April 12, 2017

Darren Christle
Secretary and Executive Director
Public Utilities Board of Manitoba
400 – 330 Portage Avenue
Winnipeg, Manitoba R3C 0C4

Dear Mr. Christle:

RE: MINIMUM FILING REQUIREMENTS & SCOPE OF THE UPCOMING GENERAL RATE APPLICATION

By letter dated March 31, 2017, the Public Utilities Board (“PUB”) provided Manitoba Hydro with an updated list of Minimum Filing Requirements (“MFRs”) and invited past Interveners of record to submit proposed additional MFRs to the PUB by April 7, 2017. Manitoba Hydro is in receipt of additional proposed MFRs from Consumers Coalition (“COALITION”), Green Action Centre (“GAC”), the Manitoba Industrial Power Users Group (“MIPUG”) and Manitoba Keewatinowi Okimakinak. Manitoba Hydro is also in receipt of correspondence on behalf of the GAC regarding the scope of issues to be reviewed during its upcoming General Rate Application (“GRA”).

Minimum Filing Requirements

The PUB’s Rules of Practice and Procedure authorize the PUB to prescribe MFR information (Rule 23e)) but does not identify the purpose of MFRs or otherwise define the term. Manitoba Hydro views that the purpose of a MFR is to ensure certain baseline information is consistently provided at the time of the initial filing so as to pre-empt the need for seeking such information in the first round of Information Requests (IRs). Manitoba Hydro recognizes that over time, certain first round IRs become routinely asked in the course of a GRA, such that it makes sense to incorporate them into its filing on a go forward basis. The PUB appears to have concurred with Manitoba Hydro’s view when it stated that “MFRs were to
identify information that should be included in Manitoba Hydro’s GRA filings, with a corresponding benefit of reducing Information Requests of Manitoba Hydro.”

Manitoba Hydro cautions against parties anticipating issues and prescribing MFRs prior to the corporation submitting its application. The scope of the hearing will be determined following a Pre-Hearing Conference (“PHC”). Manitoba Hydro views the treatment of certain of the questions proposed by Interveners as being inextricably linked to the determination of what falls within the scope of the upcoming GRA. Such questions are properly first round IRs. To require Manitoba Hydro to file material on matters that have not yet been determined to be in scope is effectively pre-judging matters to be dealt with at the PHC. It can also lead to the wasting of resources should a matter be deemed not in scope.

As noted in Manitoba Hydro’s letter of March 24, 2017, the corporation expects to include updated responses and information to most of the PUB’s MFRs. In the interests of transparency, where the requested information potentially requires the disclosure of Commercially Sensitive Information (“CSI”), Manitoba Hydro will endeavour to provide responses which aggregates information to a level accessible by all. Where responses require the disclosure of third party confidential information, Manitoba Hydro will endeavour to obtain such consent. Where such consent is not forthcoming, Manitoba Hydro will advise counsel and attempt to identify alternative means of addressing the PUB’s concerns.

With respect to MFRs related to Demand Side Management (DSM), Manitoba Hydro will provide responses to MFRs seeking information regarding DSM assumptions contained within its financial forecast. Manitoba Hydro cannot speculate on the plans of the new DSM entity as it relates to future programming or its targets. Manitoba Hydro will attempt to respond to PUB MFR 77, recognizing these limits.

Manitoba Hydro is not in a position to speak for or provide information regarding the finances of the Province of Manitoba’s or Government’s actions related thereto. This will impact Manitoba Hydro’s ability to respond to parts of PUB MFR 78.

Certain MFRs seek updates on Manitoba Hydro activities by Business Unit or Division. Recent restructuring efforts at Manitoba Hydro have resulted in the elimination of a number of Business Units, with the work of those former Business Units being subsumed within new corporate and operating groups. The new structure is not directly comparable to the old one. Manitoba Hydro will make its best efforts to provide updated information, however,

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1 PUB Correspondence dated January 15, 2015, related to Manitoba Hydro’s 2015 GRA
these changes will impact its responses to a number of MFRs, for example PUB MFR 34, 36, 39 and 40.

The Coalition seeks to expand the information sought by the PUB in its MFRs. The PUB has requested Manitoba Hydro compare its latest IFF with that of its immediately preceding IFF15. Proposals have been submitted seeking to expand the comparative analysis to IFF14. IFF14 is not IFRS compliant and will not be directly comparable to the corporation’s latest IFF. Manitoba Hydro proposes to compare to IFF14 where it makes sense to do so.

GAC has proposed that Manitoba Hydro be required to respond to a number of MFRs related to rate design. This type of request does not fall within the category of an MFR and should be filed as an IR only after the Intervener has had the opportunity to assess Manitoba Hydro’s proposal and determine if the information is needed. Manitoba Hydro submits that all of GAC’s proposed MFRs be addressed after Manitoba Hydro has filed its Application and, if required, be submitted in the context of Round I IRs.

MIPUG has requested Manitoba Hydro be required to file the Berkeley Research Group Report together with any updates as MFR requirements. Manitoba Hydro is seeking the author’s permission to provide this document. MFRs seeking further analysis of this information (MIPUG MFR 3 & 4) ought to wait until parties have had the opportunity to review the requested materials.

MKO has proposed a number of MFRs related to capital requirements in the diesel communities, which is a matter addressed as part of the tentative Settlement Agreement. Pursuant to the direction provided in Procedural Order 18/15, parties should expect review of diesel related issues only after MKO has provided the signed Tentative Settlement Agreement between the four Diesel First Nations, Canada and Manitoba Hydro, the terms of which agreement provides necessary context for discussions related to the funding of diesel service (MKO MFR 1-5).

MKO also seeks certain PUB MFRs be broken down to a level to demonstrate the impact specifically on MKO customers (MKO MFR 6–8). Manitoba Hydro notes that MKO ratepayers do not form a rate class and as such this type of information is not readily available. This is not properly MFR type information but rather analysis typical of first round IRs.
Scope

In its letter of April 7, 2017, GAC requests that conservation rates and time-of-use rates be considered as part of the current GRA process. The proper forum for addressing matters of scope will be the PHC. In the event the PUB wishes to entertain consideration of inclusion of conservation or time-of-use rates at this juncture, Manitoba Hydro wishes to note that all parties expect that the rate increases sought in the upcoming GRA will be greater than those proposed in the past. Implementation of conservation and time-of-use proposals will have the impact of negatively affecting certain customer groups while benefiting others. Notably, conservation rates may serve to amplify the negative impacts of rate increases on certain low income customers, such as those with electric heat.

Should you have any questions with respect to the forgoing, please do not hesitate to contact the writer at 204-360-3946.

Yours truly,

MANITOBA HYDRO LAW DIVISION
Per: 

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Legal Counsel

cc : Odette Fernandes, Manitoba Hydro
Shannon Gregorashuk, Manitoba Hydro
Bob Peters, Board Counsel
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All Interveners of Past Record