



P.O. Box 815 • Winnipeg Manitoba Canada • R3C 2P4
Street Location for DELIVERY: 22nd floor - 360 Portage Avenue
Telephone / N° de téléphone: (204) 360-3468 • Fax / N° de télécopieur: (204) 360-6147
mboyd@hydro.mb.ca

November 28, 2013

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

Dear Mr. Singh:

RE: MANITOBA HYDRO
STATUS OF ROUND I INFORMATION REQUESTS (IRs)

Further to Ms. Ramage's letter of November 20, 2013 Manitoba Hydro takes this opportunity to update the PUB with respect to matters addressed therein, in response to the PUB's letter of November 18, 2013.

Manitoba Hydro assures all parties that it is making its best efforts to provide the information necessary to complete the NFAT review contemplated by the Terms of Reference within the time allotted for the process. Manitoba Hydro wishes to emphasize that it has made repeated efforts with PUB, intervenors and the IECs to maintain the NFAT scope within its understanding of the NFAT Terms of Reference specifically because there is no allowance in the schedule for new cases and major work that is not required by the Terms of Reference. Manitoba Hydro is confident that a full and proper assessment of alternatives and justification of the preferred plan can be undertaken without much of the requested information involving new cases, significant new analysis and detailed data extraction.

We understand that it is difficult for most parties to be able to estimate the amount of work required to fulfill the various requests. Manitoba Hydro estimates that the work required to model and perform economic and financial evaluations of the new cases requested by the IECs would be equivalent to one and a half times the work required for all the cases provided in the original submission; the calendar time required would be somewhat more than four months. Similarly the new cases requested by the various parties in Round II would be equivalent to one times the work required for all the cases provided in the original submission, the calendar time required would be approximately four months or slightly less. Thus the new cases requested are approximately two and half times the number of cases provided in the original submission and would require in the order of 8 months to complete in addition to the time required to respond to the remaining Round I IRs and the new Round II IRs.

Manitoba Hydro has provided a comprehensive and detailed business case with appendices. Manitoba Hydro hosted technical conferences on the filing for the PUB, the IECs and intervenors. We have also provided detailed formal responses to Round I Information Requests filed by the PUB and Intervenors, including responding to 98% of those questions (in the order

of 1316 responses) by the due date. Concurrent with the formal responses, Manitoba Hydro staff invested significant time in meetings and telephone conferences with the IECs and expended significant effort to prepare and present information in those sessions. Manitoba Hydro has also met with PUB Advisors to review those IRs classified as Category B IRs (IRs which the PUB did not require Manitoba Hydro to answer subject to meeting with PUB Advisors). As a result of those meetings, the PUB Advisors have indicated which of those Manitoba Hydro is to file responses to and indicated they should be treated as Round II IRs in terms of the schedule. Manitoba Hydro continues to meet with IECs to provide information, including conference calls this week and three days scheduled next week to meet with La Capra in Winnipeg for the purpose of providing direct access to Manitoba Hydro models and their operations.

Manitoba Hydro's estimate of the time required to complete the work requested by the IECs is unchanged since the hearing of the motion on September 30. As noted during the hearing of the motion, and in Ms. Ramage's letter of November 20, Manitoba Hydro estimated it would require 6 to 8 months to complete the work required to respond to first round Information Requests posed by the IECs. As outlined in our letter of November 20, the scope of work of the IECs presents significant challenges as it contemplates a much broader scope of enquiry than that contained in the Terms of Reference for the NFAT. Manitoba Hydro encourages the PUB to consider streamlining the process to ensure that the IECs focus their efforts on the tasks contemplated by the Terms of Reference, rather than trying to satisfy the broader Scope of Work. While there is material in the Scope of Work which we understand the PUB may have a general interest in, our view is that much of that is not required for a thorough review of the NFAT. Such a streamlining would eliminate some of the burden currently imposed on Manitoba Hydro as many of the outstanding information requests, both first round IEC and the second round requests appear to relate to the broader scope of work. Streamlining would permit all parties to have the opportunity to review and consider those matters relevant to the report which the PUB has been mandated to undertake, within the time specified by the Terms of Reference.

Since the issuing of the PUB's November 18 letter, Manitoba Hydro has received approximately 1000 Round II IRs, many of which require significant new work be undertaken, and which extend well beyond clarification of first round responses. It is anticipated that providing complete responses to these questions, excluding those which require significant new cases and analysis to be undertaken would require in the order of 8 weeks to complete. This information is noted in the table below.

