

## **Appendix A: Credit Rating Agency Reports**

### Requested documents and reference

<b>Documents requested</b>	<b>Reference: MFR and/or IR</b>
<p><u>Standard and Poor's:</u></p> <ul style="list-style-type: none"> <li>-Standard &amp; Poor's Province of Manitoba Research Summary report dated December 10, 2014</li> <li>- Standard &amp; Poor's Province of Manitoba Research Supplementary Analysis report dated December 10, 2014</li> <li>- Standard &amp; Poor's Province of Manitoba Ratings Direct report dated December 21, 2015</li> <li>- Standard &amp; Poor's Province of Manitoba Research Update report dated July 14, 2016</li> <li>- Standard &amp; Poor's Province of Manitoba Ratings Direct report dated July 29, 2016</li> <li>- Standard &amp; Poor's Province of Manitoba Ratings Direct report dated July 21, 2017</li> </ul>	<p>PUB MFR 60 (requests current credit rating reports for Manitoba Hydro and the Province)</p> <p>PUB MFR 78 i) (requests all credit and/or debt rating agency reports on Manitoba Hydro and the Province of Manitoba since the NFAT)</p>
<p><u>Moody's</u></p> <ul style="list-style-type: none"> <li>- Moody's Investors Service Province of Manitoba Credit Opinion dated August 3, 2016</li> <li>- Moody's Investors Service Province of Manitoba Credit Opinion report dated July 16, 2015</li> <li>- Moody's Investors Service Province of Manitoba Rating Action report dated July 10, 2015</li> <li>- Moody's Investors Service Credit Opinion: Manitoba Hydro Electric Board dated November 16, 2016</li> <li>- Moody's Investors Service Credit Opinion: Manitoba Hydro Electric Board dated November 6, 2015</li> </ul>	<p>PUB MFR 60 (requests current credit rating reports for Manitoba Hydro and the Province)</p> <p>PUB MFR 78 i) (requests all credit and/or debt rating agency reports on Manitoba Hydro and the Province of Manitoba since the NFAT)</p>
<ul style="list-style-type: none"> <li>- All presentations made by Standard &amp; Poor's, Moody's and DBRS to Manitoba Hydro and any meeting notes or reports that are in the possession of Manitoba Hydro describing the meetings with the agencies</li> </ul>	<p>PUB/MH 1-60 b) (requesting all presentations made by and to S&amp;P's, Moody's and DBRS)</p>

Relief sought

The Consumers Coalition seeks access to the documents listed above. The Consumers Coalition proposes two options for access to these documents, both of which remove the risks raised by Manitoba Hydro in its 7 September 2017 motion:

- **Option 1:** a Non-Disclosure Agreement<sup>1</sup> to be signed by Consumers Coalition expert on financial targets and access to capital markets (Pelino Colaiacovo of Morrison Park Advisors), legal counsel and clients to review the documents identified above that have been purchased by Manitoba Hydro and are in the Corporation's possession; or
- **Option 2:** the Consumers Coalition to purchase the documents identified above and to include the cost of purchasing and accessing the reports in a revised budget to be filed with the PUB.

In the Coalition's view, Option 1 is more cost-effective as it contemplates the Coalition having access to documents already purchased by Manitoba Hydro and in the Corporation's possession. Option 1 would be less likely to negatively impact the financial health of the Corporation, and as a result, rates charged to ratepayers.

However, if Manitoba Hydro and the Board come to the conclusion that Option 2 better addresses the concerns and risks raised by Manitoba Hydro, the Consumers Coalition proposes that the cost it will incur by purchasing the credit rating agency reports be included in a revised budget for the Consumers Coalition in this proceeding.

Under either option identified above, the Coalition's expert advisor would likely provide a redacted (public) and non-redacted version of report.<sup>2</sup> For the public version of his report, the Consumers Coalition expert on financial targets would have the ability to quote from reports, as per contract terms.

In response to PUB IR 60(b), the Corporation provided copies of presentations that it made to the credit rating agencies, but did NOT include any presentations made by the agencies to Manitoba Hydro. If indeed Manitoba Hydro is in possession of any such presentation materials, the Consumers Coalition would request these documents, as well as any meeting notes or reports that are in the possession of Manitoba Hydro describing the meetings that they had with the agencies.

