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October 16, 2013

Mr. H. Singh
The Public Utilities Board
400 - 330 Portage Avenue
WINNIPEG, Manitoba R3C 0C4

Dear Sir:

RE: NFAT, LOAD FORECAST
CUSTOMER CONFIDENTIAL INFORMATION

On Monday, October 15, 2013, Marla Boyd of our office received a telephone call from Larry Buhr of LAB Consulting, engineering advisors to the PUB. Mr. Buhr was seeking access to Manitoba Hydro's Internal Load Forecast pursuant to the provisions governing CSI in the NFAT. Manitoba Hydro notes that Elenchus, one of the Independent Expert Consultants (IEC) has also requested access to this document and Morrison Park, another IEC has requested a list of customers in the General Service Top Consumers class over a number of years.

We recognize that the Terms of Reference specifically identify the Internal Load Forecast as a document the PUB is entitled to access as part of its NFAT review. Manitoba Hydro raised concerns with the potential reaction of its Top Consumers if the Corporation is required to disclose customer confidential information during the May 16, 2013 Pre-Hearing Conference and in our letter of July 2, 2013. The issue is one of customer perception and managing the relationship with the customer in an effort to ensure that Manitoba Hydro continues to receive the benefit of access to our largest customers' near term business plans so that this information can be incorporated into the Load Forecast.

In Order 92/13 the PUB indicated that *"The Board will consider this issue further, and may have one of its Advisors and/or Independent Expert Consultants review the Internal Load Forecast, before concluding on this matter."* Manitoba Hydro appreciates the PUB's recognition of the sensitivity of the issue to our customers. The Corporation remains concerned however that some Customers will not be comfortable with even this very limited disclosure.

As previously indicated, the only difference between the internal and external versions of the Load Forecast is that the internal version includes an Appendix which contains a forecast of the electricity consumption of Manitoba Hydro's Top Consumers based on Manitoba Hydro's analysis of individual operating plans and expansion or contraction plans collected from industry news and publications, company prospectuses and confidential disclosure of business plans made to Manitoba Hydro. There is no legal requirement obliging customers to share their confidential information with the Corporation. Customers do so based on Manitoba Hydro's assurance that the information will remain confidential. Their cooperation provides a benefit to all customers. There is a concern that the loss of control over customer information, even in the very limited manner proposed, will signal to customers that Manitoba Hydro cannot guarantee its commitment to confidentiality and the result will be that the Corporation will not receive the benefit of our customers' cooperation in the future.

Based on the assurance of confidentiality that Manitoba Hydro provides its customers when receiving their confidential information, Manitoba Hydro is of the view that it is obliged to seek customer consents prior to providing access to the PUB advisors or the IECs.

Manitoba Hydro's Top Consumers are extremely sensitive to anyone, including Manitoba Hydro, accessing their confidential information. Manitoba Hydro can advise that even prior to the issuance of the NFAT Terms of Reference (wherein the possibility of Top Consumers' confidential information being accessed by Parties external to the Corporation was first raised), Manitoba Hydro noted in the Appendix A to the Load Forecast a customer's reticence to supply information, in part because they perceived it will be used to develop rates aimed to penalize them. Further, representatives have indicated in informal communications with Manitoba Hydro staff that they may consider injunctive relief if the PUB pursues accessing customer confidential information. In the circumstance, Manitoba Hydro believes that even approaching customers to obtain consent will be sufficient to cause alarm and put at risk their willingness to share this information in the future.

It is important to understand that the information contained in Appendix A to the Load Forecast will not add substantive value to the NFAT review. Appendix A reviews the individual operating plans and short-term expansion or contraction plans of 17 Top Consumers, categorized into six industry sectors. Confirmed intentions are incorporated into the forecast whereas speculative intentions are not. Confirmed intentions are mostly short-term, those taking place in the next five years, with a few extending to ten years. Beyond this short term period where no specific plans are available, growth of specific customers is not forecast individually but rather is forecast based on assumed growth for the group as a whole under the Potential Large Industrial Load (PLIL) category. The PLIL category is used to account for unexpected load increases or decreases for current and future Top Consumers as well as for natural growth. Manitoba Hydro forecast with respect to PLIL is detailed in the main body of the Load Forecast (p. 21 -22) and is not expanded upon in Appendix A.

Manitoba Hydro's strong preference is that the PUB not seek access to Appendix A to the Load Forecast for the reasons referenced above. If however the PUB continues to view it necessary to have its advisor or an IEC review the Internal Load Forecast, Manitoba Hydro views it as appropriate to create a process which allows the Corporation to seek customer consents and concurrently provides the opportunity to those directly affected to make representations to the PUB.

Yours truly,

MANITOBA HYDRO LAW DIVISION

Per:



PATRICIA J. RAMAGE
Barrister & Solicitor

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