

*The Public Utilities Board  
400 - 330 Portage  
Winnipeg, MB R3C 0C4*

**NEEDS FOR AND ALTERNATIVES TO (NFAT) REVIEW OF  
MANITOBA HYDRO'S PROPOSED DEVELOPMENT PLAN  
INTERVENER REQUEST FORM**

1. Name of Requesting Party:		
Consumers' Association of Canada (Manitoba Branch)		
2. Address of Requesting Party:		
21-222 Osborne Street, Winnipeg, MB R3L 1Z3		
3. Phone Number:	Business:	Residence:
	204 452 2576	
	Fax Number:	E-mail:
	204 284 1876	cacmb@mymts.net
4. Contact Person(s):		
Byron Williams		
5. Address:		
300 - 287 Broadway, Winnipeg, MB R3C 0R9		
6. Phone Number:	Business:	Residence:
	204 985 8533 or 204 985 8540	
	Fax Number:	E-mail:
	204 985 8544	bywil@pilc.mb.ca / keeyasknfat@pilc.mb.ca
7. How many members does your organization have?		Please see attached.
8. How many years has your organization been in existence?		66
9. Please provide a list of the executive members of your organization:		
Ms. G. Desorcy is the Executive Director. Ms P. Barker and Ms B. Kendel are Co-chairs. Ms J. Wasney, Ms I. Brockman and Ms B. Nielsen are Board Members.		

**10. What is the purpose/mandate of your organization?**

Please see attached.

**11. To what extent are the members of your organization affected by the outcome of this review?**

CAC MB seeks to represent the interest of the residential ratepayers of Manitoba Hydro. The Hydro Plan is expected to have a material impact on the rates paid by residential ratepayers. The Hydro Plan also may impact the availability of resources within Manitoba Hydro to invest in energy efficiency and day to day capital expenditures. The Hydro Plan is expected to have both deleterious and positive effects on the environment which affects all consumers.

**12. What issues are of specific concern to your organization?**

CAC MB will ask whether the proposed investments are prudent and reasonable both in absolute terms and in comparison to any reasonable alternatives. Considering both overall rates and energy efficiency opportunities, it will ask whether the short, medium and long term impacts on residential ratepayers are affordable, reasonable and just.

Recognizing the negative impact on ratepayers from the poorer than expected performance of the Wuskwatim hydro-electric generating station, CAC MB will examine the risk of adverse events whether in isolation or in combination. After consideration of the macro environmental impacts and the principles of sustainable development, it will ask whether the Hydro Plan makes a net positive contribution to sustainability in absolute terms. It will consider the relative impact upon sustainability of the Hydro plan in comparison to other alternatives.

**13. State the reasons for the proposed intervention, to the extent not captured above.**

Please see attached.

14. Nature of the proposed intervention.		
a) Does your organization intend	Yes	No
(i) to appear throughout the review:	X	
(ii) to participate in the production of evidence:	X	
(iii) to participate in the testing of evidence through cross-examination:	X	
(iv) to present final submissions to the Board:	X	
b) Does your organization intend to call witnesses:	Yes	No
	X	
c) If yes to No. 14b), please list the proposed witness(es) (use separate pages if necessary):		
(i) Name:		
(ii) Address:		
(iii) Qualifications:		
(iv) Subject of submission:		
Please see attached.		
15. Will your organization be applying for costs under Part IV of the PUB's Rules of Practice and Procedure:	Yes	No
	X	
If yes: Refer to Section 43 of Rules of Practice and Procedure. Provide detailed budget as per the attached Appendix II.		
16. Are you planning a joint intervention or collaboration with other proposed interveners on any issues? If so, please set out the extent of your joint intervention or collaboration:		
Overview		
It is premature to present conclusions regarding joint interventions and collaborations until the nature of the Hydro filing is understood. To date, CAC MB has had high level discussions with the Manitoba Industrial Power Users Group, the Green Action Centre, Manitoba Wildlands and the Peguis and Cross Lake First Nations. It has provided background information on the process to Manitoba Wildlands and the Manitoba Metis Federation.		
Potential Collaborations		
CAC MB is exploring the joint sponsorship of a witness with the Green Action Centre on matters relating to energy efficiency akin to its approach in the recent Hydro General Application.		
CAC MB has had extremely preliminary discussions with the Manitoba Industrial Power Users Group about the potential to jointly sponsor a witness who can provide critical insight into issues related to the US marketplace.		
Potential Joint Intervention		
Given the possibility of conflicts of interest on some positions, CAC MB is unlikely to have a joint intervention with any party identified in the overview. CAC MB is exploring adding parties to its intervention similar to its coalition on matters relating to payday lending.		

