

**MANITOBA HYDRO**  
**2023/24 & 2024/25 GENERAL RATE APPLICATION**  
**INTERVENER EVIDENCE INFORMATION REQUESTS**  
**COALITION**

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**MH/COALITION I-1**

**REFERENCE:**

Pre-filed Evidence of Kelly Derksen

**PREAMBLE:**

**QUESTION:**

- a) Please provide a copy of Ms. Derksen's written retainer letter or agreement. Please also provide any instructions received with respect to the retainer.
- b) Did Ms. Derksen meet with members or representatives of the Consumers Coalition? If so, what information was provided to Ms. Derksen? If in written or electronic format, please file.
- c) The cover page of Ms. Derksen's evidence states that it is prepared on behalf of The Consumers Coalition.
  - i. How did Ms. Derksen determine what issues were important to the members or representatives of the Consumers Coalition or for residential customer class?
  - ii. Please advise whether issues identified in the evidence were identified by Ms. Derksen, the Public Interest Law Center, and which issues were identified by the Consumers Coalition. If the issues were identified by the Consumers Coalition, please indicate whether the issues were identified collectively, or individually (i.e. Consumers Association of Canada (Manitoba Branch), Aboriginal Council of Winnipeg and Harvest Manitoba). If individually, please identify which issues were identified by which member of the Consumers Coalition.
  - iii. Are there issues which were identified that were similar amongst the members or representatives of the Consumer Coalition? If so, which ones. Please explain.
- d) Are there issues which were identified that were different amongst the members or representatives of the Consumers Coalition?

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**RESPONSE:**

- a) Ms. Derksen's retainer agreement is attached as MH/COALITION I-1(a) Attachment 1.
- b) On April 18, 2023, Ms. Derksen participated in a meeting with representatives of the Consumers Coalition member organizations and Consumers Coalition legal counsel to provide a summary of the contents of her evidence. Ms. Derksen did not meet with representatives of the Coalition member organizations prior to the filing of intervener evidence.
- c) The issues addressed in Ms. Derksen's evidence were identified by Ms. Derksen based on her interpretation of the assignment set out in her retainer agreement.

In response to c) (iii), the Consumers Coalition member organizations note that as separate organizations participating jointly as a single intervener, effort is made to operate by consensus in order to provide the Board with a clear understanding of issues affecting the residential customer class. Should the Consumers Coalition not achieve consensus with respect to an issue, stated position or recommendation made to the Board, the Coalition member organizations' views would be delineated for the Board to ensure transparency. The Consumers Coalition notes that in identifying issues and developing their ultimate perspective, they rely on the insights of their staff as driven by the lived experience of their members. For the purposes of the Hydro General Rate Application, they also engage with two separate advisory panels which draw upon the insights of a number of academics, community members and community organizations. Meetings with these advisory panels already have been undertaken with future meetings planned prior to the development of their ultimate position on the issues. In addition, the insights of the Consumers Coalition also are informed by surveys of Manitoba consumers that they have initiated over the past half decade. For example, please see MH/COALITION I-1(c) Attachments 1, 2, and 3.

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d) Please see the response to c).



Writer's direct line: 204-985-8533  
Email: [bywil@legalaids.mb.ca](mailto:bywil@legalaids.mb.ca)

January 30, 2023

Kelly Derksen  
14 Timberwood Place  
East St. Paul, MB R2E 0M4

*Sent via email: [kderksenconsulting@gmail.com](mailto:kderksenconsulting@gmail.com)*

Dear Ms. Derksen:

**Re: Manitoba Hydro 2023/24 & 2024/25 General Rate Application**

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I am writing on behalf of the Manitoba Branch of the Consumers' Association of Canada (CAC Manitoba), the Aboriginal Council of Winnipeg, and Harvest Manitoba to retain you for services in support of their joint intervention as the "Consumers Coalition" in the Manitoba Hydro 2023/24 & 2024/25 General Rate Application (GRA) before the Manitoba Public Utilities Board (PUB).

**Background**

Manitoba Hydro filed a GRA on November 15, 2022 seeking confirmation of the January 1, 2022 3.6% interim rate increase and 3.5% rate increases effective September 1, 2023 and April 1, 2024. Following the government of Manitoba's announcement of reductions to Manitoba Hydro's water rental and debt guarantee fees, the corporation reduced its requested rate increases for 2023 and 2024 to 2.0%.

Our clients have long represented the interests of Manitoba Hydro's residential customer class in regulatory proceedings before the PUB. Their application to intervene in this proceeding was approved in the Board's December 8, 2022 Procedural Order.

The Consumers Coalition intends to vigorously test all evidence put forward by Manitoba Hydro in support of its rate application.



## Scope of Work

Recognizing the specific areas of expertise held by the Consumers' Coalition's additional consultants, we retain you and Mr. Darren Rainkie on behalf of the Consumers Coalition to draw on your extensive experience and expertise pertaining to Manitoba Hydro and its regulatory history to provide general critical analysis of Manitoba Hydro's application and its justifications for the proposed rate changes. In addition, your contributions will have particular focus on the following issues and materials:

- Manitoba Hydro's rate requests and other approvals sought in Tab 1 of the Application;
- Manitoba Hydro's short, medium, and long term financial circumstances, including critical review of the Integrated Financial Forecast (IFF) scenario, assessment of its reliability, and support for the proposed and alternate rate paths;
- Role of and changes to financial targets and financial target methodologies in current IFF and as compared to past IFFs;
- Enterprise planning, risk management and corporate strategic planning;
- Load forecasts and energy demand and supply assumptions
- Operating, Maintenance and Administration costs and cost control measures;
- Aspects of Manitoba Hydro's debt management strategy including floating rate debt and sinking fund policy changes;
- Export revenues;
- Cost of Service, rate design and rates; and
- The Corporation's Minimum Filing Requirements respecting the issues listed here.

It is our understanding that while you and Mr. Rainkie work collaboratively, you will be primarily responsible for issues related to load forecasts, energy demand and supply assumptions, export revenues, cost of service, and rate design and rates, and that he will be primarily responsible for the remaining issues.

Further, we note that while export revenues is listed above, the PUB or an Intervener may still retain an expert to address this issue. We would ask that you include a general inquiry with respect to export revenues in your scope of work for the time being, recognizing that this may not require your attention later in the process if an individual with specific expertise becomes involved.

There are additional issues which are also within your experience and expertise and as such will be within the scope of your work. However, we note that your work in these areas may overlap with that of other Consumers Coalition consultants or other Interveners. These issues include:

- Manitoba Hydro's debt management strategy;
- Credit rating agency reports;



- Regulatory deferral accounts and asset depreciation;
- Financial targets;
- Asset management; and
- Capital plans.

Due to the potential for duplication, we request that while working on issues relating to these subjects you maintain close communication between your team and us as legal counsel and other consultants as applicable. The purpose of this coordination will be to ensure that we maximize use of complementary skill sets while minimizing duplication of efforts. This will become particularly important later in the process after the completion of first round information requests.

### **Your Tasks**

In relation to the topics identified above, you and Mr. Darren Rainkie will be required to provide the following:

- Draft First Round Information Requests on both Phase 1 and Phase 2 of Manitoba Hydro's Application;
- Draft Second Round Information Requests following review of Manitoba Hydro's responses to First Round Information Requests;
- Preparation of a case theory memo identifying and explaining your views on priority issues for the Consumers Coalition;
- Preparation of independent expert evidence and appearance at the hearing as an independent expert witness; and
- Support for legal counsel and our clients in preparing for and participating in the hearing, including through participation in briefing meetings and preparation of briefing notes upon request.