Justification

The Consumers Coalition requires access to these documents in order to meaningfully participate in the hearing. The Consumers Coalition has been approved to conduct analysis and present evidence regarding the overall health of the corporation in this hearing, including

1 Which could be based on the Public Utilities Board's Non-Disclosure Agreement used in the current Manitoba Public Insurance proceeding.

2 If the Coalition's advisor's report only quotes the credit agency reports within the contract terms, a redacted public version may not be necessary.

appropriate financial targets for Manitoba Hydro and its access to capital.<sup>3</sup>

In the Coalition's view, Morrison Park Advisors, which has been jointly retained by the Coalition and Manitoba Industrial Power Users Group, will be an important witness in this proceeding. While Manitoba Hydro indicates in its 7 September 2017 Motion that parties should rely on an Independent Expert Consultant hired by the PUB, from the Consumers Coalition's review of the Independent Expert Consultants retained by the PUB, it does not appear that credit rating agency reports would fall under the scope of work of any of the Independent Expert Consultants ("IECs").<sup>4</sup>

In its application, Manitoba Hydro repeatedly refers to its "financial strength" and equates that term to its target debt:equity ratio, Debt Service Coverage Ratio, and Capital Coverage ratio. The Consumers Coalition's advisor is conducting a careful analysis in terms of Manitoba Hydro's access to affordable capital taking into account the Provincial debt guarantee, Hydro's monopoly status, financial data from the markets and reports from debt rating agencies. The Coalition's advisor intends to consider the emphasis placed by credit rating agencies on the cash flow aspects of the definitions of a "self-supporting" entity.

Manitoba Hydro appears to place considerable importance on the content of the credit agency reports in its application. While recognizing that Credit Rating Agencies are not leading indicators of market sentiment but rather lagging indicators, the Coalition's expert advisor has indicated that having access to the credit rating agency reports is essential to his analysis and for him to provide the best possible evidence and recommendations to assist the Board in its decision-making role.

There is a long history of credit rating agency reports being filed on the public record in Manitoba Hydro proceedings. As Manitoba Hydro acknowledges in its 7 September 2017 Motion, issues regarding filing Standard & Poor's reports on the public record only arose in the 2015/16 General Rate Application. The Coalition's proposed process for access to these documents would eliminate any prejudice to the Corporation caused by the changes in the credit rating agency terms of access to their reports.

The Coalition is also requesting all presentations made by credit rating agencies to Manitoba Hydro and meeting notes or reports describing the meetings, as claimed in PUB/MH 1-60 b). The Coalition did not request these documents in Information Requests given that the Corporation claimed confidentiality of the credit agency reports in PUB MFRs 60 and 78 i). The Coalition recommends that, if they exist, these unredacted documents should be placed on the public record given that they would not be subject to the same contract terms as the reports.

The Coalition notes that this rate application represents a change of philosophy at Manitoba Hydro. The Consumers Coalition submits that there is a greater public interest in disclosure in

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<sup>3</sup> See PUB Order 70/17, Appendix A and PUB letter of 25 August 2017.

<sup>4</sup> The IECs engaged by the PUB include MGF (large capital projects), Daymark (load forecasting and export price forecasting) and Dr. Andonis Yatchew (microeconomic issues and macroeconomic issues).

this proceeding given the magnitude of the proposed rate increases and the potential long-term impact on all Manitoba ratepayers.

Access to the documents listed above under specific conditions meets the public interest test under Rule 13 of the PUB Rules, in that the public interest in the disclosure of information outweighs the Corporation's interest in confidentiality.

*Manitoba Hydro's submissions*

As a response to PUB MFR 60 and PUB MFR 78 j), Manitoba Hydro responded that it had filed copies of DBRS credit rating reports in Appendix 4.4 of the Application. It further indicated that, as a result of changes to credit rating agency processes, it was seeking permission to file the remaining credit agency reports and that it may file a letter seeking confidential treatment of third party proprietary information pursuant to Rule 13.

As a response to PUB/MH 1-60 b) (requesting all presentations made by and to S&P's, Moody's and DBRS), Manitoba Hydro provided presentations made by it to the credit rating agencies, but did not provide any presentations made by the credit rating agencies to Manitoba Hydro.

