oppose this Manitoba Hydro price hike.
5 I have a family, as many other Manitobans here in --
6 in Winnipeg have families, and here's an artist's port
7 -- portrayal of some of the plight of some of our
8 citizens in Manitoba. Next slide, please.

9 I'm just a guy who lives down the road.
10 I pay taxes, but that puts me in a unique position,
11 here, it doesn't. I'm fortunate enough not to be on
12 any subsidy or welfare. I don't get a cheque in the
13 mail from the government. I can't be cut off by the
14 government department for what I'm about to say. I
15 actually made a two thousand (2000) contri -- dollar
16 contribution to a campaign for the Crown minister, Mr.
17 Schuler, many years ago.

18 I'm a Manitoban. I pay a Hydro bill,
19 and as a citizen and one (1) of the owners of Manitoba
20 Hydro, I appreciate, as I mentioned before, the
21 opportunity today.

22 My question for Manitoba Hydro: What's
23 going on? Why do you need this handout? When are you
24 going to get your act together? You're a Crown
25 organization, and you do not have the immunity to tax

1 us when you, Manitoba Hydro, make blunders. It's not
2 kosher. Next slide, please.

3 I can read the news. I'm just doing a
4 bit of a slight do -- detour in my allocated ten (10)
5 minutes. The new women's hospital, for example, I
6 heard that there's a blank check for their project.
7 Instead of putting in three thousand dollar (\$3000)
8 windows and glass staircases, the decision-makers,
9 they could have made it more cost-effective and
10 worried about hospital beds and non-closure of
11 emergency rooms instead of providing stained-glass
12 windows in that project. It's on-budget, \$250
13 million, and it's still not open. Why is that? The
14 Manitoba Clinic, it's the same song and dance. Next
15 slide, please.

16 The Siloam Mission, have you seen the
17 lineups, Manitoba Hydro? Tough winter. Some folk
18 freezing to death just the other day, hungry, nowhere
19 to go, charities getting their funding cut, yet
20 Manitoba Hydro wants a handout. No nothing some folk
21 have, no accommodation for housing. Something's wrong
22 with this picture, and I just live down on Green.

23 The new police station and fire
24 station, stadium, et cetera, one (1), over budget,
25 hundreds of millions of dollars. Surprise. I'll put

1 it on the record, kickback to individual --
2 individuals. Five hundred thousand dollar (\$500,000)
3 golden handshakes for folk who worked two (2) months
4 for the Winnipeg counsel, yet Manitoba Hydro wants a
5 handout. Buddy -- buddies get the only tender
6 contracts. The local police station. I read that in
7 the paper, brown paper bags of money under the table,
8 two hundred thousand dollars (\$200,000). It's in the
9 paper.

10 City taxpayers like me pick up the tab
11 for exclusive favours for in-the-know elite in the
12 town, yet charities get their budgets slashed amongst
13 golden handshakes given to those on the gravy train.
14 Food subsidies get cut for individuals on welfare.
15 Next slide, please.

16 The new Manitoba Hydro developments,
17 are they any different? One (1), over budget,
18 billions, not millions, of dollars. Surprise.
19 Kickbacks to individuals, contracts. No one knows
20 yet. Is the Crown organization immune to corruption?
21 I'm not being subjective, here -- I -- sorry, I am
22 being subjective here. No one knows.

23 Buddy gets only tender contracts. No
24 one knows. Brown paper bags of money under table. No
25 one knows. Taxpayers pick up the tab all the time.

1 We all know that. Is Manitoba Hydro immune to such
2 things? It can't happen to us, not on my watch. It's
3 the talk of the town. At Tim Hortons just the other
4 day with my friends. Everyone has a story, yet
5 Manitoba Hydro wants a handout. Next slide, please.

6 If you go down to the Siloam Mission,
7 you see in the evening the large crowds of people who
8 are hungry, getting cold, and here's the advertising
9 outside there. Donations this way, other don --
10 donations that way. Manitoba Hydro, are you any
11 different than any other areas of local and provincial
12 government in Manitoba?

13 Crown Casino is doing rather well.
14 Maybe the Minister Mr. Schuler could direct some of
15 the money from the expanding Crown casinos to give a
16 handout to its sister Crown Manitoba Hydro. Chips in
17 -- they can chip in for the hospitals too. Hundreds
18 and million -- hundreds of millions of dollars spent
19 here, and yet we have citizens in poverty and hospital
20 closures imminent. Something's wrong with this
21 picture. Next slide, please.

22 Has Manitoba Hydro looked around and
23 checked out the extreme poverty in this town and
24 elsewhere, the homeless? I have a friend who's a -- a
25 landlord and he has to house folk, you know. They

1 have a budget for about four hundred dollars (\$400) a
2 month they've got to pay rent, and that -- and the
3 power gets cut off, you know.

4 And here's a quote for the late Senator
5 Edward Kennedy, who went seeking minimum wage hikes,
6 "When is the greed going to stop?" There you go.
7 There's the Salvation Army. Okay. There's the next -
8 - Manitoba Hydro wants price hikes. Is there any
9 accountability for the blank checks?

10 Charities are getting their budgets
11 slashed, and Manitoba wants more. There's a --
12 there's a charity down there on the Centre, Flavie-
13 Laur -- Laurent. I read it in the newspaper. They've
14 got, like, you know, they've got their budget cut in
15 half. They couldn't even -- the new truck they
16 bought, couldn't get the fuel. The next slide,
17 please.

18 Manitoba Hydro, debt rises \$1.9
19 billion. Now it's totalled \$15 billion all up.
20 Another charity got budget slashed, and Manitoba wants
21 more. Take a min -- take a cut, Manitoba Hydro.

22 Here's a -- here's a group over here,
23 Artbeat Studios. Their budget of three hundred
24 thousand (\$300,000) just got cut like that, and they
25 had to go out and raise the money to survive, and they

1 take care of folk who have illnesses of the mind.

2 They got it cut. Next, please.

3 No closures of Concordia Hospital.

4 Close down some of the dead deals of Manitoba Hydro

5 first. Two (2), Manitoba Hydro diversi -- diversify.

6 There's many options out there. Three (3), get a

7 think tank going, not the same crowd, to help Manitoba

8 think -- Manitoba Hydro think their way out of this

9 mess. If they want a price hike to help them out,

10 they can pay back the money to the people of Manitoba.

11 No more blank checks here. Next slide, please.

12 Privatization. Is that the goal? One

13 (1), this happened to me. As you can probably pick up

14 from my accent, I'm from New Zealand. First Minister

15 in Order in Council says, Debt needs to be paid.

16 Okay, so we're going to sell off 25 percent to private

17 folk. Oh, no, we still hold the majority public

18 stake. Well, we need more money as things go down the

19 road. There goes 44 percent. Power bills are still

20 manageable.

21 Next minute, shares in -- in the letter

22 box. You go to the letter box one day. They've got

23 these shares, oh, okay. And what do you do with them?

24 You go down and sell them to the American company that

25 went down to New Zealand all of a sudden. Among all

1 of these shareholders, they've got a majority stake.
2 Privateers buy stake from the public owners. They --
3 they end up owning the majority stake. Their bill
4 goes from eight cents (\$0.08) a kilowatt hour to
5 twenty-two cents (\$0.22). Is this the name of the
6 game, that word 'austerity', privatization? And it's
7 done graduali -- it's called 'gradualism'. Been
8 there, seen it, done it. Next.

9 I'm thankful for the rule of law:

10 "The expression 'the rule of law'
11 describes more -- more generally a
12 single, overarching rule that
13 expresses an agreement, both as
14 individuals and as collective, a
15 community, to be bound by and
16 subject to the law. Commitment
17 carries an explicit understanding
18 that such adherence applies to
19 everyone, no matter what their
20 lineage, heritage, or station in
21 life, it means no one is above the
22 law.

23 It means that kings and queens,
24 prime ministers, army generals,
25 presidents, business titans,

1 Manitoba Hydro, and judges
2 themselves will all face the same
3 laws as the poorest and least
4 advantaged person in society, and it
5 means that the law will be applied
6 fairly and evenly to all persons,
7 taking no account of hierarchies,
8 privilege, power, or wealth."

9 The next slide, please.

10 There's a Court of Appeal action after
11 this, and a citizen just living down the road at 670
12 Green Avenue, raising a family, I'm game. There's
13 also the Supreme Court of Canada aimed at Manitoba
14 Hydro, in my perspective, for their carelessness.
15 It's carelessness. Let's bring some humanity back
16 into the situation.