Any amendments to the tasks or scope of work described above must be agreed to in writing.

Please also note that deadlines for the above tasks will be determined by agreement on an ongoing basis. However, we direct your attention to the approved hearing timetable found at Appendix A to PUB Order 130/22 for detailed information about the PUB's deadlines.

### **Duty to the Public Utilities Board**

Is it your duty to provide evidence that:

- is fair, objective and non-partisan;
- is related only to matters that are within your area of expertise; and
- to provide such additional assistance as the Public Utilities Board may reasonably require to determine an issue.



## Financial Terms

We estimate that the work described above will require no more than 436 hours of your time at a rate of \$267.00 per hour for a total value of \$116,912.00. This amount cannot be exceeded without written authorization. In the event you anticipate being unable to complete the work described above within this time estimate, we ask that you please bring this to our attention with as much notice as possible.

We propose to pay 25% of the total estimated value of this agreement on receipt of a signed copy of this retainer agreement. We propose to pay an additional 25% following the filing of independent expert evidence. Following the conclusion of the hearing, we propose to pay the difference between all amounts paid to date and 75% of the total value of this agreement. All remaining amounts will then be payable contingent on a successful application for final costs by the Consumers Coalition.

## Invoices and Reporting

We will require invoices accompanied by detailed time sheets itemizing the date, a brief description of the task, and the number of hours spent (rounded to one decimal place) for each task undertaken. As you may know, PILC is GST exempt (#R107863847).

## Conclusion

If you find the terms of this retainer acceptable, please sign and return to my attention one copy of this letter. We recommend that you also retain a copy for your own records.

Thank you,



Byron Williams  
Director

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I accept the terms of this retainer this \_\_\_\_ day of \_\_\_\_\_, 2023.

**[original signed by Kelly Derksen February 17, 2023]**

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Kelly Derksen





# Manitoba Energy Strategy/ Utility Regulation Consumer Survey

**Consumers Coalition**  
June 2022

**PROBE**  
RESEARCH INC.



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## For More Information:

### Curtis Brown

Principal

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603 – 191 Lombard Ave.

Winnipeg, MB R3B 0X1

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# Key Findings

## Energy Consumption

When asked how their energy usage has changed in their households, Manitobans are most likely to report it has largely been influenced by installing LED lightbulbs or new doors and/or windows.

Fewer than one in five Manitoba adults (15%) report having participated in an energy efficiency program during the last five years, with younger adults and those with children at home most likely to have taken advantage of these programs. Popular programs include those offered by Manitoba Hydro, Efficiency Manitoba, and the Greener Homes Grant (which is a national program).

Eight in ten Manitobans say their primary motivation to reduce energy consumption at home is to save money on their energy bills. On the other hand, more than one-half say the high initial cost of making these changes is a central reason for not taking steps to reduce their energy use.

When asked to identify the factors that might help Manitobans change their energy consumption, citizens are most likely to point to financial assistance through grants and subsidies, and having lower upfront costs.

Manitobans continue to overwhelmingly rely upon private vehicles to get around, with relatively few – four per cent – using a plug-in electric or hybrid vehicle as their primary method of transportation.

When asked to identify factors that could dissuade them from reducing their transportation energy consumption in the next ten years, Manitobans are most likely to point to the higher initial costs of using these new technologies. A significant proportion also point to a lack of charging stations for hybrid or plug-in electric vehicles.

# Key Findings (cont'd)

## Views on Energy Production

When asked about their views on Manitoba's future energy priorities, citizens are most likely to say the province should produce and consume more energy from renewable sources – primarily solar, wind and geothermal – and less from fossil fuels such as natural gas, oil, and diesel. This view is especially likely to be shared among those with higher levels of education and household income, with the lowest income Manitobans less likely to advocate for adopting these alternate energy sources.

## Energy Policy Framework

Only around two in ten Manitobans are aware of the new energy policy framework that is currently being developed in the province. Lower-income Manitobans are significantly less likely to be aware of this process.

When asked to identify the most important factors for making decisions about how energy will be used in the future in Manitoba, citizens are most likely to point to having a stable and reliable energy system, as well as the effects on the environment.

Manitoba adults insist that citizens must be included in any future energy policy framework development and that the costs of changing the mix of energy use should be funded by a combination of both what consumers pay for energy and provincial taxes.

More than eight in ten Manitobans say that the general public and citizens should be invited to provide input into Manitoba's energy policy framework. The proportion who say the general public needs to have input and debate with decision-makers has increased since 2020.



# Key Findings (cont'd)

## Manitoba Hydro Regulation and Oversight


An increasing proportion of Manitobans are calling for an independent arm's-length commission or board to set future Hydro prices and customer classifications. Independent commissions are also largely favoured for setting financial targets and decisions on major Hydro expansion projects.

When asked to identify the factors that should be used to determine the rates Manitoba Hydro charges for electricity and gas, Manitobans are most likely to point to the costs of producing and distributing energy and the ability of customers to pay as being major considerations. About four in ten – rising to one-half among lower-income Manitobans – say public input is a major factor to be considered.

Internal cuts within Manitoba Hydro and reducing Hydro payments to the government are viewed as good ways for this Crown corporation to meet its financial targets. Very few feel increasing Hydro's rates to consumers is a desirable way to achieve these financial goals.



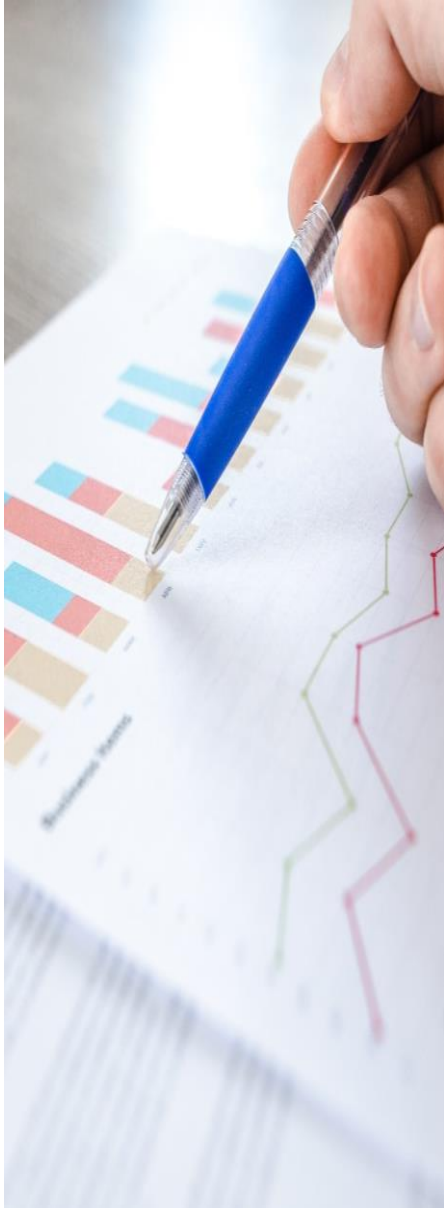
# Conclusions



**Manitobans are strongly inclined to have an independent, arm's-length board or commission make major decisions related to energy in the province.** These findings show Manitobans are now significantly more likely to support the position of the Consumers Coalition by advocating for an independent body like the Public Utilities Board (PUB) to set prices for electricity and natural gas, to determine Manitoba Hydro's customer classes and financial targets and to decide whether to spend on major capital projects like hydroelectric dams. While a significant share of Manitobans recognize that Manitoba Hydro's management may be best suited to making decisions about these issues, Manitobans are much more inclined to support having an organization like the PUB make these calls than to having them decided by the provincial premier and cabinet.