In its Motion dated 7 September 2017, Manitoba Hydro stated that Manitoba Hydro's authorization to use and release Moodys' and Standard & Poor's Credit Rating Reports is dictated by contract and there exists commercial value to the credit rating reports. While fairly broad consents were granted in the past, the credit rating agencies are being more restrictive, particularly with respect to non-regulator access, re-posting and reproduction of their credit rating reports. Manitoba Hydro proposed that parties rely upon the Independent Expert Consultant retained by the PUB to review this information and as necessary, verify the information and address any concerns raised by Interveners in its report.

## **Appendix B: Construction of Major Projects**

### Requested documents and reference

#### **Keeyask**

<b>Documents requested</b>	<b>Reference: MFR and/or IR</b>
- Keeyask Risk Registry	PUB MFR 129 (requests Keeyask Risk Registry)
- Projection of Contractor's productivity rate for Keeyask	COALITION/MH 1-208 a) (requests projection of Contractor's productivity rate for Keeyask)
- Productivity reports for the Keeyask Project comparing the actual productivity for various contracts to the forecast productivity	PUB MFR 143 (requests productivity calculations for Keeyask contracts and forecast versus actual information)
- Recovery Plan Strategy Report for Keeyask issued 26 October 2016	COALITION/MH 1-208 j) (requests Recovery Plan Strategy Report for Keeyask)

#### **Bipole III**

<b>Documents requested</b>	<b>Reference: MFR and/or IR</b>
- Addendum 08a dated 26 October 2016 to the Capital Project Justification	PUB MFR 155 – Addendum 08a dated 26 October 2016) (requests Capital Project Justifications and subsequent addenda for Bipole III)
- Third party estimate reports used in the evaluation of HVDC converter equipment bids	PUB MFR 160 (requests third party estimate reports for evaluation of HVDC converter equipment bids)
- Table comparing HVDC converter equipment proposals with any engineer's or third party estimates	PUB MFR 161 (requests a table comparing HVDC converter equipment proposals with engineer's or third party estimates)
- Rashwan Consultant report on the Bipole III cost estimate	PUB MFR 164 (requests the Rashwan Consultant report on the Bipole III cost estimate)

#### **Manitoba-Saskatchewan Transmission Projection**

<b>Documents requested</b>	<b>Reference: MFR and/or IR</b>
- latest CPJ/CIJ underlying the project, with the most recent NPV calculation	COALITION/MH 1-213 a) (latest CPJ/CIJ underlying the Manitoba-Saskatchewan

Documents requested	Reference: MFR and/or IR
	Transmission project, with the most recent NPV calculation)
- Identification of changes in underlying assumptions used for the most recent NPV calculation and reconciliation of NPV calculation with the changes, if any.	COALITION/MH 1-213 b) (request to identify any changes in underlying assumptions used for the most recent NPV calculation)

**Great Northern Transmission Line**

Documents requested	Reference: MFR and/or IR
- Unredacted version of the GNTL Capital Project Justification and addenda	PUB MFR 186 (requests the Capital Project Justification for the GNTL and any addenda)
- Unredacted version of PUB MFR 187: Updates to NFAT Exhibits Manitoba Hydro-139 (items 1-4) and Manitoba Hydro-168 related to the GNTL capital and operating cost responsibilities of Manitoba Hydro and Minnesota Power	PUB MFR 187 (requests GNTL information regarding capital and operating cost responsibilities)

Relief sought

The Consumers Coalition seeks access to the unredacted documents listed above under the following conditions, which it believes strikes an appropriate balance between the public interest in disclosure and the financial health of the utility:

- A Non-Disclosure Agreement<sup>5</sup> to be signed by the Consumers Coalition's expert on large capital projects (David Richmond of METSCO), legal counsel and clients for the documents identified.
- The Consumers Coalition's advisor on large capital projects will identify in his report to the Coalition any confidential information to ensure the information is not shared on the public record.
- In the event that evidence is filed by the Consumers' Coalition expert on large capital projects, both a redacted (public) version and an unredacted version will be filed.