- 17 1. No rate hike.
- 18 2. If approved, only 50 percent.
- 19 3. A public commission recommended --
20 recommend to an inquiry to follow the money trail.
- 21 4. You seen it all, the examples: the
22 fire stations, the police stations, the hospitals,
23 etc.
- 24 5. Manitoba Hydro, question: Where
25 did the billions go?

1 6. Start firing the people that did
2 this, instead of giving everyone golden handshakes.
3 The next slide, please.

4 I call this -- Kickback County has got
5 to stop asking the taxpayers to pay up, and the brown
6 paper bags under the table, to Folk In The Know
7 Construction Co. buddies up for the job has got to
8 stop. Where has the money gone? No more wild, wild
9 West. Folk at Manitoba Hydro, some folk, need to be
10 canned. Next.

11 And I thank you for your time. And any
12 questions?

13 Thought: There is freedom of
14 expression for everyone, but only the privileged are
15 heard.

16 And that's my statement for my
17 presentation, and I thank you.

18 THE CHAIRPERSON: Thank you very much,
19 Mr. Romana.

20 I'll ask if there any questions.
21 GAC...?

22 MR. DAVID CORDINGLEY: No questions,
23 Mr. Chair.

24 THE CHAIRPERSON: Dr. Williams...?

25 DR. BYRON WILLIAMS: No questions. We

1 just thank East Kildonan for weighing in on this case.

2 THE CHAIRPERSON: Manitoba Hydro...?

3 MS. MARLA BOYD: We have no questions.

4 Thank you.

5 THE CHAIRPERSON: Okay. Thank you.

6 Thank you very much, sir. We
7 appreciate you attending and providing your comments.

8 MR. HAIMANA ROMANA: Thank you very
9 much --

10 THE CHAIRPERSON: Thank you.

11 MR. HAIMANA ROMANA: -- for the time.

12 THE CHAIRPERSON: Thank you.

13

14 CHRIS GOERTZEN, Sworn

15

16 THE CHAIRPERSON: Thank you, Mr.
17 Goertzen. If -- if you could give your comments in
18 ten (10) minutes or so and then we'll leave it open
19 for questions.

20 MR. CHRIS GOERTZEN: Very good. Thank
21 you, Mr. Chair.

22 THE CHAIRPERSON: Thank you. Thank
23 you.

24

25 PUBLIC PRESENTATION BY MR. CHRIS GOERTZEN:

1 MR. CHRIS GOERTZEN: I'm Chris
2 Goertzen. I'm the president of the Association of
3 Manitoba Municipalities, also the -- the mayor of the
4 City of Steinbach.

5 Thank you for taking the time here
6 today to listen to some of the concerns. I'm here to
7 voice concerns of municipalities across this province
8 in regards to the general rate application hike for
9 Hydro for 2017/2018 and 201/2019.

10 I'll begin my presentation today by
11 providing a brief overview of AMM, then describe how
12 unpre -- unp -- the unprecedented Manitoba rate
13 increases, if approved, will negatively impact
14 municipalities, particularly the operations of public
15 recreation facilities.

16 AMM was formed in 1999 with the merger
17 of the Union of Manitoba Municipalities, as well as
18 the Manitoba Association of Urban Municipalities. Our
19 organization is independent, nonpartisan, and our
20 mission is to identify and address the needs and
21 concerns of our members in order to achieve strong
22 affective municipal government. Our membership
23 consists of a hundred and thirty-seven (137)
24 municipalities, including the City of Winnipeg. So we
25 are large municipalities and also very small

1 municipalities. We -- we represent all of them.

2 As you're aware, recreation centres are
3 an important asset to the quality of life and healthy
4 living in our communities. They also play a vital
5 role in attracting newcomers and retaining families in
6 local communities. People don't move to our
7 communities because we have great landfills and
8 lagoons -- those are important -- but they come there
9 because we have great recreation facilities and
10 facilities that are important to a way of life.

11 However, the financial sustainability
12 of many public recreation facilities throughout
13 Manitoba is cause for concern due to the ever
14 increasing operating costs which include rising
15 insurance premiums, as well as Hydro and gas costs.
16 As public recreation facilities have a limited means
17 of raising additional revenue to offset these costs,
18 AMM has encouraged the Province of Manitoba to further
19 enhance and develop new energy-saving programs that it
20 -- that decrease operating costs for community owned
21 public recreation infrastructure.

22 Meanwhile, AMM members have brought
23 forward several reso -- revol -- resolutions over the
24 years regarding the effect of Manitoba Hydro rate
25 increases on the operations of recreation for

1 infrastructure. For instance, in June 2017, AMM held
2 its annual western district meetings, where a
3 resolution pertaining to Manitoba Hydro's proposed 7.9
4 percent rate increase was sponsored by the R.M. of
5 Pipestone.

6 This resolution was for -- forward to
7 our annual con -- convention in November where more
8 than eight hundred (800) mayors, reeves, and CEOs got
9 together at -- and talked about the overwhelming
10 challenge that this is going to face -- this is going
11 to cause for municipalities. This was voted
12 overwhelmingly in favour of this -- this resolution.
13 And -- and the resolution is also included in the
14 information package.

15 It's not a coincidence that this is
16 Resolution Number 1. This is a -- this is something
17 that really affects all municipalities and is a very
18 important to all of them.

19 During the reso -- resolution debate,
20 AMM delegates voiced serious concerns when met with
21 Manitoba Hydro's proposal of seven point nine (7.9)
22 annual increases. If approved, such increases would
23 have a dramatic and negative effect -- effects on
24 municipal operating budgets, particularly for
25 recreation infrastructure. We have a few examples for

1 you.

2 The City of Portage la Prairie has
3 authorized a discussion paper which outlines the
4 impact of proposed -- of the proposed Manitoba Hydro
5 increases on local recreation infrastructure. In
6 2017, total electricity cost for the Portage Regional
7 Recreational Authority was approximately two hundred
8 and seventy thousand dollars (\$270,000). If Manitoba
9 Hydro request is approved, electricity costs will
10 increase by approximately three hundred and forty
11 thousand (340,000) -- or of -- to about three hundred
12 and forty thousand (340,000) in 2019 and to three
13 hundred and ninety-five thousand (395,000) by 2021.
14 This is a 46 percent increase.

15 The impact of these increases will be
16 felt immediately be -- by the PRAA (sic). It is
17 expected that such rate increases would lead to
18 increased user fees, reduced attendance at public
19 facilities, and additional pressure on the City's
20 overall operating budget.

21 The R.M. of Pipestone. The proposed
22 rate in -- in the R.M. of Pipestone, the proposed rate
23 increase will not only affect rinks, but also homes,
24 businesses, and municipal services.

25 For the rink located in Reston, costs

1 are projected to increase more than three (3) -- or
2 more than twenty-one thousand dollars (\$21,000).
3 Again, this 46 percent by 2022. This increase will
4 translate into incr -- into increased fees and
5 potential decreased hours of operation. Capital
6 projects, equipment replacement, and building
7 maintenance will likely be the first items to be cut
8 from their budgets.

9 For other facilities, such as the
10 theatre or -- or library, ratepayers will be
11 negatively affected through increased user fees,
12 decreased services, and possibly reduced hours.

13 It's important to note that these
14 additional costs will be placed on all municipalities
15 across the province. In the Municipality of Glenboro
16 South Cypress, facility users -- user fees will likely
17 have to be increased, while the Municipality of
18 Killarney Turtle Mountain is project -- projecting
19 costs for its local recreation facilities will soar
20 from ninety-five thousand (95,000) to a hundred and
21 forty-five thousand (145,000) by the year 2022.

22 In closing, AMM the -- that the AMM
23 Board of Directors has reviewed this -- this
24 resolution, and it encourages the Public Utilities
25 Board to examine how these unprecedented --

1 unprecedented proposed rate increases will negatively
2 impact municipalities and ratepayers, as well as the
3 quality of life in local communities throughout
4 Manitoba.

5 I would like to remind you that
6 municipal operating funding has been frozen for 2016
7 levels by the provincial government, and
8 municipalities are not allowed to budget for a
9 deficit. In light of these restraints, Manitoba Hydro
10 -- Hydro's proposed rate increases was severely
11 restrain municipal budgets and may force local
12 governments to reduce services or potentially close
13 public recreation facilities.

