

Manitoba Hydro
2014/15 Interim Rate Application
Information Requests of
The Public Utilities Board of Manitoba

PUB/MH I - 1. Reference: Reasons for Application

Please re-file Table 4 incorporating the following adjustments:

- (a) Include 2004 to 2010 actual results and forecast for 2015/16
- (b) The financial Targets for Electric operations

PUB/MH I - 2. Reference: Application Page 3 of 21

Please populate the following table for each of the years 1999/00 through 2014/15:

	1999/ 2000	2000/01	[...]	2014/15
% Rate Increase Requested				
% Rate increase approved by PUB				
Annualized dollar increase from Rate increase				
Annual Inflation Rate in Manitoba				

PUB/MH I - 3. Reference: Interim Application - Proposed Rates & Customer Impacts

Please file an update to PUB/MH II-56 (a) from the 2012 GRA and incorporate the 2014/15 requested rate increases. Please also include both gross and net export revenues.

PUB/MH I - 4. Reference: Interim Application - Proposed Rates

- (a) Please indicate when the Corporation proposes filing a General Rate Application in support of its Interim Rate Application.
- (b) Please advise when the Corporation proposes to hold a Cost of Service and Time of Use Hearing.

PUB/MH I - 5. Reference: Application Page 11 to 14 of 21, Table 4

- (a) Please provide an updated comparative analysis schedule comparing the income for fiscal years 2013/14, 2014/15, and 2015/16. Please include a narrative explanation of the changes.
- (b) Please provide a comparative analysis schedule comparing the financial targets, balance sheet, and cash flow statement for fiscal years 2013/14, 2014/15, and 2015/16 for electric operations only, comparing the forecast presented in IFF 12-1 with the updated information for each of those years. Please include a narrative explanation of any material changes. Please provide a similar analysis comparing IFF 09–1 with the most current information.

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- (c) Please refile Table 4 assuming the requested rate increase is not approved.

PUB/MH I - 6. Reference: Appendix 1, Financial Results

- (a) Please file the Q4 2013/14 draft financial results for electric operations, including financial ratios.
- (b) Please provide a comparison of the draft 2013/14 electric results with those forecast in MH13-1.
- (c) Please indicate to what extent the actual financial results for Q3 were incorporated in the forecast for 2013/14 in MH13-1

PUB/MH I - 7. Reference: Appendix 1 Page 2

The Corporation states that the “economic assumptions used in the forecast are based upon Manitoba Hydro’s Economic Outlook, with certain key variables updated as of November 2013.”

- (a) Please provide details of the “key variables” that were updated and how the changes impacted MH13-1.
- (b) Please file the spring 2014 Economic Outlook when available.

PUB/MH I - 8. Reference: Application Page 13

- (a) What is the basis for the Corporation’s conclusion that extraprovincial revenue is going to decrease over the next three years, as opposed to increase?
- (b) Please provide a breakdown of the factors the Corporation considers to be relevant in the reduction of export revenue in 2014/15.

PUB/MH I - 9. Reference: Appendix 3 Q 4 Financial Results

- (a) Please indicate the Heating Degree Days which MH has experienced in the first 9 months of 2013/14 and the last three months of the fiscal year and provide the normal DDH for these periods.
- (b) Please estimate the relationship between heating degree days and domestic revenues.
- (c) Please provide an analysis and narrative that explains the reported increase in OM&A costs for the 9 months ended December 31, 2013.
- (d) Please indicate the revenue requirement impact in the Q3 report related to Wuskwatim operations.

PUB/MH I - 10. Reference: Application Page 15, Appendix 1 page 7

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- (a) Please provide a summary update detailing the proposed IFRS-related accounting changes that are to take effect in 2013/14, 2014/15 and 2015/16 .
- (b) Please discuss and provide details on how the Interim Standard for Regulatory Deferral Accounts has impacted the income statement and balance sheet in MH13-1, isolating the impact of the accounting changes.

PUB/MH I - 11. Reference: Appendix 1, IFF13 Page I & iii

Please provide the financial results and projected net income and key financial ratios for electric operations only and provide a comparison with those presented in IFF12.