17. Please provide a work plan defining the major proposed activities of all participants and the estimated hours:  
(e.g.: Jane Smith – Review MH filing; prepare information requests regarding socioeconomic impacts; draft & submit report on socioeconomic impacts; oral testimony at hearing)

Please see attached.

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**INTERVENER REQUEST FORM  
- Attachment**

**7. How many members does your organization have?**

CAC MB has over 400 members and donors. In 2011-12, CAC MB had contact with approximately 14,000 consumers through its consumer education/information service programs and consumer research. Approximately 6,000 consumers annually attend CAC MB information sessions and workshops. The participation of CAC MB in regulatory proceedings is informed by both consumer focus groups and an advisory group comprised of representatives from diverse perspectives including low income consumers, those on fixed incomes, environmental perspectives and those from rural and remote communities including First Nations.

**10. What is the purpose/mandate of your organization?**

**Mandate**

CAC Manitoba is a volunteer, non-profit, independent organization working to inform and empower consumers, and to represent the consumer interest in Manitoba. Formed in 1947, the organization is governed by a volunteer Board of Directors, elected annually at a general meeting of the organization's membership. CAC Manitoba is a branch of the Consumers' Association of Canada, but is financially separate and separately incorporated.

**Objectives**

To inform and empower consumers to act in their own best interests in Manitoba  
To represent the consumer interest in Manitoba based on the best available information  
To conduct research on topics of emerging importance to consumers  
To participate in the growth and evolution of the consumer movement

**Guiding Principles**

CAC Manitoba is guided in its work by its interaction with consumers (approximately 14,000 in 2012), and by the Eight Consumer Rights, which include the right to satisfaction of basic needs, the right to information, the right to a voice in decision-making for the marketplace and the right to a safe and healthy environment<sup>1</sup>.

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<sup>1</sup> See Appendix A, attached.

### **13. State the reasons for the proposed intervention, to the extent not captured above.**

#### **Key overall themes**

Taking into account a variety of consumer perspectives, CAC MB seeks to protect the interests of Manitoba Hydro residential ratepayers and their right to just, reasonable and sustainable rates that are determined in a publicly accessible and transparent process.

CAC MB will inquire whether Hydro's underlying forecasts relating to load, capital costs, export revenues and enhanced US and inter-tie transmission capacity are reasonably reliable.

In terms of risks and opportunities, CAC MB will consider whether the Manitoba Hydro Plan is based upon a credible assessment of risk with reasonable risk tolerances. It will examine whether Hydro's analytic approach to the consideration of alternatives is consistent with good practice.

Considering opportunities for expanded access to the US marketplace as well as the project's impacts on ratepayers, its potential effects on the well-being of the Corporation, its contribution to community and FN economic development over the long term, its deleterious and positive effects on the environment and the extent of its impacts upon the provincial economy, CAC MB will consider whether Manitoba Hydro makes a net positive contribution to sustainability in absolute terms and in comparison to other alternatives.

#### **Risks, opportunities and costs**

Depending upon the Hydro filing and the plans of other interveners, the following risks, opportunities and costs may be given particular attention:

- drought risk during construction and coinciding with heavy demands on capital
- risk associated with the opportunity market:
  - expectations in terms of the American economy
  - pressures of supply including shale gas and wind
  - pace of retirement of coal plants
  - expectations in terms of carbon based premiums
  - reliability of assumptions underlying external forecasts
- costs and political risks associated with expanded US transmission and inter-tie capacity
- risks associated with capital construction and capital construction estimates
- risks and opportunities related to the actual contracts and term sheets
- risks to the sustainability of day to day capital expenditures given new project financial demands
- potential loss of energy efficiency opportunities given new project financial demands

