

Darren Rainkie, CPA, CA, CBV

Principal – Darren Rainkie Consulting

STRATEGIC & INNOVATIVE REGULATORY SOLUTIONS FOR THE EVOLVING CHALLENGES OF REGULATED ENTERPRISES

QUALIFICATIONS & EXPERTISE

- Executive Leadership
- Financial Management
- Regulatory Vision & Strategy
- Experienced Witness
- Revenue Requirement Specialist
- Regulation Process Management

CAREER HIGHLIGHTS

- Executive (CFO & Acting CEO) and senior management (Controller & Treasurer) experience at Manitoba Hydro & Centra Gas (2006-2017)
- Senior level experience in broad areas of financial management (2000-2017)
- Deep experience in all aspects of electric & natural gas energy regulation (1990-2018)
- Extensive experience testifying as a policy & subject matter expert at regulatory hearings (2000-2017)

PRIOR EXPERIENCE

- Manitoba Hydro & Centra Gas 1999-2017
- Centra Gas (Westcoast Energy) 1994-1999
- Price Waterhouse 1988-1994

EDUCATION

- Chartered Business Valuator 1993
- Chartered Professional Accountant (Chartered Accountant) 1991
- B. Com. (Hons. – With Distinction), University of Manitoba 1988

PROFILE

Darren is the principal of the consulting practice he established in 2017 which leverages his 30-years of experience in energy regulation, utility & financial management and financial advisory services. He specializes in electricity and natural gas energy regulation and financial advisory services.

Executive Level Vision & Strategy – over 11 years of executive/senior management experience providing leadership to one of the largest integrated electric and natural gas utilities in Canada, developing corporate and business unit strategic plans, leading and developing senior level professionals and successfully managing multiple initiatives/projects simultaneously. Darren has a deep understanding of the challenges facing regulated entities and a proven track record of developing innovative financial and regulatory strategies that are aligned with the overall vision and strategic direction of the organization.

Broad Financial Management Experience – over 17 years of senior level experience in broad areas of financial management including long-term forecasting, budgeting, corporate finance, risk management and financial reporting. Darren has the unique ability to integrate these diverse areas of financial management with ratemaking to develop solutions for clients that are broad-based and practical.

Deep Specialization in Energy Regulation – over 28 years of experience in all aspects of energy regulation including policy, strategy, revenue requirement, cost of capital/capital structure, cost allocation and rate design, major capital project reviews as well as planning and management of regulatory applications and the associated hearing processes, stakeholder engagement and testifying in regulatory proceedings. Darren's passion for and deep specialization in energy regulation enables him to provide a comprehensive suite of high-quality regulatory services to clients.

Collaborative Style & Clear Communication – demonstrated ability to provide policy direction and lead cross-disciplinary project teams and to work collaboratively and build strong relationships with senior management, executive team, boards of directors and government and regulatory officials and stakeholders. Darren's consensus building style and ability to effectively communicate with internal and external stakeholders are essential to developing sustainable solutions for clients.