**Costs are a major factor when it comes to adopting new energy-related practices.** These results show that when it comes to making changes to how they use energy, Manitobans are most likely to be motivated by saving money before anything else. At the same time, the upfront costs are also perceived to be the biggest barrier to making household and transportation-related changes within the next 10 years. This is consistent with other research in this area and suggests that even though factors such as climate change and a perceived need to be more environmentally friendly are important, cost is the biggest driver – and impediment – to making changes.

**While Manitobans want to move towards more renewable types of energy, this is less of a priority for lower-income citizens.** The survey results show that Manitobans expect the province to begin incorporating a broader mix of renewable forms of energy, while at the same time turning away from fossil fuels such as natural gas, oil, diesel and coal. This is most likely to be a priority for Manitobans with higher levels of education and household income, while Manitobans earning relatively low household incomes are less inclined to say Manitoba needs to shift towards these renewable forms of energy. This may be due to concerns about how much money will be required to shift to these types of energy and how the costs may be passed on to those who are least able to afford to pay for them on their energy bills.



# Methodology

Probe Research was retained by Consumers Coalition – which includes the Aboriginal Council of Winnipeg, Consumers Association of Canada (CAC) - Manitoba and Harvest Manitoba – to conduct a survey among the Manitoba general public regarding several energy-related issues, including energy usage and conservation, the proposed provincial energy policy framework and public utility oversight when it comes to setting energy rates.

Probe Research surveyed a total of N=1,017 Manitoba adults between May 25 and June 5, 2022. This includes an oversample of N=121 lower-income Manitobans (those earning household incomes of less than \$30,000/year).

The sample was derived from Probe Research's proprietary panel and supplemented with panelists from Dynata, a national online panel provider.

As an online survey is a sample of convenience, no margin-of-error can be ascribed. However, a random and representative non-convenience sample of 1,017 adults would have a margin of error of  $\pm 3.1$  percentage points, 19 times out of 20.

Some results in this report are compared against the results of two earlier surveys of Manitoba adults conducted on behalf of CAC - Manitoba in February 2020 (N=1,000) and August 2020 (N=1,049).

Minor statistical weighting by age, gender and region has been applied to this sample to ensure that it corresponds with the population characteristics of the province as a whole.

Results of less than 2% are not shown in the graphs. Some totals in this report may not add exactly to 100% due to rounding.

# Profile of Respondents

	Total (N=1,017) (N=1,017) (%)	Electricity only (n=340) (n=352) (%)	Natural gas only (n=266) (n=254) (%)	Both (n=293) (n=291) (%)	Other (n=118) (n=120) (%)
<b>Gender</b>					
Male	49	44	47	56	46
Female	50	54	52	43	53
<b>Age</b>					
18-34	30	38	16	32	29
35-54	32	26	35	36	30
55+	38	36	48	31	41
<b>Income</b>					
<\$30K	13	20	5	10	17
\$30K-\$79K	36	42	35	29	41
\$80K-\$149K	35	31	39	40	29
\$150K+	15	8	21	21	13
<b>Children in the Household</b>					
Yes	25	23	22	34	14

# Profile of Respondents (cont'd)

(Unweighted) (Weighted)	Total (N=1,017) (N=1,017) (%)	Electricity only (n=340) (n=352) (%)	Natural gas only (n=266) (n=254) (%)	Both (n=293) (n=291) (%)	Other (n=118) (n=120) (%)
<b>Region</b>					
Winnipeg	60	43	72	76	48
Rural	40	57	28	24	52
<b>Education</b>					
High school or less	17	20	16	13	20
Post secondary	35	35	32	34	45
University graduate	48	46	52	53	34
<b>Residence</b>					
Own	72	64	91	89	56
Rent	22	35	8	11	42
Other	1	1	1	-	2
<b>Indigenous</b>					
Yes	11	13	7	11	15