14 AMM strongly urges the PUB to not
15 approve Manitoba Hydro's proposed rate increase of 7.9
16 percent for 2017/2018 and 2018/2019.

17 Thank you for this opportunity. And
18 I'm certainly open for questions.

19 THE CHAIRPERSON: Dr. Williams...?

20

21 CROSS-EXAMINATION BY DR. BYRON WILLIAMS:

22 DR. BYRON WILLIAMS: Mr. Goertzen, I'm
23 way -- way here right in the back. I represent
24 Winnipeg harvest and the Consumers Association. So,
25 on their behalf, thank you for that presentation.

1 Did I hear you correctly that your
2 roots are in Steinbach?

3 MR. CHRIS GOERTZEN: That is correct.

4 DR. BYRON WILLIAMS: And you shared
5 kind of some of the implications for other
6 communities, whether that's Pipestone or Portage.
7 Perhaps, just in terms of Steinbach, whether it's your
8 MJHL leading Steinbach Pistons or women's hockey or
9 girls' hockey, if you could talk about some of the
10 trickle-down effects for your community of -- of this
11 -- this type of rate shock.

12 MR. CHRIS GOERTZEN: Well, certainly -
13 - Mr. Chair, if I may? Certainly, the reality of --
14 for municipalities, whether it's Steinbach or whether
15 it's others, this is something that's going to affect
16 municipalities directly. But it's going to affect the
17 -- the not-for-profits in our communities. It's going
18 to affect the many different organizations that use
19 our facilities in a negative way because
20 municipalities will need to find ways, if this is
21 approved, to recover costs.

22 And this forty-six (46) -- approximate
23 46 percent increase will be a substantial challenge.
24 I know for us, as a city, we spend approximately seven
25 hundred and fifty thousand dollars (\$750,000) a year

1 on -- on Hydro rates, and that would -- it'll mean
2 probably about three hundred and forty-five thousand
3 dollars (\$345,000) per year in additional costs for us
4 if this is approved.

5 And so it's a real challenge for
6 municipalities, and it'll be a challenge for others in
7 the community as well.

8 DR. BYRON WILLIAMS: Thank you. And
9 we have no further questions.

10 THE CHAIRPERSON: GAC...?

11 MR. DAVID CORDINGLEY: No questions,
12 Mr. Chair.

13 THE CHAIRPERSON: Mr. Hydro...?

14

15 CROSS-EXAMINATION BY MS. MARLA BOYD:

16 MS. MARLA BOYD: Sorry, I just have a
17 couple of questions. Good afternoon, Mr. Goertzen.

18 I understand that you have worked with
19 -- the AMM has worked with Manitoba Hydro groups to
20 target energy efficiency in the municipalities.

21 Is that correct?

22

23 (BRIEF PAUSE)

24

25 MS. MARLA BOYD: I understand that the

1 AMM has worked with Manitoba Hydro to target energy
2 efficiencies to assist in the municipal operations.

3 Is that correct?

4 MR. CHRIS GOERTZEN: That is correct.

5 MS. MARLA BOYD: And have you been
6 personally involved in that?

7 MR. CHRIS GOERTZEN: I personally have
8 not, but certainly our staff has been working on that.
9 And -- and individual municipalities have certainly
10 been involved, yeah.

11 MS. MARLA BOYD: And did I hear you
12 correctly that -- you just indicated that you believe
13 the rate increase would be an effect of three hundred
14 and forty-five thousand (345,000) per year?

15 MR. CHRIS GOERTZEN: I was using that
16 number as an approximate number for my own
17 municipality.

18 MS. MARLA BOYD: And are you aware of
19 what the percentage of your total budget is comprised
20 of electricity?

21 MR. CHRIS GOERTZEN: I could do some
22 very quick estimations, but the reality is is that
23 three hundred and forty-five thousand dollars
24 (\$345,000) is significant for a municipality that
25 probably takes in about thirteen (13) or so million

1 dollars per year in -- to run with -- in taxes to run
2 almost everything. Yeah.

3 Again, my municipality -- Mr. Chair, if
4 I may? My municipality, of course, is maybe even not
5 the typical one. It is significant for us, but it's
6 even more significant for many of the smaller
7 municipalities who run very, very lean operations and
8 often on vol -- with volunteers, and so this will be a
9 sig -- a significant challenge for them, specifically
10 and especially.

11 MS. MARLA BOYD: Your calculation is
12 based on rate increases over a number of years,
13 correct? That's not a one (1) year increase?

14 MR. CHRIS GOERTZEN: That's correct.

15 MS. MARLA BOYD: And is that over the
16 five (5) year period? Is that what you're looking at?

17 MR. CHRIS GOERTZEN: The 46 percent, I
18 know for the R.M. of Portage -- or the municipality of
19 Portage la Prairie, it's I believe over -- till 2021.
20 I think we're -- we're including that 46 percent.

21 MS. MARLA BOYD: Thank you. Those are
22 our questions.

23 MR. CHRIS GOERTZEN: Thank you.

24 THE CHAIRPERSON: Do you have any
25 questions?

1 BOARD MEMBER GRANT: I have a very
2 quick question.

3 I don't read my hydro bill. I didn't
4 realize the City of Winnipeg taxes electricity use for
5 non-heating purposes.

6 Do you know if other municipalities do
7 that? Is it generally done throughout the province in
8 other municipalities?

9 MR. CHRIS GOERTZEN: Sorry, can you
10 restate your question.

11 BOARD MEMBER GRANT: Yeah. So the
12 City of Winnipeg taxes electricity use for non-heating
13 purposes.

14 MR. CHRIS GOERTZEN: Oka.

15 BOARD MEMBER GRANT: Applies at 2.5 or
16 5 percent tax.

17 Do other municipalities do that, do you
18 know off hand?

19 MR. CHRIS GOERTZEN: No.

20 BOARD MEMBER GRANT: Okay. Thank you.

21 THE CHAIRPERSON: Mr. Goertzen, I've
22 got a few questions.

23 I note that the focus of your
24 presentation appears to be on the operation of public
25 recreation infrastructure, but in fact the resolution

1 doesn't really state that. It -- it appears to
2 register an objection for the entire rate increase but
3 doesn't talk about public recreation infrastructure.

4 MR. CHRIS GOERTZEN: Yes. We have had
5 a number of discussions over the -- a number of years
6 when it comes to municipalities and the challenges
7 that they face with hydro costs. Recreation
8 facilities are the largest hydro cost for most
9 municipalities. Those are large facilities that
10 require a substantial amount of electricity, and that
11 often is the majority of where they spend their
12 dollars when it comes to the challenges.

13 THE CHAIRPERSON: Well, you actually
14 just anticipated my next que -- what I was leading to.

15 What -- do you have an idea of what
16 percentage of the recreation facilities, on average,
17 would be for those --

18 MR. CHRIS GOERTZEN: It will vary --
19 it will vary from municipality to municipality. Some
20 of them have recreation for -- any municipalities run
21 on budgets under a million, believe it or not, and --
22 and for them to run recreation facility is really a
23 major challenge, and it's something that often
24 requires volunteers, it requires a community effort.

25 When it comes to those Hydro costs, how

1 -- what percentage they are specifically, I don't have
2 that in front of me. We can get that information to
3 you, but it'll be different for each one. Some of
4 them it'll be substantial, some of them -- some of
5 them it'll be less.

6 THE CHAIRPERSON: Okay. And water and
7 wastewater treatment facilities, would that be
8 reflected in the total budget or would that be in the
9 separate utilities budgets?

10 MR. CHRIS GOERTZEN: They are usually
11 in a separate utility budget, although it does get
12 incorporated through the PSAP (phonetic) process into
13 the main budget over time. In the end they will also
14 incur increases, depending on their efficiency.
15 Municipalities are always looking at ways to run these
16 the most efficient way possible and to reduce costs
17 that way, but it seems -- every time there seems to be
18 an increase in efficiency there is also a rate
19 increase which takes away that -- that benefit.

20 THE CHAIRPERSON: And, finally, we
21 know what you don't want; the proposal is not to
22 approve the increase of 7.9 percent. Is there any --
23 anything beyond that in terms of what kind rate
24 increase the Board should be looking at?

25 MR. CHRIS GOERTZEN: Well, this year,

1 of course 2016, we are -- sorry, in 2017, our ability
2 to pay was reduced because we had frozen -- we get
3 operating funds from the provincial government and
4 those are frozen this last year. I propo -- that
5 created a unique challenge for many municipalities
6 when it comes to inflation, when it comes to those
7 type of things, are -- those -- those pressures that
8 we face.

