

**MANITOBA HYDRO 2012/13 & 2013/14  
APPLICATION FOR INTERIM RATES EFFECTIVE APRIL 1, 2014  
CAC  
INFORMATION REQUESTS**

**CAC (MH) 1 - 1**

**Reference:** Application, page 2 (lines 29-36)  
2012/13 & 2013/14 GRA, PUB/MH I-2 a)

**Question:**

- a) Please update the response to PUB/MH I-2 a).

**CAC (MH) 1 - 2**

**Reference:** Application, Section 1.0 – Summary of the Application  
2012/13 & 2013/14 GRA, PUB/MH I-53

**Question:**

- a) Please update the response to PUB/MH I-53 to reflect results to date and the current Application.

**CAC (MH) 1 - 3**

**Reference:** Application, pages 4 (lines 7-12) and 12 (lines 7-10)  
2012/13 & 2013/14 GRA, PUB/MH I-9 e)

**Question:**

- a) Please provide a schedule similar to that in PUB/MH I-9 e) based on MH13 that also includes the actual values for 2012/13.

**CAC (MH) 1 - 4**

**Reference:** Application, page 5 (lines 1-8) and page 15 (lines 1-13)

**Question:**

- a) Please provide a schedule that sets out
- The total export volumes, sales (Cdn dollars) and average revenues for the years 2007/08 through 2012/13.

- The US export volumes, sales (US dollars) and average revenues (US dollars) for the years 2007/08 through 2012/13.
  - The Canadian export volumes, sales and average revenues for the years 2007/08 through 2011/12/13.
- b) Please provide a schedule that sets out (based on IFF12):
- The total export volumes, sales (Cdn dollars) and average revenues for the years 2012/13 through 2017/18.
  - The US export volumes, sales (US dollars) and average revenues (US dollars) for the years 2012/13 through 2017/18.
  - The Canadian export volumes, sales and average revenues for the years 2012/13 through 2017/18.
- c) Please provide a schedule that sets out (based on IFF13):
- The total export volumes, sales (Cdn dollars) and average revenues for the years 2013/14 through 2017/18.
  - The US export volumes, sales (US dollars) and average revenues (US dollars) for the years 2013/14 through 2017/18.
  - The Canadian export volumes, sales and average revenues for the years 2013/14 through 2017/18.
- d) Please comment/explain the change in average unit export revenues as between IFF12 and IFF13 for the period 2012/13 to 2017/18.

## **CAC (MH) 1 - 5**

**Reference:** Application, page 5  
IFF13, pages 26-28

### **Question:**

- a) Please provide a schedule with the actual annual electric operations capital spending for the years 2010/11 through 2012/13 broken down into the major spending categories used in IFF13.
- b) With respect to the response to part (a), please comment on the reasons for any year over year changes of more than 10% for the following categories:
- Generation Operations
  - Transmission
  - Customer Service & Distribution
- c) Please provide a schedule that contrasts the annual capital spending set out in IFF12 with that of IFF13 by major spending category for the period 2013/14 through 2017/18.
- d) With respect to the response to part (c), please comment on the reasons for any year over year changes of more than 10% for the following categories:
- Generation Operations
  - Transmission

- Customer Service & Distribution

### **CAC (MH) 1 - 6**

**Reference:** Application, pages 5 (lines 19-29)  
2012/13 & 2013/14 GRA, PUB/MH I-82 b)

**Question:**

- a) Please provide an update on Manitoba Hydro's development of asset condition assessments for each of its Business Units.

### **CAC (MH) 1 - 7**

**Reference:** Application, page 6 (lines 1-10)

**Question:**

- a) Please provide a schedule that sets out for each of IFF12 and IFF13 the forecast volumes, revenues and unit revenues for the period 2012/13 through 2017/18 for total exports and total domestic sales.

### **CAC (MH) 1 - 8**

**Reference:** Application, page 10 (lines 3-11)

**Question:**

- a) Please provide the average annual residential bill increase over the period 2013-2032 as projected in the Ontario 2013 Long Term Energy Plan.

### **CAC (MH) 1 - 9**

**Reference:** Application, pages 11-14  
2012/13 & 2013/14 GRA, PUB/MH I-62

**Question:**

- a) Please update the response to PUB/MH I-62 to include the 2012/13 actual values and the forecast for 2014/15 and 2015/16 based on IFF13.