Justification

The Consumers Coalition requires access to the documents listed above in order to meaningfully participate in this hearing. The Consumers Coalition has been approved to

<sup>5</sup> Which could be based on the Public Utilities Board's Non-Disclosure Agreement used in the current Manitoba Public Insurance proceeding.

conduct analysis regarding large capital projects in this hearing.<sup>6</sup>

There have been material changes in circumstances regarding large capital projects, especially relating to the budget and schedule for the Keeyask project.<sup>7</sup> In light of the significantly changing circumstances, the Consumers Coalition and their constituents have raised significant concerns regarding large capital projects. In particular, the Coalition sees core elements regarding large capital that are likely to affect rates going forward, such as the cost of debt forecasts, contingencies for projects and whether current practices are reasonable.

The advisor retained by the Consumers Coalition is conducting a reasonableness analysis of large capital projects for which he requires further information than is currently available on the public record. In this motion, the Consumers Coalition is only seeking the specific documents which its advisor requires in order to conduct his analysis and provide recommendations.

Some of the preliminary potential issues raised by the Coalition's advisor for which further information is required include:

- Bipole III: issues relating to the estimates for HVDC converter stations and synchronous condensers, contingencies for the project, overall cost estimates over time, and risks and uncertainties of the project in general, as well as their impact on rates;
- Keeyask: impacts on rates of the rising cost estimates and delayed schedule, risks and uncertainties of the project in general, including the extent of geotechnical issues, productivity challenges, as well as their impact on rates, and the reasonableness of the strategy established to complete the project; and
- Manitoba-Saskatchewan Transmission Project and Great Northern Transmission Line: further information is required to analyze the reasonableness of the estimates and forecasts for this project and their impact on rates.

The Consumers Coalition's advisor has identified the minimum number of documents needed to conduct his analysis and provide advice to the Consumers Coalition. We propose that legal counsel, the clients and the Coalition's advisor be subject to a Non-Disclosure Agreement for the documents identified above.

None of the Coalition's legal counsel, clients or advisor are business competitors of Manitoba Hydro. Under these conditions, the Coalition believes that the financial health and the

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<sup>6</sup> See PUB Order 70/17, Appendix A and PUB letter of 25 August 2017.

<sup>7</sup> In a news release dated 7 March 2017, Manitoba Hydro stated:

“The Keeyask Hydropower Limited Partnership (KHLPP) and Manitoba Hydro announced today a new control budget of \$8.7 billion and revised in-service date of August 2021 for the Keeyask Generating Station, currently under construction on the Nelson River in northern Manitoba.

This represents an increase from the previously approved control budget of \$6.5 billion and a delay of 21 months from the previous in-service date of November 2019.”

competitive position of Manitoba Hydro and any third party is protected.

The Coalition notes that this rate application represents a change of philosophy at Manitoba Hydro. While some of the documents listed above may have been treated as confidential in the past, the Consumers Coalition submits that there is a greater public interest in disclosure in this proceeding given the material changes in circumstances relating to large capital projects, combined with the magnitude of the proposed rate increases, the potential long-term impact on all Manitoba ratepayers.

Access to the select documents listed above under the specific conditions described meets the public interest test under Rule 13 of the PUB Rules in that the public interest in the disclosure of information outweighs the Corporation's interest in confidentiality.

*Manitoba Hydro's submissions*

For the documents identified in this Appendix, it is the Coalition's understanding that Manitoba Hydro claimed confidentiality mainly due to the commercially sensitive nature of the information, including that:

- Future competitive and negotiating positions of Manitoba Hydro and third parties could be impaired by disclosing the information, putting Manitoba Hydro and third parties at risk of undue financial loss;
- Relationships with customers, counter-parties, stakeholders or partners could be significantly impaired by disclosing the information; and
- Many of the documents have been held in confidence by the PUB in the past.

In addition, some of the information is proprietary in nature.

Manitoba Hydro proposed that Parties rely upon the Independent Expert Consultant retained to review Manitoba Hydro's Major Project information to verify this information and address concerns raised by Interveners in its report.