9 We -- we met those -- those challenges,
10 and it was difficult. So when it comes to any type of
11 increase, that's going to create a major challenge for
12 us. We don't claim to be hydro experts, but we do
13 know how to run the municipalities efficiently, and we
14 obviously are really concerned about the recreation
15 facilities and other facilities we have.

16 THE CHAIRPERSON: Okay. Thank you
17 very much, sir, for your -- for your presentation and
18 attendance today. Thank you.

19 MR. CHRIS GOERTZEN: Thank you.

20 THE CHAIRPERSON: We will break until
21 2:30. We're -- actually the next presenter is coming
22 to us virtually. And I can testify -- I can attest
23 that it worked perfectly before when we were
24 preparing, but we need to -- yeah, we need to make
25 sure it works again. Thank you.

1 --- Upon recessing at 2:10 p.m.

2 --- Upon resuming at 2:27 p.m.

3

4 THE CHAIRPERSON: Dr. Laliberte, it's
5 Robert Gabor, Chairman. You have a room full of
6 people here who are incredibly jealous.

7

8 (VIA VIDEO CONFERENCE)

9

10 DR. GARLAND LALIBERTE: Okay, if it's
11 any consolation, the weather's cooler here than
12 normal.

13 THE CHAIRPERSON: Yes. Well, I'm
14 looking around the rom, it's much consolation.

15 DR. GARLAND LALIBERTE: All right.

16 THE CHAIRPERSON: Once we're ready to
17 start, if -- we'd ask if you could spend about twenty
18 (20) minutes on your presentation and then we will
19 have questions -- see if there are questions from the
20 Intervenors.

21 DR. GARLAND LALIBERTE: I appreciate
22 having that amount of time. Thank you very much --

23 THE CHAIRPERSON: Thank you.

24 DR. GARLAND LALIBERTE: -- and
25 certainly look forward to the questions.

1 THE CHAIRPERSON: Thank you.

2

3 GARLAND LALIBERTE, Sworn

4

5 PUBLIC PRESENTATION BY DR. GARLAND LALIBERTE: (VIA
6 VIDEO CONFERENCE)

7 DR. GARLAND LALIBERTE: Okay, thank
8 you very much. Good afternoon, Panel members,
9 Manitoba Hydro representatives, Intervenors, PUB
10 personnel and guests. I understand that I am a guinea
11 pig on this technology, so I hope that I can -- I can
12 justify your faith in the -- the technology and
13 appreciate the opportunity.

14 Probably is on the screen because I'm
15 not seeing it, my name is Garland Laliberte. I'm with
16 the Bipole III coalition and I thought I'd take a
17 moment just to tell you just a little bit about the
18 Bipole III Coalition. We are now in our eighth year
19 of existence having established ourselves in -- in
20 October 2010. We -- we're a coalition because we
21 represent -- we began representing the interests of
22 landowners who would be affected by the Bipole III,
23 and a number of retired engineers like myself.

24 Our balance between the two stakeholder
25 -- stakeholder groups have shifted over time and so

1 right now we have one (1) landowner left, her name is
2 Karen Friesen, she's the -- she is the president of
3 our group. And we have -- I think it's ten (10)
4 others, most of whom are engineers and all of whom are
5 retired.

6 So that's our background. We come from
7 a variety -- the engineers come from a variety of
8 backgrounds, academia some of us; some of the
9 consulting world; some have had regulatory
10 backgrounds, and -- and we actually have three (3)
11 executives from Manitoba Hydro. We have a president
12 and CEO and we have two (2) vice-presidents.

13 So, that's our background. What I've -
14 - what my topic is for today is load forecasting and
15 demand-side management. And I'm glad that you have
16 the twenty-four (24) page document. I apologize for
17 the length of it but in order to make all the points
18 that I wanted to it took -- it took that many words.

19 I'll get right to the key message of
20 the document and then we'll slide back a little bit
21 and give you some of the basis for -- for what are the
22 key points in our message.

23 First of all, Hydro's current forecast
24 has been lower but it's still higher than would be
25 suggested by recent trends, especially beginning ten

1 (10) years out.

2 Then, secondly, current load forecast
3 artificially and significantly inflates projections of
4 future domestic revenue.

5 Third, Efficiency Manitoba. The DSM
6 plan that -- that Efficiency Manitoba is legislated to
7 produce is much more aggressive than Hydro's demand-
8 side management plan.

9 And finally, the impact of Efficiency
10 Manitoba, their plan on Hydro's bottom line will be
11 major. So those are -- those are the key points that
12 we'll build around.

13 Kristen, can you put slide 4 up on the
14 screen, please and tell me when it's there.

15 MR. KURT SIMONSEN: Slide 4 is on the
16 screen.

17 DR. GARLAND LALIBERTE: Okay, good.
18 Thank you. Slide 4 is the same as figure 3 on page 5
19 of the written presentation. So if any of you if it's
20 easier to look at the presentation than of the screen,
21 go to page 5 and figure 3 is on that page.

22 What -- what figure 3 does is it -- it
23 provides a ten (10) year historical record for -- for
24 energy, just energy not -- not -- not peak. The --
25 you'll notice on that -- on that slide on slide 4, the

1 figure 3, you'll notice that the current forecast
2 that's I think been designated MH-17 is a lower
3 forecast than the forecast for 2016 and 2015. It
4 might not look like there's a lot of difference on the
5 -- on the screen that's in front of you, but if you
6 did a hor -- ran a horizontal line from, let's say,
7 from MH-15 to MH-17, there's a significant difference
8 between those two (2). In fact, within two (2) years,
9 from 15 to 17, Manitoba Hydro has -- is pro -- is
10 projecting energy loads that will -- that were
11 originally projected on a certain date. They are now
12 projecting that they won't be reached until seven (7)
13 or eight (8) years later, and that's the horizontal
14 distance between MH-15 and MH-17. So -- so that's
15 quite significant.

16 Take a look also at -- at the -- the
17 comparison of the dotted line and the yellow line.
18 The yellow line is -- is Manitoba Hydro's current
19 projection MH-17 for growth firm energy; that's energy
20 at generation. And look at how that compares with the
21 dotted line, which is a straight linear projection of
22 the most recent ten (10) years of -- of the historic
23 record.

24 And I think you'll see that for a few
25 years the two (2) are not that significantly

1 different, but starting about ten (10) years out, all
2 of a sudden the -- the forecast starts to depart from
3 what a linear projection would -- of the past records
4 would suggest and it takes off very rapidly.

5 I think in -- in -- in one or the other
6 of Hydro's documents that it put forward, it says that
7 the total increase over the twenty (20) year period is
8 -- is 1.2 percent per year, but I -- I did a measure
9 on the slope of the last ten (10) years of that twenty
10 (20) year period and it's more like 1.7 percent.

11 Other point to make here is that -- you
12 know what, I'll think we'll -- we'll put slide 11 on
13 because that removes the -- the -- the two (2) earlier
14 forecasts, and it just leaves the current forecast and
15 the dotted line. So if we have -- if we have -- do we
16 have that on now? Slide 11?

17 MR. KURT SIMONSEN: Slide 11 is on.

18 DR. GARLAND LALIBERTE: All right,
19 good. Thank you. If we look at that, there isn't --
20 there isn't very much difference between those two (2)
21 lines for the first few years; maybe -- maybe as many
22 as ten (10). I can't recall exactly. Maybe just a
23 little less than that.

24 But that's kind of interesting that --
25 that Manitoba Hydro while it is claiming that it has -

1 - has taken into account the effect of price
2 elasticity, in other words, lowered consumption that
3 would accompany the current projection of 7.9 percent
4 rate increases over six (6) or seven (7) years, it's
5 interesting that while Manitoba Hydro is claiming that
6 it has taken into account price elasticity effects, in
7 fact, there is no difference between the -- the
8 previously ten (10) years and the ten (10) years --
9 the next ten (10) years.

10 So, what -- what I wonder about is if,
11 in fact, it has taken an adequate measure of the price
12 elasticity effect, why isn't that line lower than the
13 -- than the projection of -- of recent history,
14 because there was no -- there was no -- the increases
15 during the historic period, the recent historic
16 period, were really -- they were lower in some years
17 just -- just inflation and -- and more recent years a
18 little bit above inflation, but even with a 7.9
19 percent increase, Hydro is not projecting any
20 significant depression compared to those recent ten
21 (10) years.