- impacts on precipitation and evaporation in the MB Hydro watershed flowing from current water management practices and other factors including global warming
- whether Hydro's current risk assessment models are credible and reliable
- the incremental costs and political risks associated with any incremental MB transmission associated with the project
- the appropriate criteria for assessing levelized utility costs and internal hurdle rates

### **Impacts on Hydro ratepayers**

Depending upon the Hydro filing and the plans of other interveners, the following ratepayer issues may be given particular attention:

- are the likely rate increases flowing from the plan consistent with the concept of intergenerational equity
- can existing targetted financial ratios be maintained during the plan or should they be altered
- can Manitoba ratepayers including those living on fixed and low incomes sustain ongoing material rate impacts of this magnitude
- given material long term rate pressures, can the existing Hydro load forecasting methodology produce reliable estimates especially given the limited weight given to price influences upon demand in the existing model

### **Alternatives to**

Depending upon the Hydro filing and the plans of other interveners, the following issues may be given particular attention:

- taking into account the Principles of Sustainable Development has Manitoba Hydro done a robust portfolio analysis consistent with good practice
- in developing the portfolio of its plan and alternatives has Manitoba Hydro given proper emphasis to the utility of risk diversification
- in developing its plan, has Manitoba Hydro given appropriate weight to the value of energy efficiency
- in developing its plan, has Manitoba Hydro given appropriate weight to the value

of other non hydro-electric options including but not limited to natural gas and wind

### **Net Positive Contribution to Sustainability**

Depending upon the Hydro filing and the plans of other interveners, the following issues relating to Scoping Elements 1 b and 2 b, h and i may be considered:

- does the evidence presented by Hydro allow for an adequate consideration of the macro environmental impact of the Plan and the environmental, human health and social effects of the Plan and alternatives within the meaning of Principle of Sustainable Development 1(1)<sup>2</sup>
- considerations to be addressed in determining the socio-economic impacts and benefits of the Plan and alternatives to northern and aboriginal communities;

### **14. Nature of the Proposed Intervention**

CAC MB intends to appear throughout the review with the possible exception of the *in camera* review. It will make a determination of whether to participate in the *in camera* review at a later date.

It is premature to indicate either the witness to be called or the scope of their evidence until the Hydro submissions have been filed and further information is received about the proposed scope of the evidence of other interveners. However, CAC MB has identified a number of potential witnesses and potential themes to be canvassed. No witness has been formally retained. In the event intervener status is granted, CAC MB reserves the right to identify alternative witnesses or alternative themes.

**Dr. Wayne Simpson and Mr. Bill Harper (likely) – potential topics include rate impacts, criteria for assessing levelized utility costs, appropriateness of selected internal hurdle rates, risk assessment and load forecast methodology and reliability and risks associated with drought and capital construction**

Dr. Simpson is an economist with particular expertise in econometrics and micro-economics. He has provided expert analysis to CAC MB in prior Hydro proceedings on issues relating to load forecasting and risk assessment. He has been accepted as an expert witness in proceedings before this Board on matters relating to the risk assessment and investment risk of MPI.

Mr. Harper is a regulatory economist who has provided expert evidence on matters related to

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<sup>2</sup> Schedule A, Principles of Sustainable Development, Integration of Environmental and Economic Decisions, 1(1) Economic decisions should adequately reflect environmental, human health and social effects. 1(2) Environmental and health initiatives should adequately take into account economic, human health and social consequences. Schedule B, Guidelines for Sustainable Development, 1 **Efficient Use of Resources** - which means (a) encouraging and facilitating development and application of systems for proper resource pricing, demand management and resource allocation together with incentives to encourage efficient use of resources; and (b) employing full-cost accounting to provide better information for decision makers.

hydro-electric rates and risk to independent tribunals in Quebec, Ontario, Manitoba and British Columbia. He is the former head of regulatory affairs for Ontario Hydro.

**Mr. Phillipe Dunsky (likely) – potential topics include a critical assessment of the role of energy efficiency in the MB Hydro plan and the potential role of energy efficiency in alternative plans**

Mr. Dunsky has expertise in a broad range of matters relating to energy efficiency. He has provided advice regarding energy efficiency programming and plans to a wide spectrum of utilities, government and non-governmental organizations in Canada and the United States. He has given expert evidence on matters relating to Manitoba Hydro and energy efficiency on two separate occasions.