## **Appendix C: Export Price Forecasts**

### *Requested documents and reference*

<b>Documents requested</b>	<b>Reference: MFR and/or IR</b>
- Manitoba Hydro's Electricity Export Price Forecast	PUB MFR 79 (requests MH electricity export price forecast, supporting forecasts of third-party forecasting firms, explanation of changes to MH's forecasting methodology)  COALITION/MH 1-56 (request for the Export Price Forecast)
- Five purchased export price forecasts	PUB MFR 79 (requests MH electricity export price forecast, supporting forecasts of third-party forecasting firms, explanation of changes to MH's forecasting methodology)  COALITION/MH 1-57 (request for consultant export price forecasts)
- Information relating to forecasting methodology changes	PUB MFR 79 (requests MH electricity export price forecast, supporting forecasts of third-party forecasting firms, explanation of changes to MH's forecasting methodology)
- Specific information relating to Manitoba Hydro's export price forecast as requested in COALITION/MH 1-51, 1-52 and 1-55	COALITION/MH 1-51 (information regarding the Export Price Forecast)  COALITION/MH 1-52 (information regarding the Export Price Forecast)  COALITION/MH 1-55 (information regarding the Export Price Forecast)
- Response to PUB/MH 1-50b) (to which the Coalition was referred in the response to COALITION/MH 1-54)	PUB/MH 1-50b) and COALITION/MH 1-54 (requests forecasts of dependable energy premiums and capacity premiums))

### *Relief sought*

The Consumers Coalition seeks access to the documents listed above (unredacted) under the following conditions, which it believes strikes an appropriate balance between the public interest in disclosure and the financial health of the utility:

- A Non-Disclosure Agreement<sup>8</sup> to be signed by Consumers Coalition advisor on export forecasting and his employer (Dr. Doug Gotham and Purdue University)<sup>9</sup>, legal counsel and clients for the documents identified above that are in Manitoba Hydro's possession.
- Manitoba Hydro to provide internal and purchased third-party forecasts and additional information as requested in the listed Information Requests to the Consumers Coalition for the purpose of conducting a reasonableness analysis on the export price forecasting methodology.
- Names and identifying information of external forecasters and select prices from third-party forecasters and Manitoba Hydro's Electricity Price Forecast to be redacted by Manitoba Hydro, while still allowing the Consumers Coalition's advisor to conduct a reasonableness analysis on the forecasting methodology. The redaction process could be done as a collaboration between Manitoba Hydro and the expert advisor to the Consumers Coalition.

### Justification

The Consumers Coalition requires access to these documents in order to meaningfully participate in the hearing. The Consumers Coalition's advisor on export price forecasting is conducting an analysis of the reasonableness of Manitoba Hydro's and third-party consultants' forecasting methodologies to ensure that the forecasts used in the rate application are reasonably reliable. Export price forecasting is core to our clients' interests in this proceeding as these forecasts can materially impact financial forecasts, and therefore rate-setting.

We note that, while the PUB has retained an IEC to examine export price forecasting, the Scope of Work current contemplated for Daymark indicates that it will not be testing the reasonableness of the methodology used by third parties.<sup>10</sup> This represents a significant difference in scope of work as the Coalition's advisor proposes to test the methodologies used by third party consultants.

In order to conduct a review of the methodology, the names and identifying information of external forecasters are not necessary and neither are the prices themselves. Rather, the Consumers Coalition advisor will be analyzing the methodology used by Manitoba Hydro and the third-party forecasters. Without access to the documents identified above, a critical evaluation of the export price forecast methodology and assumptions is impossible.

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8 Which could be based on the Public Utilities Board's Non-Disclosure Agreement used in the current Manitoba Public Insurance proceeding.

9 The Consumers Coalition expert on export price forecasting is Dr. Doug Gotham and his employer is Purdue University. The NDA could be drafted in such a way to guarantee that only Dr. Gotham would have access to the documents.

10 Paragraph 1 of the Scope of Work for Daymark states: "The third party consultant forecasts are to be taken as a "given" and are to be assumed to be reasonable and accurate with respect to the other tasks in this Scope of Work."

Depending on the outcome of the reasonableness analysis by the Coalition's advisor, the Coalition's advisor could be in a position to pose specific questions to the PUB's Independent Expert Consultant or he may be satisfied that the methodology used by Manitoba Hydro is reasonable and that the current scope of work contemplated for the Independent Expert Consultant will be sufficient for further analysis.