OVERVIEW OF REGULATORY EXPERIENCE

- Executive policy witness at the 2016 Electric Cost of Service Methodology Review before the Manitoba Public Utilities Board (MPUB) to review the methodology underpinning the allocation of a \$2 billion revenue requirement and \$20 billion rate base among 568,000 customers.
- Executive policy witness and chief regulatory strategist for the 2015 Electric General Rate Application (GRA) before the MPUB which included final approval of interim rates for 2014/15 and rates for 2015/16 as well as the establishment of a process to review interim rates for 2016/17. Applied a top-down strategy driven approach and drove the transformation of rate applications to increase revenues and manage deterioration in the financial outlook and maintain reliable service and stable rates while balancing the interest of ratepayers with the financial integrity of the corporation.
- Executive policy witness at the 2015 Cost of Gas Application before the MPUB and directed the development of the regulatory strategy and principles associated with the prudence review and recovery of additional gas costs of \$46 million incurred during the record cold winter weather of 2013/14.
- Executive policy witness and chief strategist for the finance witness panel at the 2014 MPUB review of the Need For and Alternatives To (NFAT) Manitoba Hydro's proposed Major Generation and Transmission capital projects involving a planned investment of over \$17 billion. The finance panel witness responsibilities included the potential impact on customers rates, financial outlook and financial risk associated with the planned investments.
- Executive policy witness and chief regulatory strategist for the 2013 Gas GRA before the MPUB to set gas costs and non-gas revenue requirement for 2013/14.
- Directed the preparation of the electric and gas revenue requirement filings and represented the corporation as a senior subject matter witness at several MPUB rate hearings between 2008 and 2013 (including 2010 Electric GRA and Risk Review, 2012 Electric GRA) providing witness testimony on financial results, long-term financial and capital forecasts, as well as implementation of IFRS and depreciation studies for rate-setting purposes.
- Represented the Corporation as a subject matter witness at several MPUB rate hearings between 2000 and 2008 (including 2000 Interlake franchise expansion application, 2003 Gas GRA, 2004 Cost of Gas Application, 2005 Gas GRA and 2007 Gas GRA) providing witness testimony on revenue requirements, rate base, return on equity, capital structure, financial feasibility tests and regulatory approvals and procedural matters.
- Oversaw the development of the Primary Gas application and associated processes in 2000 to adjust the cost of gas from western Canada on each gas quarter using an efficient and streamlined regulatory approval process.
- Managed and coordinated the preparation of numerous applications, filings and reports to the MPUB, the post-application/pre-hearing processes and procedures, the public hearing process and procedures and the interpretation and compliance with MPUB decisions from 1997 to 2006.
- Acted as internal expert and provided support to company witnesses at public hearings with respect to business case and feasibility assessments as well as financing, capital structure and cost of capital matters from 1994 to 1997. Prepared the Centra Gas proposal for the first return on equity (ROE) formula to be used to set gas rates in Manitoba in 1994.
- Provided extensive consulting advice to the MPUB and drafted regulatory decisions on capital structure and rate of return on equity (ROE) matters including the last comprehensive decision on the allowed capital structure and ROE for Centra Gas Manitoba in 1991.
- Acted as accounting and finance advisor to the MPUB between 1990 and 1994 on several Centra Gas regulatory applications and a Manitoba Hydro general rate application and drafted numerous regulatory decisions for the MPUB during that timeframe. Provided advice on all aspects of revenue requirements including operating costs, depreciation, finance expense, rate base, working capital and cost of capital.

