

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

1. Name of Requesting Party:		
Manitoba Industrial Power Users Group (MIPUG)		
2. Address of Requesting Party:		
c/o 500-280 Smith Street, Winnipeg, Mb. R3C 1K2		
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4. Contact Person(s):		
Melissa Davies, InterGroup Consultants Ltd.		
5. Address:		
as above		
6. Phone Number:	Business:	Residence:
	as above	n/a
	Fax Number:	E-mail:
	as above	as above
7. How many members does your organization have?		10
8. How many years has your organization been in existence?		25+
9. Please provide a list of the executive members of your organization:		
<p>The interim Chair of MIPUG is Bill Turner, retired manager of Canexus Chemicals. MIPUG is made up of company representatives from the following Industrial companies in Manitoba:</p> <ul style="list-style-type: none"> -Canexus Chemicals -Vale -HudBay Minerals Inc. -Enbridge Pipelines Inc. -Gerdau Long Steel North America -ERCO Worldwide -Koch Fertilizer Canada ULC -Tolko Industries Ltd. -Amsted Rail - Griffin Wheel Company -TransCanada Keystone Pipeline 		

10. What is the purpose/mandate of your organization?
<p>The purpose of MIPUG is to work together on issues of common concern related to electricity supply and rates in Manitoba. MIPUG's key concerns related to electricity costs are stability and predictability of rates, ongoing transparent regulation of Manitoba Hydro's rates and major capital spending, and ensuring rates for all customer classes reflect the fair cost to serve each class.</p>
11. To what extent are the members of your organization affected by the outcome of this review?
<p>MIPUG companies have made long-term investments in Manitoba that require significant purchases of power from Manitoba Hydro. The scale of purchases annually exceeds 5000 GW.h.</p> <p>The MIPUG companies have a long track record of operations in Manitoba and a long relationship with Manitoba Hydro. Stable, cost-based rates over the long-term, clear and transparent regulation and reliable service are critical to their operations.</p> <p>Over the long-term, it is expected that the level of Hydro's rates and the risks Hydro faces will be affected by the outcomes of the NFAT review, which will have a direct long-term impact on Hydro's domestic customers.</p>
12. What issues are of specific concern to your organization?
<p>MIPUG members have consistently noted concern with respect to the following items of relevance to the NFAT :</p> <ul style="list-style-type: none"> • The need for stability and predictability of domestic rates over the long as well as short-term. • The need for strong regulatory oversight and approval of all rates charged by Manitoba Hydro. • The need to ensure Hydro's long-term system planning promotes rate stability and predictability over the long-term. • Protection for domestic customers against higher rates or risks caused by investments in subsidiaries, new export ventures or major new capital programs that may not promote least-cost long-term rates for domestic customers. <p>In regard to the current proceeding, the MIPUG group is concerned that Hydro plans are excessively committed to capital intensive generation and do not reflect sufficient consideration of alternatives that are more in keeping with the identified Manitoba need for resources, and with current expectations and trends in the utility marketplace.</p>
13. State the reasons for the proposed intervention, to the extent not captured above.
<p>MIPUG seeks intervenor status to help ensure the long-term interests of Manitoba Hydro's domestic ratepayers are represented in the review of Manitoba Hydro's proposed development plans and possible alternatives. This includes a particular focus on rate stability, long-term financial and economic risks, and the financial viability of Manitoba Hydro. Domestic industry is not benefitted by rates or plans that may reflect short-term benefits as a trade-off for an appropriate level of long-term financial stability of Manitoba Hydro</p> <p>MIPUG members bring a unique perspective to the NFAT review, as participants who are both consumers of Manitoba Hydro, as well as partners in benefitting the macroeconomic landscape. MIPUG members presently employ (direct and through contractors) over 5500 Manitobans, and have over \$6.5 billion in capital investments in the province. MIPUG members have a GDP impact over 5.4 times as large as that derived from Manitoba Hydro's exports.</p> <p>In addition, MIPUG members are among a very small number of entities who have themselves committed billions towards development in Manitoba, similar to Hydro's current plans. MIPUG will be unique among the PUB participants in this review, in having the experience of conducting assessments of the risks and benefits of multi-million or billion dollar capital programs.</p> <p>Additionally, MIPUG seeks to ensure demand side management plans that are reviewed, including the Curtailable Rate Program, appropriately address the needs of domestic ratepayers, including industrials.</p>

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)

MIPUG's work plan, estimated hours and budget are as yet undefined. The specific details will not be able to be provided until following (a) a review of Hydro's filing and (b) further information regarding the potential availability of intervenor funding.

Based on the scope of the review, MIPUG anticipates that its focus will reside on both need (item 1) and justification compared to alternatives (item 2).

Information Exchanges and Pre-Hearing Proceedings: At this time, MIPUG expects to participate in the pre-hearing exchange of information via Interrogatories and also as part of any other processes the Board may establish (e.g. a workshop or technical sessions). These activities would be undertaken by MIPUG Counsel and Consultants. It is anticipated that these tasks will occur between August and December.

Public Hearing: Depending on the contents of Hydro's filings, the extent of issues raised by the plans, the availability of intervenor funding and budget limitations, MIPUG will make a determination as to its degree of participation in the public portion of the proceeding. In the event MIPUG does elect to continue active participation, it is the expectation that MIPUG would seek to call witness(es) with expertise in reviewing and providing assessments of power resource plans, generation options reviews, and impacts on rates. Depending on the witnesses planned to be called by Manitoba Hydro, MIPUG may look to coordinate with other parties to supplement the evidence available to the Board on specific items of interest related to the plans.

In-Camera: At this time, it is MIPUG's expectation that the NFAT is to provide for a full and fair public proceeding to review the necessary information for the Board, the intervenors and the public of Manitoba to make their necessary conclusions and determinations on Hydro's plans. While the Terms of Reference do provide for "in-camera" reviews of specific detailed information (such as the actual text of contracts and the specific price forecasts of various commercial forecasters used in determining a primary "consensus" forecast), it is MIPUG's expectation based on past practice and best practices for public utilities regulatory tribunals that as much information as possible will be disclosed in the normal or non-confidential portions of the hearing. Further, the in-camera portions of the proceeding are characterized by challenging logistics (re: participation limited to Counsel, based on the provision of Undertakings) which may limit their relevance or usefulness to intervenors. Consequently, based on information available to date, MIPUG expects its participation to be focused on the non-confidential portions of the proceeding. Further, MIPUG's intentions are to assist the Board as much as possible in making the non-confidential portions of the proceeding as fulsome, robust and informative as possible. It is MIPUG's sincere hope to have the in-camera portions of the proceeding serve primarily as a "cross-check" on the information otherwise being disclosed publicly (e.g., confirming mathematics, confirming that the terms of the contracts indeed provide for provisions consistent with Hydro's public portrayal of the terms) and not to become the main forum for deliberation of substantive facts, to the exclusion of the public.

Additional Contacts - please add to the distribution list:

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