In the Coalition's view, the conditions proposed for access to the export price forecast documents will protect the financial health and the competitive position of the corporation, as well as the third-party forecasters.

The Coalition notes that this rate application represents a change of philosophy at Manitoba Hydro. While the documents listed above may have been treated as confidential in the past, the Consumers Coalition submits that there is a greater public interest in disclosure in this proceeding given the magnitude of the proposed rate increases and the potential impact on all Manitoba ratepayers.

Access to the select documents listed above under the specific conditions described meets the public interest test under Rule 13 of the PUB Rules, in that the public interest in the disclosure of information outweighs the Corporation's interest in confidentiality.

#### *Manitoba Hydro's submissions*

In response to PUB MFR 79, the Electricity Export Forecast and the third-party forecasters were completely redacted. In response to the Coalition Information Requests relating to export price forecasts (COALITION/MH 1-51, 1-52, 1-55, 1-56 and 1-57), Manitoba Hydro indicated that public disclosure of the responses would result in the release of information considered to be confidential, commercially sensitive and proprietary information belonging to a third party for which Manitoba Hydro does not have consent to share the information.

In its 7 September 2017 Motion, Manitoba Hydro provided a justification for the confidentiality of both the Purchased Price Forecasts and the Manitoba Hydro Electricity Export Price Forecast, which we have summarized, as follows:

- *Purchased Price Forecasts:* In order to create the Manitoba Hydro electricity Export Price Forecast, the Corporation has had to purchase external price forecasts. Manitoba Hydro is obliged by contract to treat the forecasts and the methodologies utilized therein as confidential and public disclosure of the documents would result in a substantial financial loss to the creators of the forecasts.
- *Manitoba Hydro Electricity Export Price Forecast:* Manitoba Hydro's consensus Electricity Price Forecast is derived from the combined results of five purchased export price forecasts. Knowledge of the Corporation's views regarding the future price of power will harm Manitoba Hydro's competitive position and negatively impact export power sale negotiations.
- Manitoba Hydro proposes that parties rely upon the Independent Expert Consultant

retained by the PUB to review this information and as necessary, verify the information and address any concerns raised by Interveners in its report.

- Manitoba Hydro notes that in previous proceedings the PUB has held export price forecasting information, including the identities of the forecasters, in confidence.

## **Appendix D: Load Forecast Information**

### Requested documents and reference

<b>Documents requested</b>	<b>Reference: MFR and/or IR</b>
- Response to COALITION/MH 1-29 (Energy prices that were used as inputs to the load forecast)	COALITION/MH 1-29 (requested the energy prices that were used as inputs to the load forecast)

### Relief sought

The Coalition seeks a response to COALITION/MH 1-29, which requested the energy prices that were used as inputs to the load forecast.

### Justification

COALITION/MH 1-29 requested the energy prices that were used as inputs to the load forecast. The response from Manitoba Hydro pointed to PUB MFR 79, consisting of Manitoba Hydro's Electricity Export Price Forecast and the third-party export price forecasts, which Manitoba Hydro claims are confidential. It is unclear to the Coalition why the information claimed in COALITION/MH 1-29, relating to load forecast, would be found in PUB MFR 79.

The requested information is necessary to the analysis of our advisor, Dr. Gotham, to assess the reasonableness of the load forecast methodology.

The Consumers Coalition has sought clarification regarding COALITION/MH 29 in the second round of Information Requests. Given that responses to the second round of IRs will only be received on 18 October 2017, we have included COALITION/MH 1-29 in this Motion.

If the answer to COALITION/MH 1-29 is indeed found in the Manitoba Hydro Electricity Price Forecast, our request in **Appendix C** to this motion would address COALITION/MH 1-29. If the answer to COALITION/MH 1-29 is not contained within the the Manitoba Hydro Electricity Price Forecast, we would request that Manitoba Hydro provide the information.

### Manitoba Hydro's submissions

With respect to the COALITION/MH 1-29, which requested the energy prices that were used as inputs to the load forecast, Manitoba Hydro responded "Please see Manitoba Hydro's response to PUB/MFR I-79", which we understand to mean PUB MFR 79.

In response to PUB MFR 79, Manitoba Hydro indicated that some of the information is confidential or commercially sensitive. The Electricity Export Forecast and the 2017 third-party forecasters were completely redacted.

