

**PRESENTATION BY  
ALLAN CIEKIEWICZ  
MAY 27, 2015  
BEFORE THE MANITOBA PUBLIC UTILITIES BOARD**

**RE: MANITOBA HYDRO'S  
2015 / 16, 2016 / 17  
GENERAL RATE APPLICATION**

Good Afternoon to all present. My name is Allan Ciekiewicz and I am a Springfield Municipality resident

Since the 2004 re-commencement of Hydro's rate increases the residential rate has increased by 43% for the past decade of rate shock. Stop the madness....any increase above the rate of inflation is unacceptable.

Inverted rates are not mentioned in this GRA 2015 / 16 but if it is later this year I believe that any discussion that takes place regarding a new rate schedule if or if it isn't an inverted one must address the all-electric customer without an alternative source of energy for heating purposes.

Does Manitoba Hydro still operate a coal-fired station in Brandon?

I have a concern that Hydro's talk of supplying power for pipelines will most likely be used as justification for more increased rates. Hopefully Hydro will pass on any upgrade costs, drought risk costs, environmental damage costs, etc. to the pipeline companies and at the same time reap the benefits of increased revenues resulting from providing energy for the pipelines without any risks to Manitobans.. In a May 24, 2014 Winnipeg Free Press article Hydro's Ed Wojczynski gave a very scary scenario regarding providing energy for the pipelines during drought conditions. Scary enough to not consider providing energy for the pipelines.

Based on the approval of the Keeyask development C.E.O.Thomson stated in the Winnipeg Free Press, July 5, 2014 that the PUB's Keeyask approval categorically rejected the use of natural gas for electrical generation. Since the PUB's approval was forced by an unapproved \$1.4 billion spending on Keeyask it is impossible to interpret the forced approval as a categorical rejection of anything. Something was very much amiss with the N-FAT hearing. Is anyone expected to believe that no person knew of the \$1.4 billion unapproved spending. N-FAT was allowed to be turned into a farce. It should have been cancelled and any construction related to Keeyask be halted. Apparently the \$1.4 billion is more than enough to upgrade Hydro's entire ageing system such as the manholes, wooden poles and underground cables. OR

1.4 billion dollars could probably have been enough money to construct two hyper efficient gas turbine electric generators before Keeyask is even completed. Both would provide much needed domestic electricity during the next drought instead of having to import expensive U.S. power, However, Manitoba Hydro is determined to flood the Americans with large quantities of low cost firm export contracts while Manitoba Hydro must face the risks of the next drought. This is just

sick...wasn't the 2002/03 drought enough of an eye-opener to get better plans....the best plan may be that we should concentrate on looking after Manitobans' needs. Stop the excessive thought of more exports exports exports because apparently all of us are supposed to believe that exports will pay for the cost of providing exports and if you believe that then you would have to believe that Dumbo the Elephant really could fly. Manitoba Hydro's existence is to supply the needed quantity of electricity for Manitobans ....not Americans.

The title of Hydro's October 2014 Energy Matters publication was: **2013 - 2014 annual report: highest level of retained earnings in Manitoba Hydro's history.** What is important regarding the increases in retained earnings is a comparison of what happened after the 2002/ 03 drought. For the year 2004 the retained earnings were \$734 million. After five years the retained earnings increased by \$1.342 billion to \$2.076 billion. The last five years to the present, 2014 the retained earnings increased by only \$640 million to its present level of \$2.716 billion. The last five years of retained earnings increased by only one-half the amount that they increased for the first five year period. In my opinion that Energy Matters title is misleading. What's there to be happy about or is my above-mentioned comparison indicating that we just might not be able to afford Hydro's preferred development plan(s). However, and according to those in power we need more and more export contracts to the U.S. And what happens when the next severe drought occurs.....it will wipe out the retained earnings. So what is the point in building up retained earnings just so we can throw them away because of a drought. Wouldn't it be beneficial to have at least a couple or three hyper-efficient gas turbines so that Manitobans' needs for electricity would be assisted in times of drought. Also and comforting to know would be a PUB's decision to apply Section 47 of the Public Utilities Act and get involved with Hydro's firm export contracts to the Americans so that the cost / risks of a drought can be addressed / diminished. Section 47 allows the PUB to direct specific clauses be included in Hydro's export contracts which would diminish the risks of drought periods. It is time to make use of Section 47. Such clauses would decrease the export revenue but eliminate the financial risks of a drought. Or it may be more prudent to just make interruptible sales or a combination of mostly interruptible sales with a limited amount of firm export sales