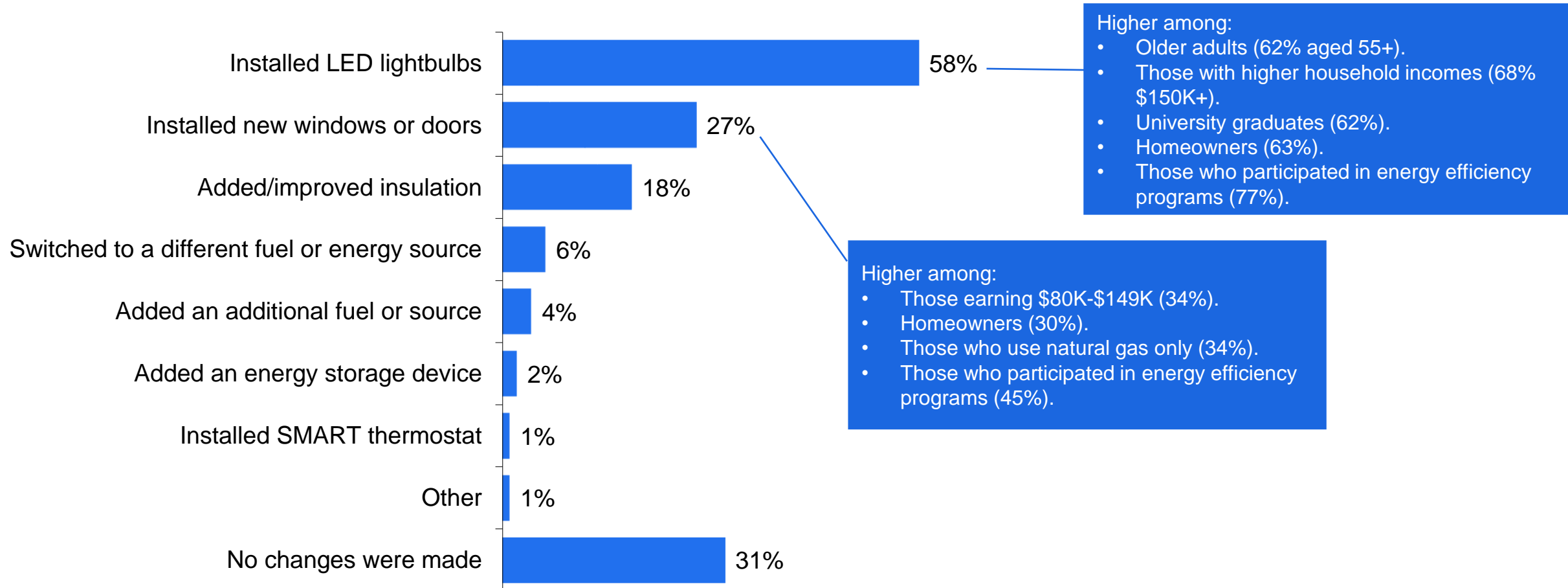
24543 kWh  
1.01 kW

2013

# Household Energy Consumption

# Changes to Energy Consumption

Six in ten report installing LED lightbulbs reduced their household energy usage

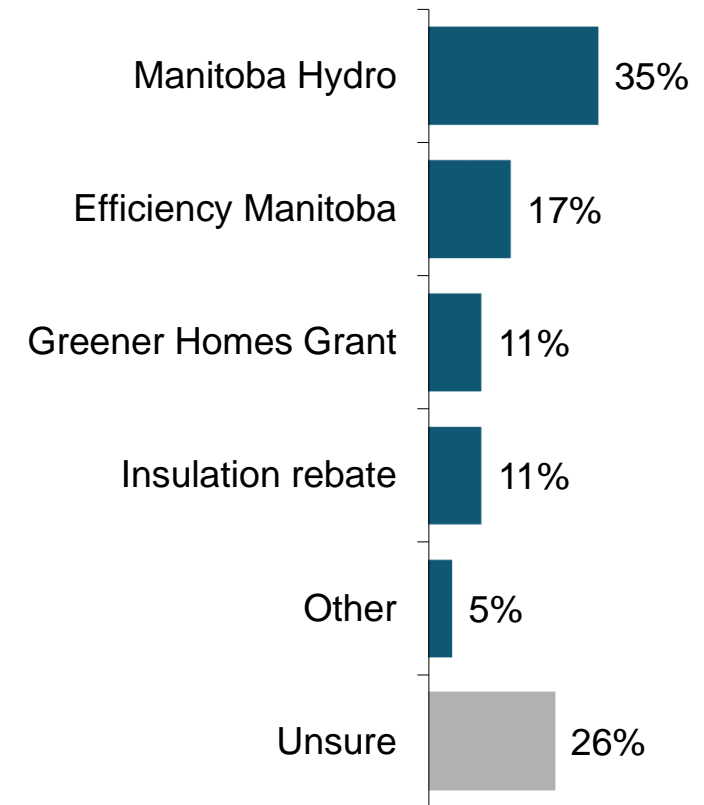
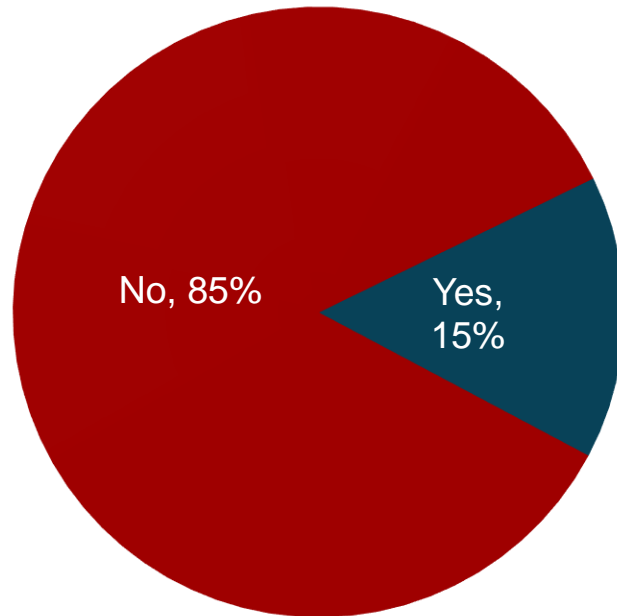


Q1. In the last five years, which of the following changes, if any, have been made where you currently live that affect your use of heat and/or electricity? (Select all that apply.)

Base: All respondents (N=1,017)

# Participation in Energy Efficiency Programs

Fewer than two in ten Manitobans have participated in household energy efficiency programs



Those who are **most likely** to have participated in energy efficiency programs include:

- Younger adults (19% aged 18-34).
- Parents with children under the age of 16 at home (23%).
- Those who use both natural gas and electricity as energy sources (20%).

Q2. In the last five years, have you participated in any programs that help consumers make their homes more energy efficient?

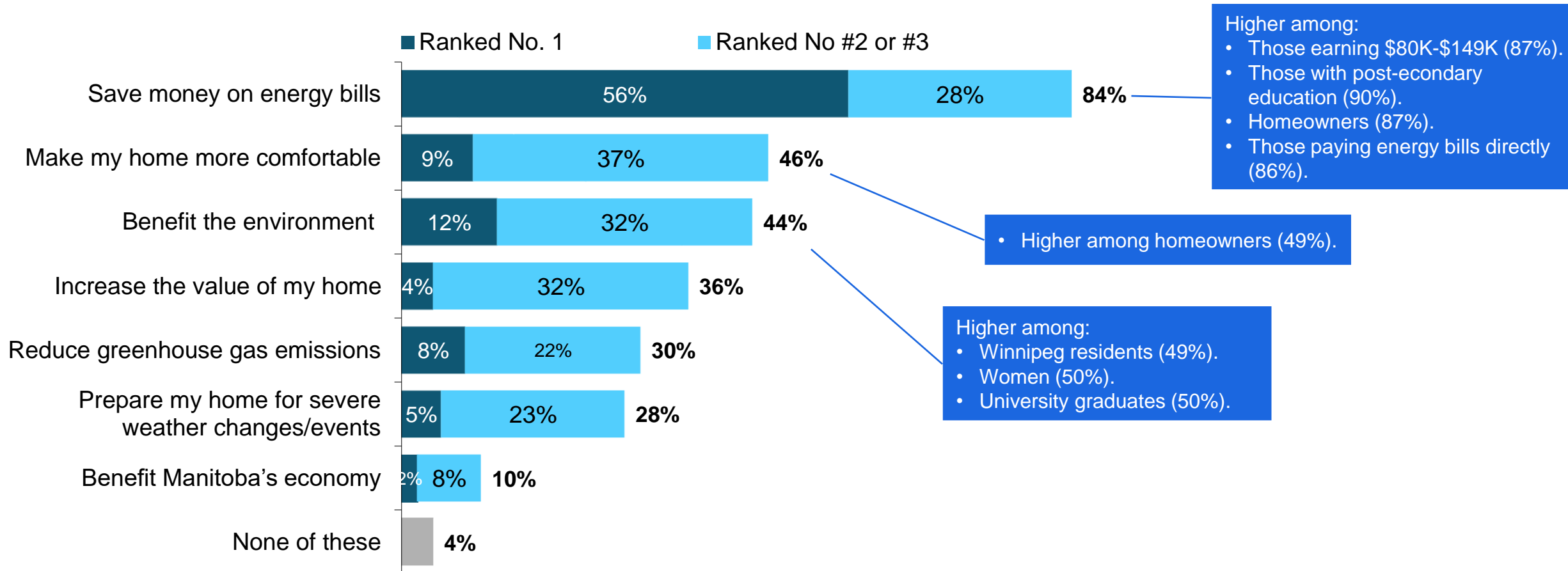
Base: All respondents (N=1,017)

Q3. Which program(s) did you participate in? Please write your response into the space provided below.

Base: All respondents who participated in energy efficiency programs (N=151)

# Reasons for Reducing Energy Consumption

Eight in ten say saving money on energy bills is their main motive for reducing energy use