## **Appendix E: Marginal cost information**

### *Requested documents and reference*

<b>Documents requested</b>	<b>Reference: MFR and/or IR</b>
- Non-redacted version of response to PUB/MH 1-131 b): for summer and winter values	PUB/MH 1-131 b) (requests marginal cost calculation)

### *Relief sought*

The Consumers Coalition seeks access to the unredacted response to PUB/MH 1-131 b), as it relates to the Levelized Cost at 4.15% Discount Rate for All-In Summer and Winter values.

### *Justification*

The Consumers Coalition disputes that Summer and Winter values are Commercially Sensitive Information that should remain confidential. While the Consumers Coalition does not challenge that the annual values for generation marginal cost can remain redacted, as these are reflective of the annual export prices, it does not agree that the Levelized Cost at 4.15% Discount Rate for All-In Summer and Winter values (at the bottom right of the table provided) are “sensitive analysis and operational data facilitating back calculation” which should remain confidential.

Each of the values for Summer and Winter should represent a calculated result at an aggregate level from many years of values, which should be public information. It is not clear why the two values for Summer and Winter should be confidential while the annual values are not.

The Consumers Coalition requires this information for its advisor's analysis, especially as it relates to rate design and seasonal rates.

Providing the aggregate level calculations for the Summer and Winter values are unlikely to harm the Corporation's financial health or its competitive position. The public interest in disclosure of the specific values requested outweighs the Corporation's interest in its confidentiality.

### *Manitoba Hydro's submissions*

In its response to PUB/MH 1-131 b), Manitoba Hydro claimed confidentiality to a portion of its answer. Specifically, the table entitled “2015/16 Basic Marginal Costs Applicable to Distribution Level Programs Marginal Costs Given at Distribution (Constant Year 2016 Canadian Dollars)” was significantly redacted. The Corporation stated that the generation marginal cost values are derived from and are very closely related to the electricity export

price forecast which is confidential and commercially sensitive information.

In its IR CSI Motion filed on 21 September 2017 and the accompanying revised IRs with redactions codes, the redaction code for PUB/MH 1-131 b) is:

5. Sensitive Analysis and Operational Data Facilitating Back Calculation *for example*:

- a. Resource planning assumptions and analysis including the generation component of marginal cost;

## **Appendix F: Export Contracts, Revenues and Related Information**

### Requested documents and reference

<b>Documents requested</b>	<b>Reference: MFR and/or IR</b>
- Clarification and aggregate information relating to PUB MFR 83	COALITION/MH 1-101 a)-c) (seeking clarification and details regarding PUB MFR 83 dealing with export contracts)

### Relief sought

The Consumers Coalition seeks a full response to COALITION/MH 1-101 a)-c), which requested clarification and details regarding PUB MFR 83 dealing with export contracts.

### Justification

The Consumers Coalition disputes that this information is Commercially Sensitive Information that must remain confidential, as claimed by Manitoba Hydro.

COALITION/MH 101 a) was simply asking for clarification regarding the values contained within the table. The titles for Figures 1 and 2 in PUB MFR 83 suggest that the revenues shown are for the 2016/17 fiscal year, while the total export revenues forecast in MH16 for 2016/17 are significantly less. The Consumers Coalition was seeking a reconciliation and explanation of the revenues reported in PUB MFR 83.

Given that values of total revenues were provided as a response to PUB MFR 83, Manitoba Hydro should be requested to provide a clarification and explanation of the numbers it has provided on the record.

COALITION/MH 101 b) and c) were asking for the total sales associated with all the contracts and the resulting average unit revenue (\$/Mwh) associated in Figures 1 and 2.

In the Coalition's view, providing the information requested requires Manitoba Hydro to provide information at a high or aggregate level. The aggregate information requested in the IR strikes an appropriate balance between public disclosure and Manitoba Hydro's interest in protecting the more detailed information relating specific revenue information by customers or by contract.

### Manitoba Hydro's submissions

As a response to COALITION/MH 1-101 a) – c), Manitoba Hydro stated that public disclosure of the response to this question would result in the release of information considered to be confidential and commercially sensitive and that the Coalition should request the PUB's IEC investigate if Coalition wishes to pursue this matter further.