22 Okay, so there's something else too.
23 How do -- how do these numbers, these projections
24 compare that Hydro is presenting. The 1.2 percent for
25 example; that is higher than anything you can find in

1 the -- not -- higher than most projections in
2 comparable areas. The US Energy Information
3 Administration is projecting increases in its 2017
4 energy outlook ranging from about a half a percent to
5 1 percent, yet Hydro is projecting for Manitoba a 1.2
6 percent.

7 So it's -- it's strange that -- that we
8 alone are going to experience increases that are
9 outside of the range. It makes us an outlier. It's
10 outside of the range of -- of other -- other
11 jurisdictions. So, let's ask ourself the question:
12 Does it matter?

13 Okay, so now, Kristen, a little change
14 of pace here. Could you put table 3 from the -- from
15 the paper, from the written presentation. It's on
16 page 23, and then please tell me when it's up.

17 MR. KURT SIMONSEN: It's up.

18 DR. GARLAND LALIBERTE: Okay. So
19 we've got table 3 up and I need you to look at the
20 extreme right-hand column. And I'm going to get my
21 copy of the written version here and look at it.

22 MR. KURT SIMONSEN: That is also up.

23 DR. GARLAND LALIBERTE: Okay so -- so
24 we're looking at table 3. And what this table does is
25 it takes gigawatt hours on an annual basis from the

1 forecast and it puts a value on them. And in order to
2 get that value, what we did is we went to the twenty
3 (20) year -- what's it called, the twenty (20) year
4 electric outlook I think. The reference is in -- in
5 the footnote. I think it's footnote 6.

6 And it says, okay, that -- that twenty
7 (20) year outlook gives a dollar figure and from the
8 forecast if you take the -- the -- the kilowatt -- no,
9 the gig -- gigawatt hours that Hydro can sell, in
10 other words, those after demand-side management, take
11 them as the revenue-generating gigawatt hours and do a
12 division, you come up with the unit price and that's
13 an average unit price representing the -- the domestic
14 revenue from all three (3) of the sectors that -- that
15 Manitoba Hydro considers.

16 And you can from that determine the
17 difference between those two (2) lines; between the
18 yellow line and the dotted line and -- and that's what
19 the right-hand column in table 3 represents. It
20 represents the differential revenue between what a
21 projection of past experience would -- would suggest
22 and what Hydro is projecting.

23 I think if you look at that, you see
24 that at the halfway point there is only -- I say only
25 -- 67 million difference between those two (2), but

1 from that point forward, the difference starts to get
2 larger and larger and larger. So by the end, there's
3 2-3-2-9, which is twenty-three hundred and twenty-nine
4 million difference.

5 So -- and here's a good chance for me
6 to tell you there is a -- a minor error in -- on the
7 bottom of page 13 in the written presentation. There
8 is a number there 2-3-1-9 that was supposed to have a
9 comma in it and it has a period and so it looks like
10 2.319 million, but it isn't. It's 2.319 billion or
11 twenty-three hundred and nineteen million.

12 So does it matter? Well, I guess in
13 the world of Hydro if 2.3 billion is -- is -- is not a
14 big figure, then maybe it doesn't matter, but I think
15 to most of us 2.3 billion is a big figure and -- and -
16 - and it needs to, you know, we need to be concerned
17 about it.

18 The -- I think it was Senator Everett
19 Dirksen, the late Senator Everett Dirksen from the
20 State of Illinois, who said a billion here, a billion
21 there, pretty soon we're talking about real money, and
22 I would suggest that that's a -- that that is apropos
23 to what we're looking at here.

24 Okay. So let's go on now to -- to DSM.
25 We need slide 7 up on the screen, please. Are we

1 there?

2 MR. KURT SIMONSEN: Slide 7 is up.

3 DR. GARLAND LALIBERTE: Okay, good.

4 Thank you. This is -- this is a slide that shows
5 Manitoba Hydro after DSM -- sorry, yes, Manitoba
6 Hydro's energy projection after DSM, and Manitoba
7 Hydro's projection after Efficiency Manitoba's plan.

8 And I think you can see from that that
9 Efficiency Manitoba's DSM targets result on a much
10 more aggressive outcome than -- than Manitoba Hydro's.
11 And again, you know, what are the impacts of DSM on
12 bottom line?

13 Well, first of all, it reduces domestic
14 revenue. Secondly, there are costs -- increased costs
15 to -- to achieve DSM beyond the low hanging fruit.
16 Expenses are -- there -- there is an expense to
17 deliver them. So there's kind of a double whammy
18 there. You get to bring in less revenue and it cost
19 you more.

20 Another factor is that it extends the
21 year of need. So now let's ask ourselves the question
22 again: Does it matter? So please put up table 4 on
23 page 24.

24 MR. KURT SIMONSEN: It's up. Thank
25 you.

1 DR. GARLAND LALIBERTE: Okay, thank
2 you. And I've lost my -- my screen completely here,
3 but that's okay. So you got that table up.

4 Take a look at the extreme two (2)
5 right-hand columns. They are calculated in the same
6 way as the right-hand column was on the previous
7 table. Basically unit prices were determined by
8 dividing the -- the revenue projected from Hydro's
9 projections and the -- and the -- the number of after
10 DSM gigawatt hours that are forecast to be produced.

11 So, if you look at that, the second
12 from the right column has a total of 5-7-2-6, that's
13 fifty-seven hundred and twenty -- twenty-six million
14 dollars. So \$5.7 billion; that's the cost -- sorry,
15 that's the reduction in -- in domestic revenue with
16 Hydro's plan, but what is the cost with Efficiency
17 Manitoba's plan and -- and Efficiency Manitoba's plan
18 calls for 1.5 percent per year for actually the next
19 fifteen (15) years, but because this was a twenty (20)
20 year forecast, I took the liberty of extending it out
21 the full twenty (20) years.

22 So the cost of -- not the cost, but the
23 revenue reduction as a result of Efficiency Manitoba's
24 DSM is ten thousand eight hundred and forty-six
25 million, or 10.8 billion. It's the difference between

1 those two (2) numbers, which works out to about 5.1
2 billion that is the additional reduction in revenue
3 that results from Efficiency Manitoba's plan.

4 So yes, it matters. And I guess from
5 my perspective, the Efficiency Manitoba plan is
6 sufficiently aggressive that it -- it could sink the
7 ship because there's \$5.7 billion -- sorry, 5.1
8 additional billion dollars that are involved.

9 Can we go to slide 8.

10 MR. KURT SIMONSEN: Slide 8 is up.

11 DR. GARLAND LALIBERTE: Okay, slide 8
12 shows the combined impact of over forecasting and
13 ignoring Efficiency Manitoba's 7.4 -- so it 7.4
14 billion, and all of these by the way are data from
15 Manitoba Hydro files, none of the data used in this --
16 in this analysis come from anything other than
17 Manitoba Hydro's files, except the Efficiency Manitoba
18 one and on that one, we simply took a point on the
19 linear regression for the year 2016/'17 and
20 extrapolated it forward year by year with a 1.5
21 percent increase. That's what -- that's what Bill 19
22 and the Efficiency Manitoba Act called for.

23 Can we have -- bring things to an end
24 here. Can we bring slide 19 up.

25 MR. KURT SIMONSEN: Slide 19 is up.

1 DR. GARLAND LALIBERTE: Okay, slide
2 19, you can read it, Public Utilities Board should
3 direct Manitoba Hydro to revise its load forecast
4 downward to more adequately reflect recent historic
5 experience, price elasticity -- elasticity impact and
6 insights into factors driving load forecast in other
7 North American jurisdictions for consideration in its
8 current General Rate Application.

9 Slide 20, please.

10 MR. KURT SIMONSEN: Slide 20 is up.

11 DR. GARLAND LALIBERTE: Okay, slide 20
12 the Public Utilities Board should direct Manitoba
13 Hydro to conduct its own analysis of the impact on
14 Manitoba Hydro's balance sheet of the government's
15 legislative plan -- legislated plan for demand-side
16 management of electric energy and to report its
17 findings to the Public Utilities Board as part of its
18 next General Rate Application.

19 That, panel members, concludes my
20 presentation. I do urge panelist, Intervenors and
21 especially Manitoba Hydro to read the full 24 page
22 presentation as submitted. I've had to be selective
23 from it to -- to do this -- this oral presentation.