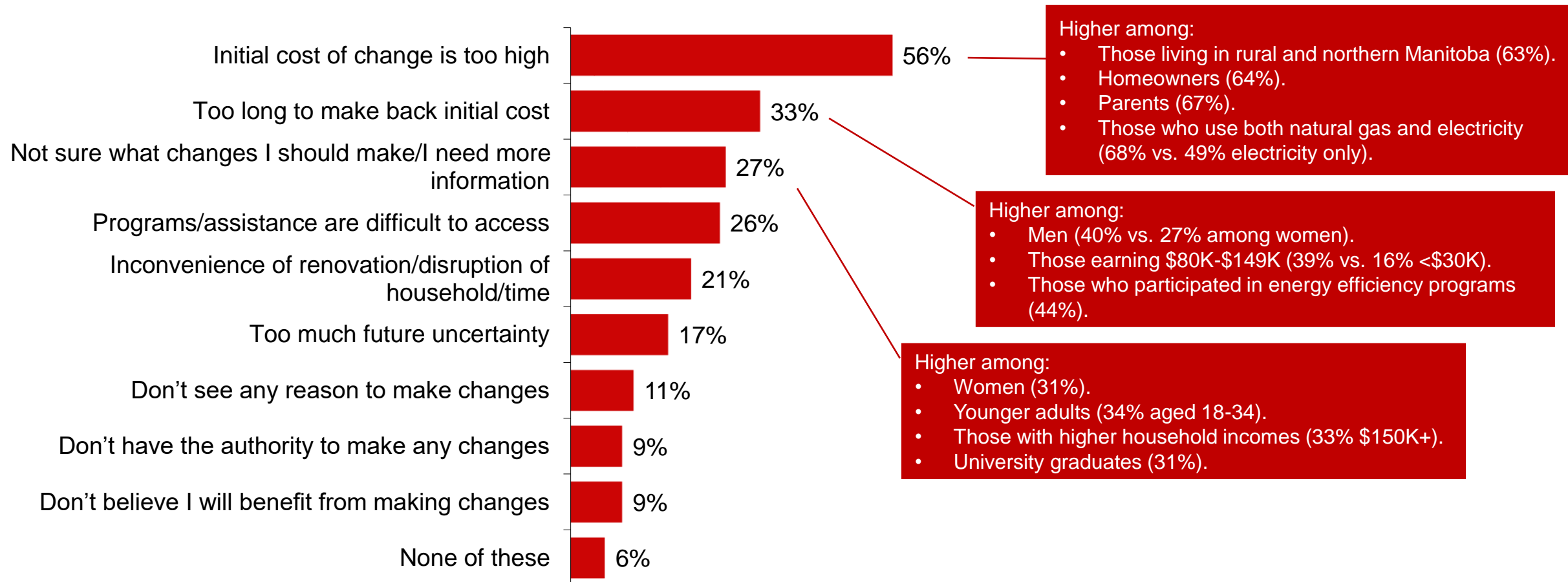


Q4. Which of the following are the most likely reasons why you might consider reducing the amount of energy you use in your home? Please rank up to three reasons in order of importance from the list below.

Base: All respondents (N=1,017)

# Reasons for Not Changing Energy Consumption

The upfront cost of making changes is the biggest barrier to reducing energy usage at home

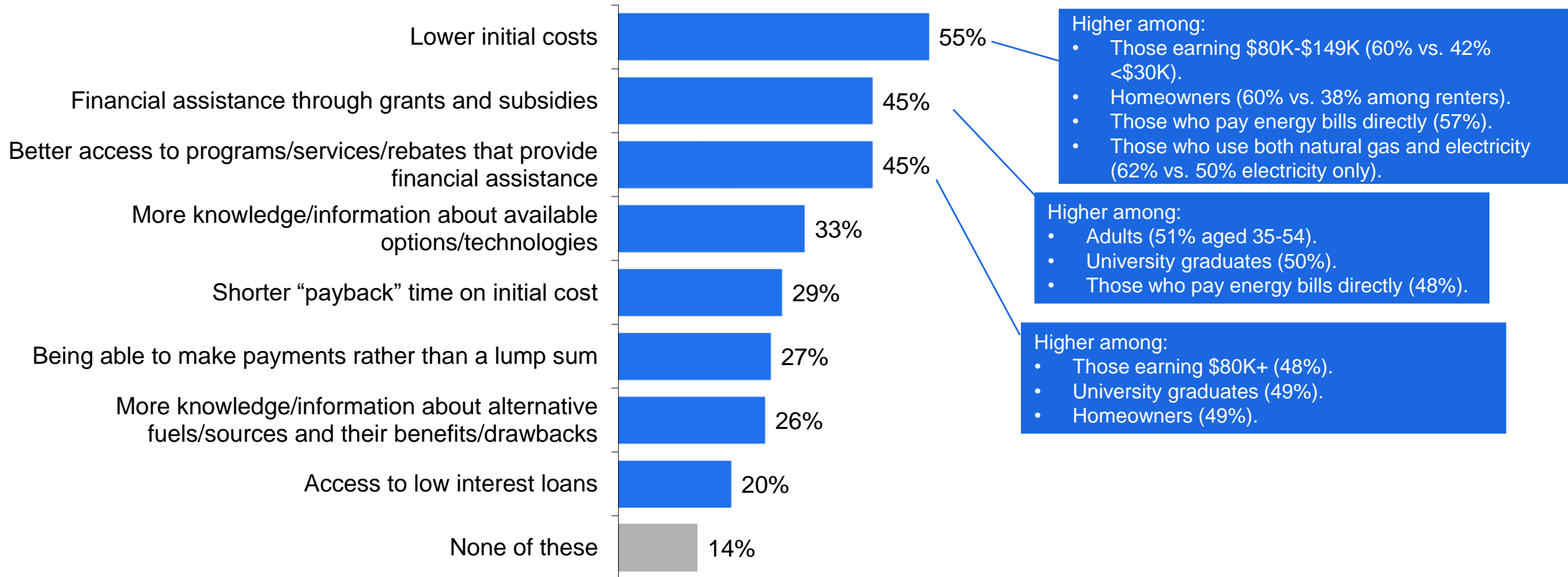


Q5. Still thinking about the amount of energy that you use in your home, which of the following might prevent you from making the changes you want to make in the next 10 years? (Select all that apply.)

Base: All respondents (N=1,017)

# Influential Factors for Changing Energy Consumption

Financial assistance and lower initial costs are most likely to encourage adoption



Q6. Which of the following would help you make changes in the amount and source(s) of energy you use in your home? (Select all that apply.)

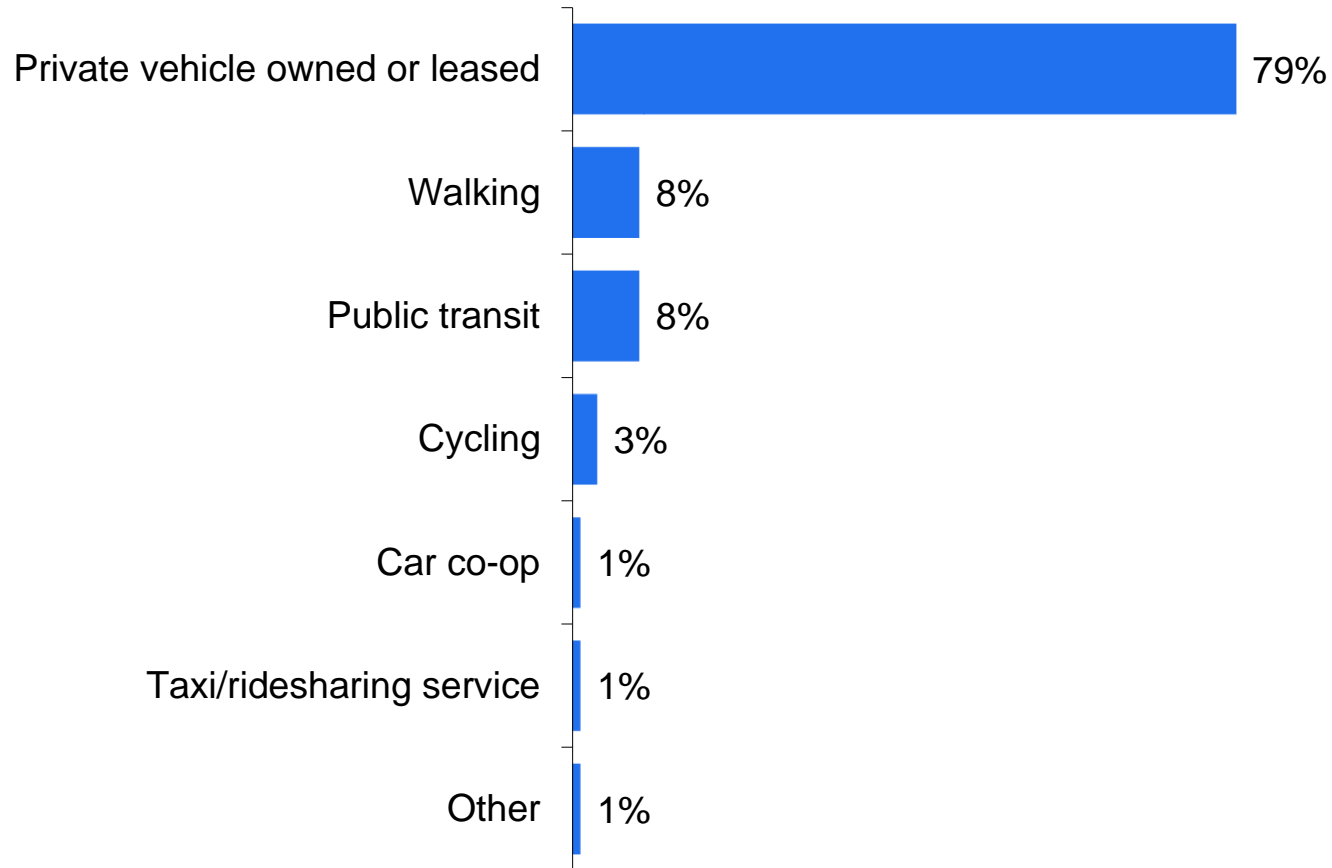
Base: All respondents (N=1,017)