With respect to the timeline for the additional items contained in the PUB's November 18 letter, Manitoba Hydro notes the following:

Starting this week, the time required for completion of the 413 outstanding Round I IEC IRs classified as N, Inv or IF (excluding time required to do the new cases)	4 weeks
The time required for completion of the 1,000 Second Round Information Requests as received to date, excluding the time required for new cases, significant analysis and detailed data extraction.	8 weeks

Time required to review documents for relevance and to redact relevant materials presently posted on the IEC SharePoint site, if required 4 weeks¹

Time required to provide redacted versions of Information Requests containing CSI filed in confidence with the PUB, if required 1 week

The times above are all consecutive to each other and cumulative. The estimation of times accounted for there being overlap between some of the activities and for there being other activities occurring concurrently. Some of the activities occurring concurrently include:

1. Addressing informal IEC queries and engaging in meetings/conference calls;
2. Economic evaluation of a plan with all Combined Cycle Gas Turbines evaluated for all 27 scenarios (not including financial evaluations) --- total of 27 cases. This is in addition to the existing evaluations of the All Gas Plan with an optimized combination of Combined Cycle Gas Turbines and Simple Cycle Gas Turbines;
3. Economic and financial evaluations of plans with 3 new, significantly higher levels of DSM for All Gas Plan and Preferred Plan with the 2013 load forecast and with a number of scenarios (up to 32 cases);
4. Economic evaluation under the reference scenario of a plan with no new generation built in Manitoba until 2040. As discussed with LCA, this to be achieved by:
 - a. utilizing a high amount of DSM,
 - b. extending the 550MW of diversity exchange indefinitely beyond 2030 and
 - c. making the hypothetical assumption that Manitoba Hydro could build the 750MW interconnection to Wisconsin on its own without export contracts and with no export counterparty. Manitoba Hydro then would relax its planning criteria in order to count on dependable energy imports for up to 20% of its domestic load.

Should they not be withdrawn, additional time required for completion of those outstanding Round I IEC IRs requiring new cases to be undertaken in the order of 4 months

Should they not be withdrawn, time required for undertaking the Second Round Information Requests involving new cases, significant analysis and detailed data extraction. in the order of 4 more months

In summary, should all outstanding requests still be required, the total duration for Manitoba Hydro to respond would extend towards the end of 2014.

With respect to the PUB suggestion that all documents posted on the IEC SharePoint site be made publicly available, Manitoba Hydro reiterates the concerns outlined in Ms. Ramage's letter

¹ Some material contained on this site will likely require third party consents prior to publication, the time for obtaining same is not within Manitoba Hydro's control and may extend the time estimated above.

that the material posted to that site was provided to facilitate discussion and the IECs inquiries through the informal meeting process, and were posted without regard to whether the material requested was relevant to the NFAT Review. In the spirit of openness and cooperation, Manitoba Hydro posted information requested, and expects that the IECs will satisfy themselves as to the relevance of that material for their reports. As Ms. Ramage noted, in the event that the IECs reference such material in their reports (with due consideration of confidentiality issues), parties will be entitled to request information regarding the source of IEC conclusions as contained in their reports.

Manitoba Hydro notes that since the November 18, 2013 letter, the PUB, IECs and Intervenor have submitted second round information requests. As such, it is somewhat unclear as to the PUB's intentions with respect to the information requested in that letter. However, if the PUB continues to require that documents located on the SharePoint site for IEC reference be appended to Manitoba Hydro's filing it will be necessary for Manitoba Hydro to remove those documents which are not relevant to the NFAT review, and to undertake redaction of confidential materials contained on the site. Given the volume of material presently on the site, Manitoba Hydro anticipates that review and redaction of this material will require in the order of 4 weeks.

With respect to redaction of additional materials, including the Internal Load Forecast and the Power Resource Plan as referenced in the PUB's November 18 letter, Manitoba Hydro will await the PUB's direction following Manitoba Hydro's letter of November 20, which noted that Manitoba Hydro is presently awaiting PUB direction regarding the status of the Internal Load Forecasts filed in response to the subpoena issued by the PUB on October 29, 2013, and that the external version of the Power Resource Plan has been filed with NFAT submission (Appendix B) which plan was produced given that the internal Power Resource Plan does not lend itself to redaction.

In an effort to comply with the PUB's direction regarding prioritization of IEC work in its November 18, 2013 letter, Manitoba Hydro can advise that it has directed staff to prioritize completion of their work based on the following:

1. Review of Round II IRs for redaction of confidential information (now complete);
2. Complete IEC First Round IRs;
3. Address all informal IEC queries made prior to November 20, 2013;
4. Complete all Round II IRs (approximately 1000);
5. Provide economic and financial analysis of new Preferred Development Plans assuming 3 levels of increased DSM, and provide economic evaluations of the plan with no new generation in Manitoba until 2040;
6. Redact material on the NFAT IEC confidential SharePoint site, if required;
7. Redact IR responses submitted in confidence and the Power Resource Plan and Load Forecast, if required.

The Public Utilities Board

November 28, 2013

Page 5

In the event the PUB wishes Manitoba Hydro to prioritize this work differently, please advise and we will adjust accordingly.

Yours truly,

MANITOBA HYDRO LAW DIVISION

Per:

A handwritten signature in black ink, appearing to read "M Boyd", written over the printed name Marla D. Boyd.

MARLA D. BOYD

Barrister and Solicitor

MDB/

cc: R.F. Peters, Fillmore Riley LLP
Intervenors of Record