24 And one (1) final comment, if there's
25 any media interest, I think the -- my contact

1 information can be obtained from Kurt Simonsen. He
2 has my phone number, obviously, and he has my email
3 address. Thank you. I am available for any
4 questions.

5 THE CHAIRPERSON: Thank you, Doctor.
6 I'll ask Dr. Williams if he has any questions?

7 DR. GARLAND LALIBERTE: Sure.

8 DR. BYRON WILLIAMS: Mr. -- Mr. Chair,
9 with the Panel's permission, I may have for four (4)
10 or five (5) if -- if that's too many.

11 THE CHAIRPERSON: That's fine.

12

13 CROSS-EXAMINATION BY DR. BYRON WILLIAMS:

14 DR. BYRON WILLIAMS: Dr. Laliberte,
15 it's -- it's Byron Williams, representing the
16 Consumers Coalition CAC Manitoba, Winnipeg Harvest,
17 and you'll recall many conversations you and I have
18 had in person, by phone and by email over the years on
19 Hydro issues?

20 DR. GARLAND LALIBERTE: Of course.

21 DR. BYRON WILLIAMS: And Dr.
22 Laliberte, you -- you followed closely the NFAT, Need
23 For Alternative Hearings in 2014 and are aware of the
24 evidence of Dr. Gotham, on behalf of CAC Manitoba in
25 terms of recommendations to improve Hydro's load

1 forecast?

2 DR. GARLAND LALIBERTE: Yes, I recall
3 that.

4 DR. BYRON WILLIAMS: And just -- just
5 in terms of the insight you provided today, it would
6 be fair to say that one (1) of the key comparators you
7 have used is a comparison with projected load growth
8 in other jurisdictions, and then comparing that to
9 Manitoba Hydro.

10 Would that be fair, sir?

11 DR. GARLAND LALIBERTE: Yes. Well, I
12 -- I did a more comprehensive study of that for the --
13 the NFAT hearing. And I recall then that the -- the
14 figures expected even four (4) years ago for load
15 forecast in -- and I think I was focusing mainly on
16 the -- the MISO jurisdiction, the forecast then was
17 just about everyone was less than one (1) and -- and
18 some were as low as 0.5 percent.

19 At that point, Hydro was projecting 1.5
20 and 1.6 percent, and my presentation back then was
21 that -- that the Hydro was being far too optimistic.

22 DR. BYRON WILLIAMS: And I'm wondering
23 if -- if you'd have any comments in terms of a
24 recommendation for improving the transparency of
25 future load forecasts, whether there would be value in

1 additional information comparing Hydro's forecast to
2 nearby Utilities with kind of a critical explanation;
3 whether more can be done in the Hydro forecasts in
4 that regard, or whether you think it's adequate as it
5 currently is?

6 DR. GARLAND LALIBERTE: No, I -- I
7 think that we -- all along Hydro should have been
8 presenting those comparisons to justify why it is
9 projecting at the levels it was and, to some extent,
10 still is.

11 I would say one (1) other thing, too.
12 The -- the -- it -- it would be useful, I think -- I'm
13 not suggesting that -- that Hydro should project for
14 its forecasts based on -- on recent historic
15 experience. What I think they should do is keep using
16 their sectoral approach, keep using all of the -- all
17 of the variables that it considers, and project them
18 forward, but -- but then when it does that, take a
19 look at the result and see how that compares with
20 recent history, and then ask yourself the question,
21 What is the justification, if -- if it turns out that
22 it's projecting increases higher than recent his --
23 history indicates, what is changing that makes it okay
24 to project at these higher rates?

25 DR. BYRON WILLIAMS: If -- if I might,

1 just one (1) last question.

2 DR. GARLAND LALIBERTE: Sure.

3 DR. BYRON WILLIAMS: In -- and our
4 clients have certainly heard your comments on
5 elasticity. In the event that Hydro doesn't get seven
6 point nine (7.9), and -- and gets something more akin
7 to in the three (3) to four (4) range, sir, would --
8 would you anticipate that -- that would have less of a
9 dampening impact on Hydro load growth?

10 DR. GARLAND LALIBERTE: Certainly.

11 You know, I -- the -- the concept of price elasticity
12 is well understood, and a 7.9 percent increase for the
13 number of years that are presently being projected, is
14 bound to produce lower -- greater reductions in -- in
15 consumption than an increase in the range that you
16 said. So the price elasticity effects would be
17 considerably less, and that would make Hydro's current
18 forecast in the next ten (10) years closer.

19 It doesn't do anything, though, I don't
20 think, for ten (10) to twenty (20) years out, where --
21 where there's such large increases being projected.

22 DR. BYRON WILLIAMS: We thank you very
23 much. We look forward to future conversations with
24 you both in the hearing process and otherwise. Thank
25 you very much.

1 DR. GARLAND LALIBERTE: Okay. Thank
2 you, Dr. Williams.

3 THE CHAIRPERSON: Does GAC have any
4 questions?

5 MR. DAVID CORDINGLEY: Thank you, Mr.
6 Chair. I -- I believe we have three (3) brief
7 questions for Dr. Laliberte, if that's acceptable.

8 THE CHAIRPERSON: Certainly.

9 DR. GARLAND LALIBERTE: Sure.

10 THE CHAIRPERSON: Certainly.

11

12 CROSS-EXAMINATION BY MR. DAVID CORDINGLEY:

13 MR. DAVID CORDINGLEY: Dr. Lalib --
14 liberte, my name's David Cordingley, counsel for the
15 Green Action Centre. I just wanted to pick up on what
16 you were saying with regards to the DSM initiative,
17 and that won't surprise you that that is the area
18 we're most interested in.

19 I -- I haven't had chance to review
20 your twenty-four (24) page paper in depth, so I
21 apologize if I ask you something that you've already
22 covered in depth there. Do I take it on -- on its
23 face that -- that your coalition is suggesting the
24 whole concept of DSM needs to be revisited in the
25 context of Manitoba Hydro?

1 DR. GARLAND LALIBERTE: Yeah. Well, I
2 didn't state that, but certainly, that's our view. We
3 -- we had the two (2) speakers before the -- the
4 legislative committee that considered third reading
5 of Bill 19. And we -- we strongly urged that that
6 Bill go back to the drawing board, and -- and that it
7 -- it come back with something that -- that recognized
8 what the impact would be on Manitoba Hydro if -- if
9 the Bill were passed without change. Unfortunately,
10 our -- our pleas to -- to that the committee process
11 didn't have any impact.

12 MR. DAVID CORDINGLEY: Follow-up to
13 that, Dr. Laliberte, we've spent the morning listening
14 to -- to a panel that was put forward by the Consumer
15 Coalition that incorporated number of low income
16 households.

17 Does your -- does your analysis of DSM
18 change if DSM is targeted towards economic need or low
19 income need as opposed to simply minimizing
20 consumption?

21 DR. GARLAND LALIBERTE: I'm -- I'm
22 having trouble with the question. I -- I heard what
23 you said, and I did listen to the panel this morning,
24 and was moved by the -- by the stories that we heard.
25 Would you -- can you rephrase the question, please?

1 MR. DAVID CORDINGLEY: Sure. Does --
2 does your coalition's approach or position on DSM
3 change, or are there implications, from your
4 coalition's perspective, if DSM is targeted
5 differently, that is, whether it's targeted at low
6 income or those in need, economic need, or strictly on
7 a -- minimizing consumption across the board. Is
8 there -- is there a nuance in your position with
9 respect to targeting?

10 DR. GARLAND LALIBERTE: I -- I see
11 your point. You know, we really haven't contemplated
12 selective targeting of -- of DSM, although listening
13 to the presentations this morning. I have to say I
14 can -- I can see the -- the argument for that, because
15 the DSM could -- could reduce energy consumption, and
16 could and -- and that's for people who are having a
17 hard time now making ends meet.

18 DSM, if it was targeted specifically to
19 people working near the lower end of the income curve,
20 it, you know, it -- it could be a -- a nuance that
21 would be worth considering.

22 MR. DAVID CORDINGLEY: One (1) final
23 question for you --

24 DR. GARLAND LALIBERTE: Yeah.

25 MR. DAVID CORDINGLEY: -- Dr.

1 Laliberte. With respect to the forecast that you --
2 you put up in your charts, has your coalition
3 considered the electric -- a strategy with respect to
4 the electrification of transportation that may
5 increase projected load, or -- or could have an
6 effective increasing load in the future?