# Energy Consumption: Transportation

# Primary Transportation Mode for Daily Commuting

The vast majority rely on a private vehicle to get around



Higher among:

- Those living in rural and northern Manitoba (88%).
- Older adults (86% aged 55+ vs. 69% aged <35).
- Those with higher household incomes (88% \$150K+ vs. 54% <\$30K).
- Homeowners (84%).
- Those who pay energy bills directly (82%).

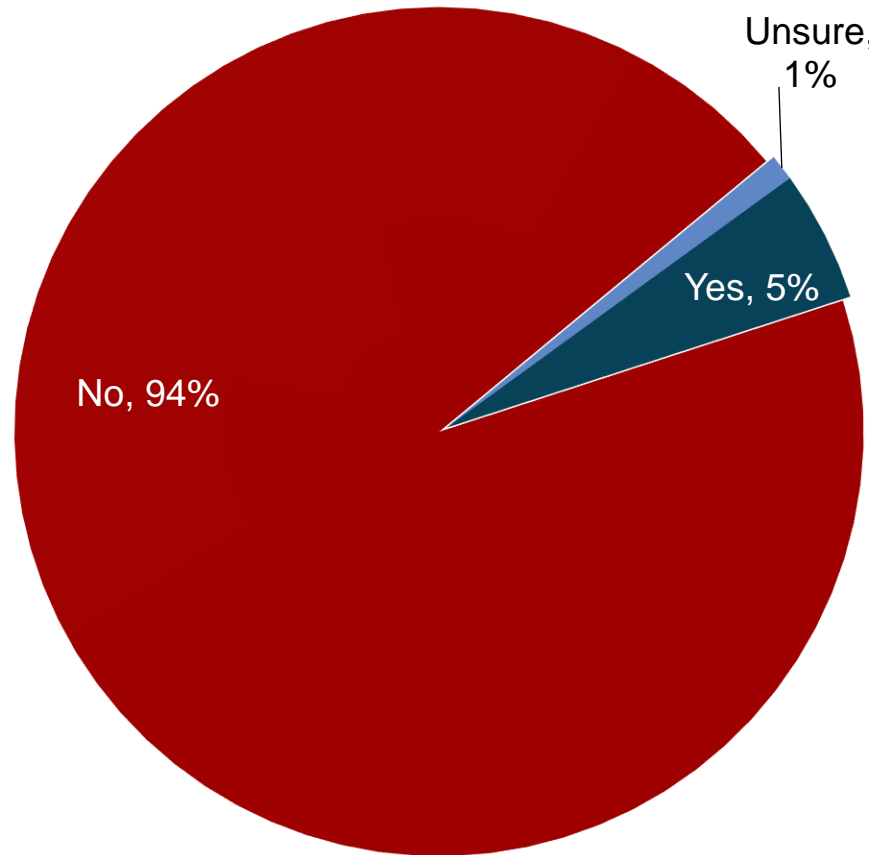
Q7. First of all, which of the following modes of transportation is the main way that you use to get around for your day-to-day activities such as work, school, etc. (Select only one response.)

Base: All respondents (N=1,017)



# Hybrid or Plug-in Electric Vehicle Ownership

Relatively few Manitobans own hybrid or plug-in electric vehicles



**4% of all adult Manitobans own a hybrid or plug-in electric vehicle**

Those who are slightly more likely to have a hybrid or plug-in electric vehicle include:

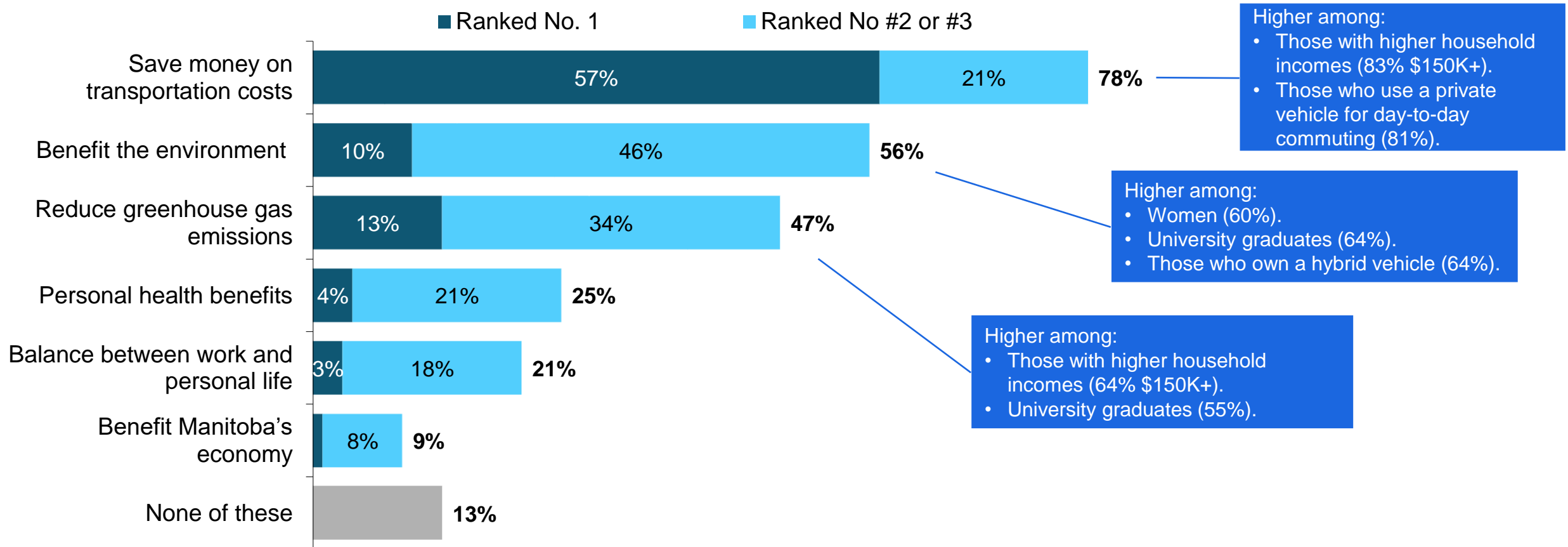
- Younger adults (8% aged 18-34 vs. 3% among those 55+).
- Higher-income earners (12% \$150K+ vs. 0% earning <\$30K).