During the N-FAT hearing David Vardy ex-head of the Newfoundland and Labrador PUB was critical of the government's promotion of further hydro development to take advantage of power sales to the U.S. Midwest because of the high capital costs and overstated demand or load growth " the main reason public utilities are in the business of selling electric power is so they can reduce the rates of their domestic customers " he said. " If they can't reduce the rates to their

domestic customers , then it makes no sense to do it ”

In a March 18, 2013 letter, and as a Hydro Customer, I asked C.E.O. Thomson, as he and others continually espouse the virtues of export revenues and how those revenues keep our residential electric rates very low, the following question as part of a set of questions: How much higher ( the actual accurate amount) would our residential rates of \$ 7.183 ¢ / kWh(current rate ) be without the benefits of the allocated export revenues used for decreasing residential rates? After several letters, the last one dated January 29, 2015 I have never received an answer to that question. I sent Chairman Mr. W.C. Fraser an April 14, 2015 letter in which I asked him the same question....he didn't respond. The brainwashing continues ! Hydro's response to my March 18, 2013 letter was that Hydro would not respond to my March 18, 2013 letter of requests because my requests were of a technical nature and they were not considered Customer Service concerns???? but they were confident that the matters I raised would be fully canvassed in the N-FAT process. In other words they excused themselves from responding because of a N-FAT process which had a very specific purpose. N-FAT had nothing to do with my requests and could easily have been answered by Hydro. In subsequent letters I asked Hydro where in their 5000 page N-FAT document or any document I could find the answers to my requests.....they never responded.

Unfortunately I must repeat from an earlier presentation that Yude Henteleff's 1986 comment related to his involvement with Manitoba Hydro's 1968 licence application for the Churchill River Diversion, South Indian Lake still holds true. Mr. Henteleff stated:  
....The fact is that they(Hydro) were totally ill-prepared. They approached the situation with considerable arrogance, and felt that anybody who questioned them was, in effect, questioning God. Somehow, they were touched with infallibility in terms of decisions. Who had the temerity to question them? .....

Members of the PUB do any of you know by how much our residential rates would increase without the benefit of export revenues? If you don't and no proof exists regarding the relationship between export revenues and low residential rates why are we having a General Rate Application hearing when one of the most important facts for this GRA, the amount our residential rates would increase without the benefit of export revenues, is missing. To me it makes no sense to have increased rates for decades to construct dams to provide something for the residential ratepayer that just may not exist now or twenty years later. Apparently we are paying higher rates now so in the future we can reap the benefits of export revenues. But what if the residential ratepayer actually pays more than any benefit he / she may reap. And all of this, the rate increases that

are continually above the rate of inflation, the dam construction, the risks of a severe drought, a double decade of no returns, the excessive cost of the Wuswatim dam and lack of its predicted exports, Bipole III not necessary not to mention on the wrong side of the lake, Hydro's unaffordable preferred development plan, hydro's ageing system----- all based on Manitoba Hydro's predictions, projections, and forecasts which tend to be inaccurate. What a terrible gamble. It is not acceptable for Manitobans by way of Hydro's make-work projects to pay higher rates in order to subsidize the U.S. purchasers of Hydro's cheap power.

Therefore, Members of the Board I request of you to use the resources at your disposal including Manitoba Hydro's resources to answer the question:

How much higher, the actual accurate amount, would our current 7.183 ¢ / kWh electricity rate be without the benefit of export revenues?  
I look forward to your answer to that straightforward question.

Also, and related to the export revenue / low rates question I have one more concern that is of a process / procedure nature. Similar to Hydro's February 18, 2014 motion to the PUB indicating that the Manitoba Metis Federation violated the N-FAT guidelines I submitted a March 27, 2014 motion to the PUB indicating that Manitoba Hydro also violated N-FAT guidelines. Manitoba Hydro misused the N-FAT guidelines by refusing to respond to my March 18, 2013 letter of requests by stating that they were confident that the requests(matters) would be fully canvassed in the N-FAT process. There was no connection between N-FAT and my March 18, 2013 letter. In a May 26, 2014 letter the PUB dismissed my motion by stating that as a non-intervenor I couldn't bring motions before the PUB that involve the N-FAT hearing. My June 16, 2014 response to that decision was Section 22, **Motion** of the Board's Rules of Practice and Procedure. Section 22 does not impose any restrictions regarding who can submit a motion; neither did the N-FAT guidelines. Section 22 does not indicate the form / type / nature of any particular matter that can be the subject of a motion. The PUB has ignored my rebuttal. Therefore, and in my opinion the matter of my March 27, 2014 motion is very much an open matter. I would appreciate the PUB's effort to re-consider their May 26, 2014 decision.

Members of the Public Utilities Board thank you for the opportunity to appear before you.

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