7 DR. GARLAND LALIBERTE: We're working
8 with others on that, yes, and that was one (1) of the
9 -- one (1) of the initiatives that -- that we
10 suggested in our presentation -- both of our
11 presentations to the legislature when bill 19 was at -
12 - at the committee stage.

13 Certainly, I -- we think that what
14 Hydro needs to do now is -- is not just look at ways
15 to manage its debt by running to the Public Utilities
16 Board, but it needs to find ways to -- to move and use
17 the energy glut that -- that it has, and that will --
18 will grow when Keeyask is online.

19 So certainly, electrified in --
20 electrified transportation is is an excellent
21 opportunity. We have -- we have the makings for it.
22 We have good, clean electric energy. We've got a -- a
23 strong manufacturing base in -- in Winnipeg with --
24 with New West Flyer, and, you know, there is work to
25 be done. Yes, there needs to be an infrastructure

1 built to service electric transportation.

2 And I guess I should mention that Dr.
3 Jennifer Lukowitz, from the University of Manitoba,
4 she's with the department -- the faculty of
5 environment, there. She is organizing a conference in
6 the Hudson Bay building on the 24th of January, and I
7 guess I'm going to see if I can participate remotely
8 in that, but a number of people will -- will be
9 attending that. I think she has at least one (1) or
10 two (2) ministers on the -- on the program.

11 So, yeah, we'd be -- we -- we are
12 strong supporters of finding ways, and that's one (1),
13 to use -- use the electricity that -- that we have
14 coming out of our North.

15 MR. DAVID CORDINGLEY: Those -- those
16 are my questions, Dr. Laliberte. Thank you very much.

17 DR. GARLAND LALIBERTE: Okay. Thank
18 you.

19 THE CHAIRPERSON: Manitoba Hydro, do
20 you have any questions?

21

22 (BRIEF PAUSE)

23

24 CROSS-EXAMINATION BY MR. DOUG BEDFORD:

25 MR. DOUG BEDFORD: Good afternoon, Dr.

1 Laliberte. My name is Doug Bedford, and I represent
2 Manitoba Hydro this afternoon at this hearing.

3 Could we return for a moment, please,
4 to what you called figure 3 in the presentation?

5 DR. GARLAND LALIBERTE: Sure. Is that
6 going up on the screen?

7 MR. DOUG BEDFORD: That's on the
8 table.

9 MR. KURT SIMONSEN: It's on the
10 screen.

11 MR. DOUG BEDFORD: I'm looking at a
12 chart with coloured lines in it, called figure 3 when
13 it was first presented to us.

14 DR. GARLAND LALIBERTE: Okay, yeah.
15 That's on page 5 of the presentation and -- and it was
16 on the screen as slide 4.

17 MR. DOUG BEDFORD: It could well have
18 been. That's the one.

19 MR. KURT SIMONSEN: We have it up now.

20 MR. DOUG BEDFORD: So I understand
21 that the blue dotted line you created?

22 DR. GARLAND LALIBERTE: Yes. And what
23 I did is a linear analysis of the ten (10) years of
24 data, and then I extrapolated it forward to see where
25 it would take us in the next twenty (20) years if --

1 if those previous ten (10) years turned out to be a
2 good indication of where the future might take us.

3 MR. DOUG BEDFORD: You chose as the
4 starting point of your dotted blue line the year
5 2007/2008?

6 DR. GARLAND LALIBERTE: Yes. I'm
7 looking. Fine -- the print is very fine on my copy,
8 but yes, I did.

9 MR. DOUG BEDFORD: And then there
10 seems to be an assumption of constant growth, because
11 the blue line increases or goes upwards, it appears to
12 me, by a constant factor?

13 DR. GARLAND LALIBERTE: Yes. It's a -
14 - it's a linear analysis. You can -- anybody can go
15 online and -- and Google 'linear analysis', and
16 there's a package there that you -- you put the -- the
17 data in. I put in the actual Hydro data -- Hydro data
18 for each of those years. It's the weather-adjusted
19 data. And that -- that produced the line with the --
20 with the slope and the intercept in it.

21 MR. DOUG BEDFORD: There was a
22 worldwide recession in 2007/2008, was there not?

23 DR. GARLAND LALIBERTE: Yes, that's
24 right.

25 MR. DOUG BEDFORD: Is it not somewhat

1 questionable to choose that as the starting point for
2 a line that's intended to illustrate this sort of
3 information?

4 DR. GARLAND LALIBERTE: Well, those
5 ten (10) years are the same ones that Hydro has begun
6 using in -- in its forecasts, including this one.
7 Hydro, until this year, I believe, and possibly 2016,
8 was using twenty (20) years and the -- the twenty (20)
9 years had -- you -- you could actually see differences
10 between particularly the midsection of those twenty
11 (20) years and from 2008 onwards of the -- certainly
12 the -- the recession of 2008 caused a change all over
13 the world, and it -- and it's still there. It's still
14 there. Hydro is -- Hydro's own data show that.

15 MR. DOUG BEDFORD: And the simple
16 conclusion when I look at the lines that one draws,
17 and I compare your dotted blue line with the orange
18 dotted line, is that the further away you move from
19 today, the more difficult it becomes to predict with
20 any accuracy the future, correct?

21 DR. GARLAND LALIBERTE: There's no
22 question about that. I -- I do acknowledge in my
23 written presentation the difficulty that load
24 forecasters face. There's -- it's -- it's not an easy
25 thing to do, and in fact, if you go to the -- the

1 slide -- no, the -- on page -- of the written
2 presentation now, I don't know whether I have this in
3 my -- in my slide set. I think maybe I do, but I've -
4 - I think it'd be 9. If you go to 9, you will see
5 that Hydro has overestimated six (6) out of the last
6 seven (7) years, over-forecast the achievements, the -
7 - the actual -- the actual load achieved.

8 And by the way, the -- the forecast --
9 there -- there's two (2) forecasts that Hydro checks
10 for accuracy. One (1) is the five (5) year forecast,
11 five (5) years ahead, and the other is ten (10) years
12 ahead. And the one that Hydro can be best at is, as
13 you've implied, it is -- it is not ten (10) years.
14 It's -- it's a little easier, but still, Hydro has
15 over-forecast load in six (6) out of the seven (7)
16 years that are the right hand -- on the right-hand
17 bars on that graph.

18 Now remember, those -- a five (5) year
19 head forecast was -- the one for 2017, that was
20 forecast back in 2012. So the period when Hydro was
21 over-forecasting the -- the most was between 2005 and
22 2012. Those were key and formative years for Hydro's
23 Preferred Development Plan that is now unfolding in --
24 in 2018.

25 MR. DOUG BEDFORD: I gather from

1 listening to you this afternoon, your opinion is that
2 my client is still, today, over-forecasting what the
3 load and its sales are going to be?

4 DR. GARLAND LALIBERTE: Yes. I think
5 that. It's over-forecasting in -- in the short term,
6 for the next ten (10) years, because I don't feel
7 there is an adequate consideration of price elasticity
8 effects, and beyond that, in the second twenty (20)
9 years in -- out of the next twenty (20) year period,
10 there's -- there is forecasts that are well beyond
11 what other jurisdictions are projecting, and the only
12 thing that Hydro does to justify that is to say that -
13 - that ten (10) years from now, we will be beyond the
14 effects of the current plan for 7.9 percent increases.

15 MR. DOUG BEDFORD: Which --

16 DR. GARLAND LALIBERTE: So, yes, there
17 -- there's -- we have a strong feeling that Hydro,
18 even though it has a downsized its forecast, is still
19 seriously over-forecasting.

20 MR. DOUG BEDFORD: So put simply and
21 slightly differently, your fear would be that my
22 client will not realize the revenues that it predicts
23 today that it will realize from sales?

24 DR. GARLAND LALIBERTE: That's right.

25 MR. DOUG BEDFORD: And that would

1 lead, if there is an essential need to realize a
2 certain amount of revenue to pay one's costs, one's
3 bills, that would lead, would it not, to the
4 conclusion that the rate increase being sought is too
5 low and should be higher?

6 DR. GARLAND LALIBERTE: No. No, I
7 don't -- I don't think that's the right conclusion.
8 The right conclusion is, Hydro needs to get to work
9 finding plans, finding uses for all of this power that
10 it's got rather than to make the assumption that --
11 that what we've prep -- what we've shown today on the
12 screen to make the assumption that a greater for --
13 greater price increases either in the intermediate
14 term or in the future are required.