Q8. Do you own a hybrid or plug-in electric vehicle?

Base: All respondents with private vehicle in their household (N=804)

# Reasons for Considering Transportation Energy Use Reduction

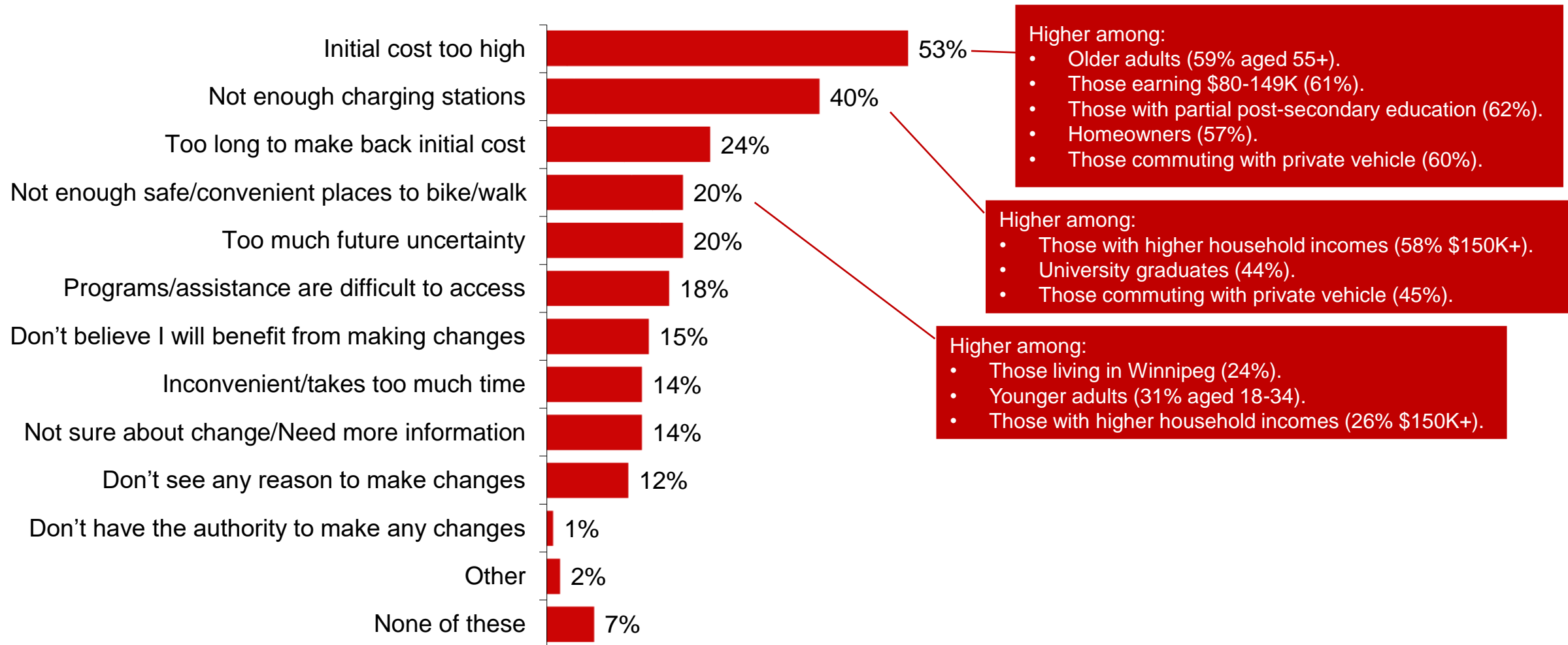
More than one half say saving on transportation costs is their No. 1 reason



Q9. Which of the following are the most likely reasons why you might consider reducing the amount or source of energy you use for transportation? Please rank up to three reasons in order from the list below  
 Base: All respondents without a private vehicle in their household (N=1,017)

# Reasons for Not Changing Transportation Energy Use

The initial cost of adoption is most likely to deter changes to how energy is consumed for transport

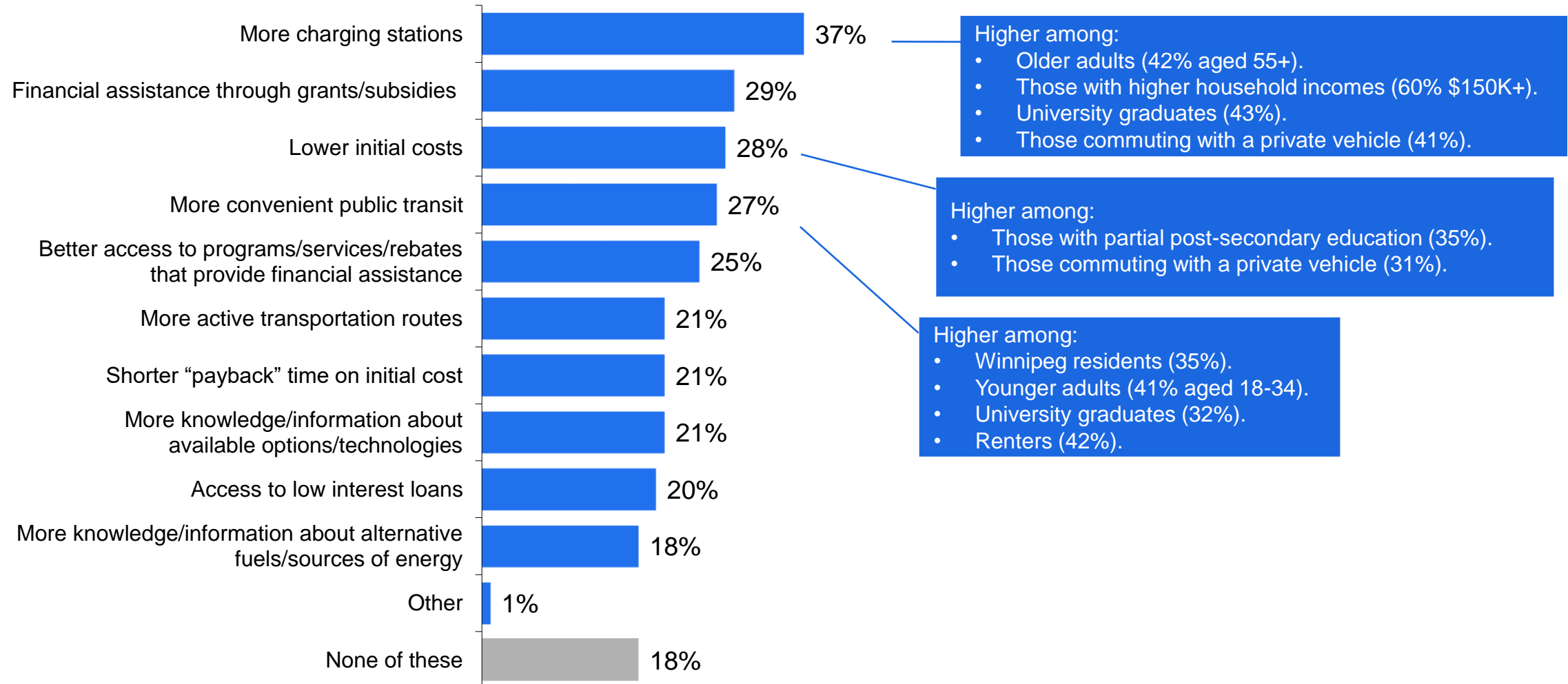


Q10. Still thinking about the amount of energy that you use for transportation, which of the following might prevent you from making the changes you want to make in the next 10 years? (Select all that apply.)