PUB/MH I - 12. Reference: Appendix 1, Financial Targets

- (a) Please update PUB/MH II-41 from the 2012 GRA revised based on MH13-1.
- (b) Please update PUB/MH II-46 from the 2012 GRA revised based on MH13-1.

PUB/MH I - 13. Reference: Appendix 1, Page 28 Capital Expenditure Forecast

- (a) Please provide a comparative analysis of the Major Generation and Transmission projects forecast in CEF13 with CEF12 and CEF09.
- (b) Please provide an annual comparative analysis of the Base Capital spending forecast in CEF13 with CEF12 and explain the changes over the twenty year forecast.

PUB/MH I - 14. Reference: WPLP

Please provide the most current IFF for WPLP.

PUB/MH I - 15. Reference: Interim Application Page 16 line 16; Internally Generated Funds

- (a) Please provide an update to PUB/MH II-56 (b) from the 2012 GRA based on IFF13 from 2004/05 through 2032/33.
- (b) Please explain the changes in internally generated funds there were forecast in MH12-1 with those forecast in MH13-1 and explain the reasons for the changes.

PUB/MH I - 16. Reference: Staffing

- (a) Please file an update to PUB/MH I-37 (a) from the 2012 GRA.
- (b) Please provide a comparison of actual EFTs for 2012/13 and 2013/14 with the level forecast for those years at the last GRA and provide a narrative explanation of the differences.
- (c) Please provide a table/ matrix of EFT per GWh, per domestic revenue, and per domestic customers on an annual basis from 1999/00 to 2014/15.

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	<i>1999/00</i>	<i>[...]</i>	<i>[...]</i>	<i>2014/15</i>
EFT's				
EFT per GWH of domestic Supply				
EFT per GWH of total supply				
EFT per number of domestic customers				
EFT's per \$ of domestic revenue				

- (d) Please provide a schedule which indicates the total increase in salary wages, benefits and overhead [both OM&A and Capitalized] related to increase in EFT's for each of the years 1999/00 to 2013/14.
- (e) Please provide a schedule which indicates the salary, wages and benefits as a percentage of OM&A, percentage of domestic revenue, and salary wages and benefits capitalized for each of the years 1999/00 to 2013/14.

PUB/MH I - 17. Reference: 2013 Annual Report, Note 6, Page 79

Please provide an updated continuity schedule of construction work in process including the forecasted amounts to be spent on each major Generation and Transmission project for each of the years 2013 through 2016.

PUB/MH I - 18. Reference: Attachment I IFF 13-1 DSM Spending

- (a) Please provide a schedule detailing the forecast electric DSM spending in the 2011 Power Smart Plan by program with the actual/forecast spending for 2012/13 and 2013/14.
- (b) Please provide an explanation of the Planned Additional Capacity and Energy arising from DSM indicated on page 6 of IFF13-1 and indicate which Power Smart Plan this is based on.

PUB/MH I - 19. Reference: Attachment I IFF 13-1 Alternative Scenario

- (a) Please provide an alternative 20-year IFF MH13-1 scenario that reflects no additional spending on Conawapa commencing in 2014/15 and indicate the financial targets for electric operations and annual average rate increases required to attain 75:25 by 2032/33. Sunk Costs are to remain deferred during the 20-year forecast.
- (b) Please provide alternative 20 year IFF MH13-1 scenarios that reflects the inclusion of Base Capital Expenditures and Bipole III, but excluding all

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other new Major Generation and Transmission Projects. Sunk costs are to remain deferred during the 20-year forecast.

- (c) Please isolate the annual revenue requirement for Bipole III indicated in MH13-1.

PUB/MH I - 20. Reference: 2012 GRA PUB/MH II-105(a)

- (a) Please file an updated version of the tables from 2012 GRA PUB/MH II-105(a) to include 2012/13 and 2013/14.
- (b) File a similar forecast tabulation for 2014/15 and 2015/16.

PUB/MH I - 21. Reference: Load Forecast

Please file the 2014 Load Forecast or as a minimum provide updated monthly actuals for 2012/13 and 2013/14 and monthly forecasts for 2014/15 and 2015/16.