15 MR. DOUG BEDFORD: You showed us --
16 and there's no pages, unfortunately, on my
17 presentation, but you showed us all briefly a little
18 summary that you call twenty (20) year financial
19 impacts on domestic revenue, and you have a
20 calculation for over-forecasting that we have just
21 been reviewing, and you have the second calculation
22 for "Efficiency Manitoba DSM" is the line description
23 of 5.1 billion. Do you see that?

24 DR. GARLAND LALIBERTE: Well, I can't
25 see the screen, but I know the -- I know what you're

1 talking about, and I do have it in my slide some
2 place, but they're not up right now. I'm having some
3 computer problems, so I can't bring it up, but I know
4 the one you're talking about. It's a slide that
5 basically adds the two (2) numbers together, bringing
6 it to a total of 7.4 billion.

7 MR. DOUG BEDFORD: I understand that
8 the 5.1 billion that you calculate is your calculation
9 of additional costs that my client will bear over
10 twenty (20) years, or DSM measures that will be
11 created by this new Crown corporation, Efficiency
12 Manitoba.

13 DR. GARLAND LALIBERTE: Exactly.

14 MR. DOUG BEDFORD: Did I understand
15 that correctly?

16 DR. GARLAND LALIBERTE: You did. It's
17 exactly that. It's additional costs. It's -- it --
18 the -- it's not -- it's additional costs above what
19 Hydro was projecting to do in -- in its present GRA.

20 MR. DOUG BEDFORD: And without wishing
21 to be too trite about this, you don't have access to
22 any insider information from Efficiency Manitoba as to
23 what its programming is going to be, what its costs
24 are going to be, and how the costs that it incurs are
25 going to be allocated to other Crown corporations and

1 to Manitobans generally, do you?

2 DR. GARLAND LALIBERTE: No. I have no
3 information on that, but -- but I think it stands to
4 reason to -- if you're going to try to achieve the
5 levels of the DSM that Efficiency Manitoba is
6 legislated to -- to provide, there will be additional
7 costs. Where they come to rest, I think, is not
8 really very clear, but if they come to rest in Hydro,
9 it's going to have a major impact.

10 MR. DOUG BEDFORD: Thank you, Dr.
11 Laliberte. I have no further questions.

12 DR. GARLAND LALIBERTE: Thank you.

13 THE CHAIRPERSON: I -- I -- doctor, I
14 will ask the panel if they have any questions.

15 DR. GARLAND LALIBERTE: Sure.

16 THE CHAIRPERSON: There are no
17 questions. Dr. Laliberte, we appreciate your
18 presentation, and all the effort, and we thank you for
19 it. And we wish you well.

20 DR. GARLAND LALIBERTE: Well it's --
21 it's good to -- to be able to have the opportunity to
22 -- to make the case that -- that we did on behalf of
23 the coalition. I thank -- thank for the panel for
24 that.

25 THE CHAIRPERSON: Thank you very much,

1 sir.

2 DR. GARLAND LALIBERTE: Okay, bye.

3 THE CHAIRPERSON: Thank you. Bye.

4

5 (BRIEF PAUSE)

6

7 JOHN GREENAWAY, Sworn

8

9 THE CHAIRPERSON: Mr. Greenaway, thank
10 you very much for attending this afternoon. We've
11 asked the presenters, if -- if you could use
12 approximately ten (10) minutes for your presentation,
13 and then we may have questions of the Intervenors or
14 the panel.

15 MR. JOHN GREENAWAY: Well, it may even
16 take less than that.

17 THE CHAIRPERSON: Okay. That's fine,
18 sir. Thank you.

19

20 (BRIEF PAUSE)

21

22 PRESENTATION BY MR. JOHN GREENAWAY:

23 MR. JOHN GREENAWAY: Okay. Good
24 afternoon. My name is John Greenaway. I'm a
25 consumer. I'm representing myself. And everything

1 I've got to say is basically written down on the
2 presentation, here.

3 I'm here to voice my concern with all
4 the increases that Hydro rates have been getting over
5 the years. I will make this presentation short and
6 right to the point. I find that the proposed
7 increases are outlandish and insulting to the citizens
8 of Manitoba, as they are above the costs of living,
9 and also, they are above what an employer may give in
10 wage increases in a year, which is, on an average, 3
11 percent. They are also higher than the cost of
12 living, which is only an increase on -- for people on
13 fixed incomes.

14 Now, since 2008 to 2015, Manitoba Hydro
15 has received 5 percent in 2008, 2.9 percent in 2009,
16 1.9 percent in 2010, 2011 is 2 percent, 2012, there
17 was two (2) increases, one (1) in April 1st for 2
18 percent and another one (1) in September 1st for
19 another 2.5 percent, for a total increase of four
20 point five (4.5). 2013, it was three point five
21 (3.5). 2015, it was two seventy-five (2.75). For
22 2017, it was three sixty-seven (3.67), and now
23 requesting three point (3.) -- seven point nine (7.9)
24 for the next three (3) years, which would be laughable
25 if not insulting.

1 Just as the requested rates, if
2 approved, would total up to over 25 -- 21 percent,
3 which, if a person gets 3 percent average increase
4 each year, would be 9 percent in the same three (3)
5 years, and it would probably be -- if cost of living,
6 has -- if it stays at 2 percent, would come out to 6
7 percent, which would place the requested rates at 12
8 percent for the higher wage earners, and 15 percent
9 higher for the persons on fixed incomes, pensioners,
10 et cetera.

11 My feeling is that, given that Manitoba
12 Hydro has a monopoly on the Hydro in Manitoba, and has
13 been receiving increases on the most part at about 2
14 to 3 percent, and they are now wishing a 21 percent
15 increase over a three (3) year period, that they be
16 given the request of 21 percent, but -- and this is my
17 -- my main thing, and I stress it very strongly --
18 over a seven (7) year period, thus saving having to
19 keep back -- coming back in front of the Board yearly
20 asking for a rate increase.

21 I feel that the people of Manitoba
22 could accept this as a compromise, and thank you for
23 your time.

24 THE CHAIRPERSON: Thank you, sir.
25 I'll ask if any of the Intervenors have any questions

1 for you. Dr. Williams...?

2 DR. BYRON WILLIAMS: No questions from
3 the Consumers Coalition, but a big thank you for
4 attending.

5 THE CHAIRPERSON: Okay.

6 MR. DAVID CORDINGLEY: No questions,
7 Mr. Chair.

8 THE CHAIRPERSON: Manitoba Hydro?

9 MR. DOUG BEDFORD: No questions.

10 THE CHAIRPERSON: The panel,
11 questions? Mr. Greenaway, we appreciate you coming
12 and putting forward your presentation this afternoon.

13 MR. JOHN GREENAWAY: Well --

14 THE CHAIRPERSON: Thank you, sir.

15 MR. JOHN GREENAWAY: -- thank you.

16 THE CHAIRPERSON: Mr. Simonsen...?

17 MR. KURT SIMONSEN: Is there anyone
18 else in the gallery who is on our list that happens to
19 be here?

20 Mr. Chair, I think that should conclude
21 the day.

22 THE CHAIRPERSON: Sorry, Mr. --

23 MR. DOUG BEDFORD: I have one (1)
24 undertaking, if you have time for it.

25 THE CHAIRPERSON: Certainly.

1 MR. DOUG BEDFORD: I am told this is
2 Manitoba Hydro Undertaking Number 37, and should go
3 in, I believe, as Exhibit Number 105.

4

5 --- EXHIBIT NO. MH-105: Response to Undertaking 37

6

7 THE CHAIRPERSON: Okay. Thank you.

8 Thank you, sir. I would note, Mr. Bedford, that I
9 believe it was working until Ms. Ramage was on it, but
10 -- I -- I don't know other -- but there -- there was a
11 movement back-and-forth.

12 I -- I'd just put on the record we had
13 three (3) other people this afternoon. Unfortunately,
14 we've had a scheduling problem, and we may have to --
15 we've tried to contact those people who were -- come
16 later in the day, and shift them to -- to another day
17 for their presentations, so we've set aside other
18 time, as you know.

19 So with that in mind, I will adjourn
20 the hearing until Tuesday morning at 9:00 a.m. Thank
21 you. Have a good weekend.

22

23 --- Upon adjourning at 3:20 p.m.

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4 Certified Correct,

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9 Cheryl Lavigne, Ms.

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