**Witness(es) to be named – potential topics include a critical assessment of issues related to price, supply and demand in the US/MISO marketplace**

CAC MB is in ongoing contact with potential experts on this subject matter.

**Dr. Melanie O'Gorman and Dr. Jerry Buckland (not confirmed) – potential topics include considerations to be addressed in determining the socio-economic impacts and benefits of the Plan and alternatives to northern and aboriginal communities;**

Dr. O'Gorman and Dr. Buckland have expertise in development economics. Dr. Buckland has testified before this Board on matters relating the impacts of the payday lending industry and government cheque industry on vulnerable Manitobans.

**Witness(es) to be named – potential topics include a critical assessment of whether Manitoba Hydro done a robust portfolio analysis consistent with good practice**

CAC MB has initiated contact with a potential expert on this subject matter.

**Dr. Robert Gibson (not confirmed) – potential topics include considerations of Environmental Sustainability in Hydro's Electrical System Planning**

Dr. Robert Gibson has expertise in sustainability assessment at the strategic and project level. He is co-author of *Analysis of the Ontario Power Authority's Consideration of Environmental Sustainability in Electrical System Planning*.

**15. Will your organization be applying for costs under Part IV of the PUB's Rules of Practice and Procedure?**

#### **Intervener Budget and Cost Summary Sheet**

It is premature to present an Intervener Budget and Cost Summary sheet until the Manitoba Hydro application is filed. Refinement of the budget also is hamstrung by:

- uncertainty regarding the areas in which the PUB is hiring independent experts

- and an examination of their expertise;
- uncertainty whether CAC MB will choose to participate in any *in camera* proceedings;
- uncertainty relating to the Terms of Reference especially as it overlaps with areas that appear to be at issue before the Clean Environment Commission.

Prior to review of the Terms of Reference, CAC Manitoba would have estimated the actual number of hearing days to be in the range of 25 to 35 days. After review of the Terms of Reference and being cognizant of the potential number of interveners, CAC MB believes that an estimate of 35 to 45 hearing days is more realistic.

As a general working rule, counsel for the Public Interest Law Centre estimate that they will require between 17 and 20 hours per hearing day for attendance, preparation and closing submissions. Given the broad ambit of the terms of reference, it is likely that between 700 and 900 hours of legal time will be required. Rates would be charged consistent with the PUB Tariff.

It is not possible to develop even preliminary estimates for expert assistance until Hydro has filed its application. It is expected fees would be charged consistent with the PUB Tariff. There is a risk that US experts require rates higher than the PUB tariff.

**17. Please provide a work plan defining the major proposed activities of all participants and the estimated hours.**

It is premature to provide a work plan defining the major proposed activities until the Manitoba Hydro application is filed. Refinement of the work plan also is hamstrung by:

- uncertainty regarding the areas in which the PUB is hiring independent experts and an examination of their expertise;
- uncertainty whether CAC MB will choose to participate in any *in camera* proceedings;
- uncertainty relating to the Terms of Reference especially as it overlaps with areas that appear to be at issue before the Clean Environment Commission.

More precise estimates will not be possible until a review is undertaken assessing the quality of the Hydro filing and of any material omissions. Additional refinements may be necessary once the PUB confirms the scope and expertise of independent experts and CAC MB indicates whether it intends to participate in *in camera* proceedings.

In order to assist the PUB, CAC MB has set out some preliminary elements of the work plan. Not all aspects of the work plan will be billed.