PUB/MH I - 22. Reference: 2012 GRA PUB/MH II-087 (p.1 to 5)

- (a) Provide monthly hydraulic generation for 2012/13 and 2013/14.
- (b) Provide monthly watershed flow data for 2012/13 and 2013/14.
- (c) Provide monthly Lake Winnipeg water level data for 2012/13 and 2013/14.

PUB/MH I - 23. Reference: 2014 GRA Table (a) & (b)

- (a) Please confirm that Lake Winnipeg water levels have remained within 1.5 ft. (0.45 m) of the upper license limit during the last quarter of 2013/14.
- (b) Please confirm that Manitoba Hydro's hydraulic generation for the first 9 months of 2013/14 was 26,700 GWh and that the total for 11 months was about 32,300 GWh.
- (c) Please further confirm that the likely year-end total for 2013/14 could be 35,000 GWh (well above average).

PUB/MH I - 24. Reference: 2014 GRA Table (c)

- (a) Please confirm that watershed flows, except for the Red River, are above average and the Lower Nelson flows are about 85% of maximum useful flows.
- (b) Please confirm that overall watershed spring runoffs are predicted to be well above average in 2014/15.

PUB/MH I - 25. Reference: Appendix 1 IFF 13 Section 14.0

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Confirm that IFF13-1 predicts 2013/14 and 2014/15 water rentals to be \$125 M and \$123 M respectively, which compares to average-year water rentals of \$111 M.

PUB/MH I - 26. Reference: NFAT PUB/MH 1-009 Revised (14 pages)

Please refile PUB/MH 1-009 Revised to include all of 2013/14.

PUB/MH I - 27. Reference: NFAT PUB/MH I-008 (pp 1 to 30), 2014 GRA Tables (d2), (d3) & (d4)

- (a) Please refile this IR updated to include 2012/13 (complete) and 2013/14.
- (b) Please provide monthly data for 2012/13 and 2013/14.
- (c) Please provide a separate tabulation of monthly wind energy purchases (aggregated), imports and thermal generation for 2012/13 and 2013/14.
- (d) Please explain the need for a high level of purchases (other than wind) in the last 4 months when Lake Winnipeg levels and overall energy sources are well above average.

PUB/MH I - 28. Reference: IFF 13 p.32

- (a) Explain the \$408 M and \$383 M extraprovincial revenue forecast for 2013/14 and 2014/15 respectively, in light of favourable water conditions and market prices, as well as a higher exchange rate.
- (b) Confirm that Manitoba Hydro's 2013/14 General Consumers revenue could be significantly higher than indicated in IFF 13 given the cold winter impact on electricity consumption. Please quantify this effect.

PUB/MH I - 29. Reference: IFF 13 Section 7.0

- (a) Provide a historical perspective on MH's O&M costs for the last 10 years by tabulating the annual IFF forecasts and the annual actual results.
- (b) Confirm that from 2008 to 2014, MH's O&M costs increased from \$380 M± to \$560 M±; a \$180 M increase over 6 years or \$30 M/year.
- (c) Provide the actual annual % increase in O&M from 2008 to 2014.
- (d) Confirm that IFF 12 looked for an O&M cost increase of \$400 M over 20 years (\$550 M to \$950 M) and that IFF 13 looks at a lower increase of \$340 M (\$560 M to \$900 M) over 20 years; a 10% reduction over 20 years?

PUB/MH I - 30. Reference: Application Page 4

Preamble: The Corporation states that "by implementing these further cost containment initiatives, Manitoba Hydro has maintained projected annual rate increases for each year of MH13-1 at the same level as those projected in MH12, namely 3.5%".

MH13-1 reflects net losses in 2018 through 2022 totalling \$245 million

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- (a) Please explain what factors are causing the material losses in those years.
- (b) Please provide a comparison with the forecast losses in MH12-1 and indicate why the number of years and magnitude of the losses has grown.
- (c) Please provide an updated MH31-1, and key financial ratios for electric operations (Page iii) indicating the equal annual rate increases required ensuring no losses in 2018 through 2022.
- (d) Please provide details on the specific cost containment measures referred to and the savings realized for each one for a five year period starting in 2012/13.