### **CAC (MH) 1 - 10**

**Reference:** Application, pages 11-14

**Question:**

- a) Using a format similar to that in PUB/MH I-59 d) ii) – please set out and explain the variance between the IFF12 forecast OM&A for 2012/13 and the actual values, by Business Unit.

**CAC (MH) 1 - 11**

**Reference:** Application, pages 11-14

**Question:**

- a) Please provide a schedule that sets out for the years 2010/11 through 2014/15 (based on actuals and IFF13) the plant in-service and construction in progress at the end of each fiscal year.
- b) Please provide a schedule that identified the additions to plant in-service in each of these years by major capital spending category. Note: In the case of major generation and transmission projects, please identify each individual project.
- c) Please provide a schedule that identifies, for each year, those major generation and transmission projects that are contributing to construction in progress at year end and, in each case, how much.

**CAC (MH) 1 - 12**

**Reference:** Application, page 15

**Question:**

- a) Please provide a schedule that explains the difference in forecast OM&A expenses between IFF12 and IFF13 for both 2013/14 and 2014/15 identifying the impact of:
- Changes in assumptions regarding the implementation of IFRS
  - Changes (with explanations) in forecast spending by Business Unit.

**CAC (MH) 1 - 13**

**Reference:** Application, pages 15 and 21  
Manitoba Hydro's Quarterly Report, December 2013  
IFF13, page (i)

**Question:**

- a) Please provide the comparative Statements of Income for Manitoba Hydro's Electric Operations for the Nine Months Ended December 31st 2012 versus 2013.
- b) It is noted that the overall Corporate net income for the nine months ended December 31, 2013 is more than \$100 M higher than that for the previous year (\$72 M versus -\$38 M). In contrast, Manitoba Hydro's forecast 2013/14 net income is \$136 M, less than \$50 M higher than the \$92 M net income achieved in 2012/13. Please explain/justify why the \$136 M net income forecast for 2013/14 and the associated \$116 M net income forecast for 2013/14 electric operations are reasonable. If not, please provide updated values.

**CAC (MH) 1 - 14**

**Reference:** IFF13, page 7

**Question:**

- a) Please reconcile the statement that "OM&A cost increases will be limited to below inflationary levels of 1%" with the post 2014/15 increases in OM&A shown on page 32 through to 2020/21.
- b) Please explain why the OM&A cost increase for 2014/15 was not also limited to "below inflationary levels"

**CAC (MH) 1 - 15**

**Reference:** Application, Section 1.0, Summary of Application, page 2 (lines 6 - 19)

**Question:**

- a) Please indicate whether Manitoba Hydro is anticipating seeking a further rate increase at the proposed GRA in the fall of 2014, or simply to confirm the proposed interim rate increase (if granted).

**CAC (MH) 1 - 16**

**Reference:** Board Order 43/13, pages 44 - 45

**Question:**

- a) Please explain the steps taken to increase DSM and load management targets from the 2011 Power Smart Plan, and summarize the steps taken to increase and/or improve DSM programming.

**CAC (MH) 1 - 17**

**Reference:** Board Order 43/13, pages 14 - 15

**Question:**

- a) Please explain the cost containment measures implemented or planned, and quantify the anticipated savings therefrom.

**CAC (MH) 1 - 18**

**Reference:** Application, Section 1.0 Summary of Application, page 2 (lines 2 - 4)

**Question:**

- a) Please indicate what % rate increase would be required to generate an additional \$1 – 2M over approved rates.

**CAC (MH) 1 - 19**

**Reference:** Application, Section 3.0 Reasons for Application, page 4 (lines 20 - 23)

**Question:**

- a) Given that 2013/14 is forecast to be a favourable year, and that MH's long term forecast projects a need for annual rate increases of 3.95%, please explain why it is considered necessary to proceed by way of an interim rate application, rather than simply filing a GRA.

**CAC (MH) 1 - 20**

**Reference:** Application, Section 5.2 Financial Targets, page 16

**Question:**

- a) Please indicate whether IFF12 anticipated the proposed rate increase.

- b) What would the projected equity ratio be without the proposed interim rate increase?
- c) What would the projected equity ratio be if the proposed rate increase was implemented in October, 2014?
- d) What would the projected equity ratio be if the proposed rate increase was implemented in January, 2015?