PROFESSIONAL EXPERIENCE

MANITOBA HYDRO & CENTRA GAS

1999 - 2017

Vice-President, Finance & Regulatory Affairs and Chief Financial Officer

2013 - 2017

- Responsible for the executive leadership of the Finance & Regulatory Affairs business unit (Controller, Treasury, Rates & Regulatory Affairs, Financial Planning and Corporate Risk Management) and Manitoba Hydro International (professional consulting and project management services to energy sectors world-wide).
- Member of the Executive Committee that actively collaborated in the management of the corporation and the formation, revision and achievement of the corporate strategic plan and establishment of business unit goals and strategies that align with the strategic objectives of Manitoba Hydro. Led, developed and mentored a diverse team of senior professionals as well as cross-disciplinary project teams.
- Chair of the Corporate Risk Management and Rates Review committees. Member of the Export Power and Gas Supply Risk Management committees and the Corporate Asset Management Executive Council. Member and Treasurer of the Wuskwatim and Keeyask Limited Partnership Boards working closely with Indigenous partners.
- Guided the development of corporate financial targets and the long-term financial forecast as well as corporate operating, capital and financing plans that are consistent with the overall objectives of the Corporation and obtained endorsement from the Audit Committee and Manitoba-Hydro Electric Board (MHEB). Initiated and provided executive oversight to a comprehensive review of corporate financial targets to determine if they continued to be appropriate during a period of extensive capital investment of over \$17 billion. Provided policy guidance to support the development of increasingly sophisticated financial models to provide scenario analysis (over 15,000 financial projections) on key financial variables (water flows, export prices, interest rates and capital costs) to evaluate the adequacy of financial targets and financial reserves and forecast the long-term rate impacts of major capital projects.
- Initiated target setting process and collaborated with the executive team to develop strategies to substantially reduce the growth in operating expenditures. Championed the establishment of an overall corporate asset management framework and further development of systems to improve the planning and prioritization of sustaining capital expenditures in the generation, transmission, distribution and corporate functions.
- Executive policy witness and chief regulatory strategist for several significant electric and gas regulatory proceedings before the MPUB. Applied a top-down strategy driven approach and drove the transformation of rate applications to increase revenues and manage deterioration in the financial outlook and maintain reliable service and stable rates while balancing the interest of ratepayers with the financial integrity of the corporation.
- Provided executive oversight to the development and execution of financing strategies and plans to obtain long-term debt financing in the order of \$1.5 billion to \$2 billion annually and to effectively manage the corporation's liquidity, foreign exchange and interest rate risks.
- Directed the financial and management reporting and corporate risk management functions and provided regular reports on the financial results and risks of the corporation to Executive Committee, Audit Committee and MHEB. Executive accountable to oversee the transition from Canadian Generally Accepted Accounting Principles (CGAAP) to International Financial Reporting Standards (IFRS).

Acting President and Chief Executive Officer

September to December 2015

- Responsible for the overall leadership of one of the largest integrated electric and natural gas utilities in Canada with over \$20 billion in assets, \$2.3 billion in revenues, 568,000 electricity and 277,000 natural gas customers and over 6,000 employees.
- Maintaining progress on delivery of key strategic objectives, execution on major capital projects and effective transition to the newly appointed CEO while simultaneously managing several complex finance & regulatory projects in the on-going role as CFO.

Corporate Controller, Controller Division**2008 - 2013**

- Led the financial and management reporting functions of the corporation and managed interaction with the provincial Comptroller's Division and external auditors. Guided the provision of financial services to the business unit management teams.
- Oversaw the development of the long-term financial forecast and the coordination of the consolidated operating cost and capital expenditure forecasts and presentation to the Audit Committee and MHEB.
- Directed the preparation of the electric and gas revenue requirement filings and represented the corporation as a senior subject matter witness at several MPUB rate hearings providing witness testimony on financial results, long-term financial and capital forecasts, and implementation of IFRS and depreciation studies for rate-setting purposes.

Corporate Treasurer, Treasury Division**2006 - 2008**

- Led the development of debt management and financing strategies to obtain corporate financing requirements and effectively manage the corporation's liquidity, foreign exchange and interest rate risks.
- Managed interaction with credit rating agencies, the provincial Treasury Division and investment banking institutions.
- Guided cash management, cash forecasting and credit risk management functions and the administration of banking arrangements.

Manager, Regulatory Services Department**1999 - 2006**

- Responsible for regulatory planning and administration and providing recommendations to senior management on regulatory strategy, issues and procedural matters. Acted as a liaison with MPUB staff and advisors.
- Managed the preparation of applications, filings and reports to the MPUB, the post-application/pre-hearing processes and procedures, the public hearing process and procedures and the interpretation and compliance with MPUB decisions.
- Represented the corporation as a subject matter witness at several public hearings providing witness testimony on revenue requirements, rate base, return on equity, capital structure, financial feasibility tests and regulatory approvals and procedural matters.

CENTRA GAS MANITOBA INC.**1994 - 1999**

Senior Coordinator, Regulatory Services Department

1997 - 1999

Senior Financial Analyst, Financial & Accounting Services Department

1994 - 1997

PRICE WATERHOUSE, CHARTERED ACCOUNTANTS (Winnipeg Office)**1988 - 1994**

Assistant Manager, Financial Advisory Group (Accounting & Finance Advisor to MPUB)

1990 - 1994

Audit Senior, Audit & Business Advisory Group

1988 - 1990