- May/June 2013 – finalize potential expert witness search as outlined in section 14. Discuss potential separate collaborations with GAC and MIPUG. Retain consultants Dr. Simpson, Mr. Harper and Mr. Dunskey. (Legal Team - 15 hours, Client 5 hours)
- May/June 2013 - Conclude literature review on selected topics (Social science researcher and *pro bono* researchers – 30 hours)

- May/July 2013 – Conduct focus groups and initial advisory group discussions. (Client 15 hours, Legal Team 6 hours)
- May/July 2013 – Finalize discussions with possible joint interveners (Legal team 5 hours, Clients 3 hours)
- July 2013 – Preparation legal and social science briefs including review *Hydro Act*, *PUB Act*, Clean Energy Strategy, *The Climate Change and Emissions Reduction Act* and the Principles of Sustainable Development as outlined in *The Sustainable Development Act*, review relevant prior PUB and CEC Order, filings relevant to BC Hydro Plan C and *Ontario Power Authority's Consideration of Environmental Sustainability in Electrical System Planning* (Legal counsel 10 hours, articling student 60 hours, Mr. Harper/Dr. Simpson 15 hours)
- May/August 2013 – Meet with potential presenters and provide high level briefing on subject matter (Client 10 hours – Legal Team 3 hours)
- August/September 2013 – Review Hydro filing, identify key deficiencies, brief clients, retain additional expert assistance, draft first round information requests (TBD after review of filing)
- October/December 2013 – Review draft expert reports, prepare second round information requests, brief clients, finalize legal briefs and motions (TBD after review of filing)
- January/February 2014 – Hearing preparation including client briefing, briefing of presenters, preparation of cross examination memos and any motions (TBD)
- February/April 2014 – Attend hearing, prepare expert witnesses and cross examination, take client instructions and prepare closing submissions

## Appendix A – The Eight Consumer Rights

**The right to satisfaction of basic needs** - To have access to basic, essential goods and services: adequate food, clothing, shelter, health care, education, public utilities, water and sanitation.

**The right to safety** - To be protected against products, production processes and services that are hazardous to health or life.

**The right to be informed** - To be given the facts needed to make an informed choice, and to be protected against dishonest or misleading advertising and labelling.

**The right to choose** - To be able to select from a range of products and services, offered at competitive prices with an assurance of satisfactory quality.

**The right to be heard** - To have consumer interests represented in the making and execution of government policy, and in the development of products and services.

**The right to redress** - To receive a fair settlement of just claims, including compensation for misrepresentation, shoddy goods or unsatisfactory services.

**The right to consumer education** - To acquire knowledge and skills needed to make informed, confident choices about goods and services, while being aware of basic consumer rights and responsibilities and how to act on them.

**The right to a healthy environment** - To live and work in an environment that is non-threatening to the well-being of present and future generations.

**“APPENDIX II”**

**NEEDS FOR AND ALTERNATIVES TO (NFAT) REVIEW OF  
MANITOBA HYDRO'S PROPOSED DEVELOPMENT PLAN  
INTERVENER BUDGET AND COST SUMMARY SHEET**

To be used to prepare a budget after August 16, 2013  
and file with the Public Utilities Board by August 30, 2013.

Prepared by:		Date:
PUBLIC INTEREST LAW CENTRE		May 14, 2013
Hearing:		
NFAT REVIEW OF MANITOBA HYDRO'S PROPOSED DEVELOPMENT PLAN		
Period Covered:		
May 2013 - April 2014.		
Intervener's Name:		
Consumers' Association of Canada (Manitoba Branch)		
Contact Person or Persons:		
Byron Williams		
Address:		
300 - 287 Broadway, Winnipeg, MB R3C 0R9		
Phone Number:	Business:	Residence:
	204 985 8533 or 204 985 8540	
	Fax Number:	E-mail:
	204 985 8544	bywil@pilc.mb.ca / keeyasknfat@pilc.mb.ca

See Costs on next page.

**ESTIMATED FEES – to be completed for legal counsel or retained experts**

NAME	ESTIMATED TOTAL HOURS	RATES	COSTS
			TBD
			TBD
			TBD
			TBD
<b>TOTAL FEES (hours and costs)</b>			TBD

**ESTIMATED DISBURSEMENTS**

			COSTS
TRAVEL (AUTO)	kilometres	Rates	TBD
TRAVEL (OTHER)			TBD
ACCOMMODATION	Nights	Rates	TBD
MEALS	Days	Costs	TBD
MISCELLANEOUS	Taxis	Telephone	Other
<b>DISBURSEMENTS TOTAL</b>			TBD

<b>TOTAL FEES AND DISBURSEMENTS</b>	TBD, see attachment, #15
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**NOTE:** Receipts must be attached for all disbursements.