Base: All respondents (N=1,017)

# Factors for Changing the Amount of Energy Use in Transportation

## More charging stations and financial assistance could spur changes



Q11. What would help you make changes in amount and source of energy you use for transportation? (Select all that apply.)

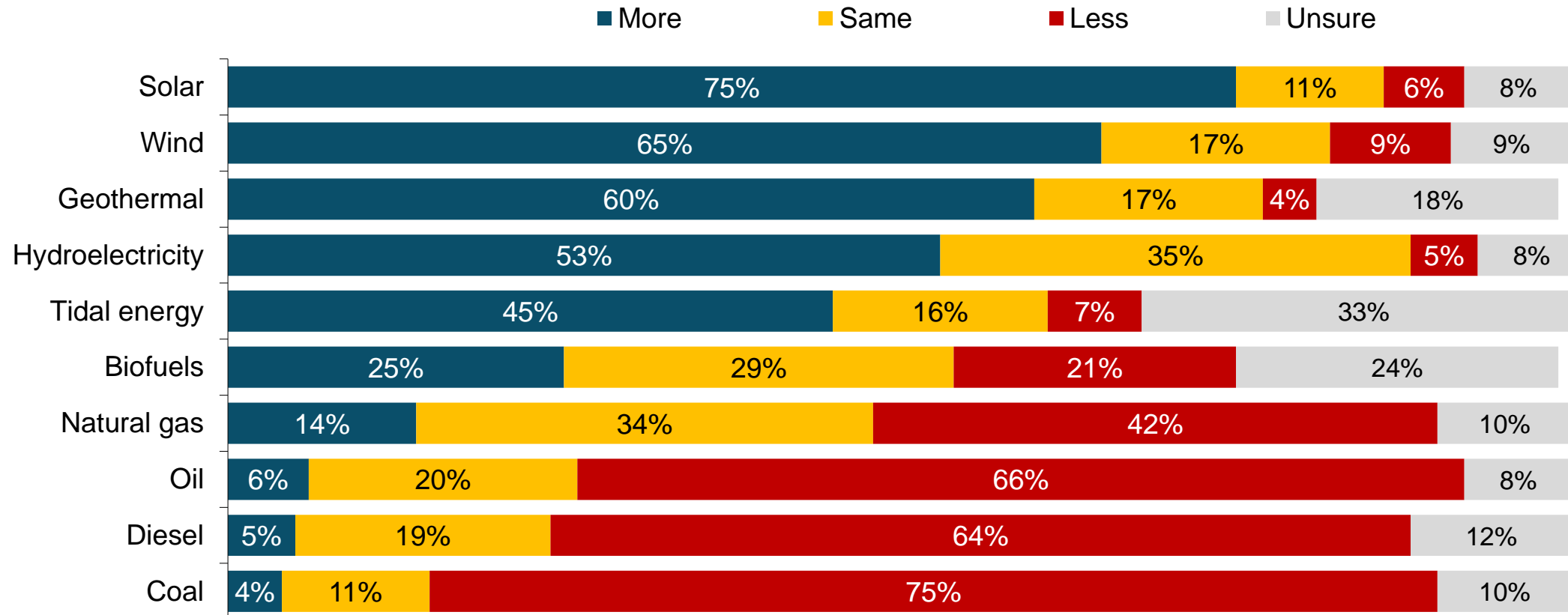
Base: All respondents (N=1,017)

The image shows two large, three-bladed wind turbines standing in a flat, open field. The turbines are white with dark blades. In the background, there is a line of bare trees and a pale, overcast sky. A solid blue rectangular box is overlaid on the lower portion of the image, containing the text "Views on Energy Production" in white, bold, sans-serif font.

# Views on Energy Production

# Views on Energy Production in Manitoba

Manitobans urge province to focus more on solar, wind and geothermal sources

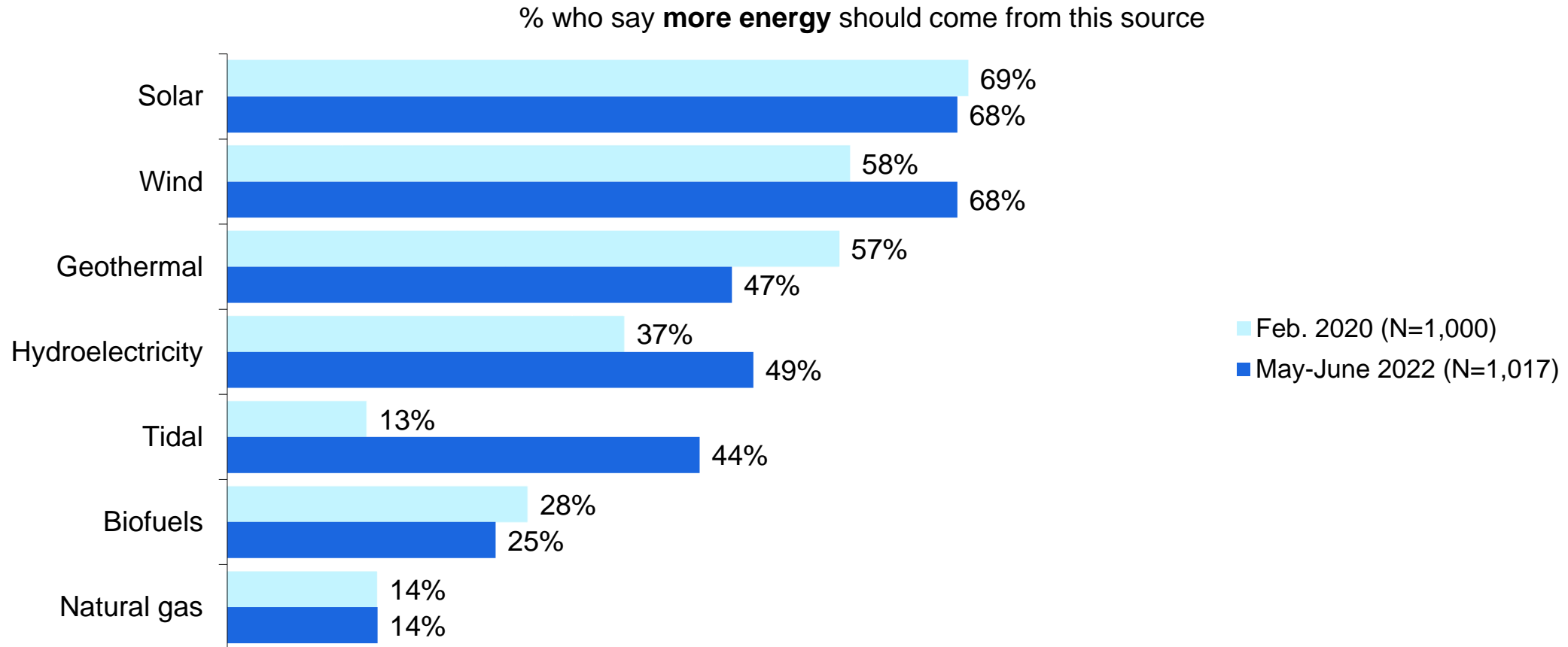


Q12. For each of the following, please indicate if you think Manitoba should use more energy, less energy or the same amount of energy from this source.

Base: All respondents (N=1,017)

# Views on Renewable Energy in Manitoba: Tracking

More Manitobans now want additional wind, tidal and hydroelectric energy

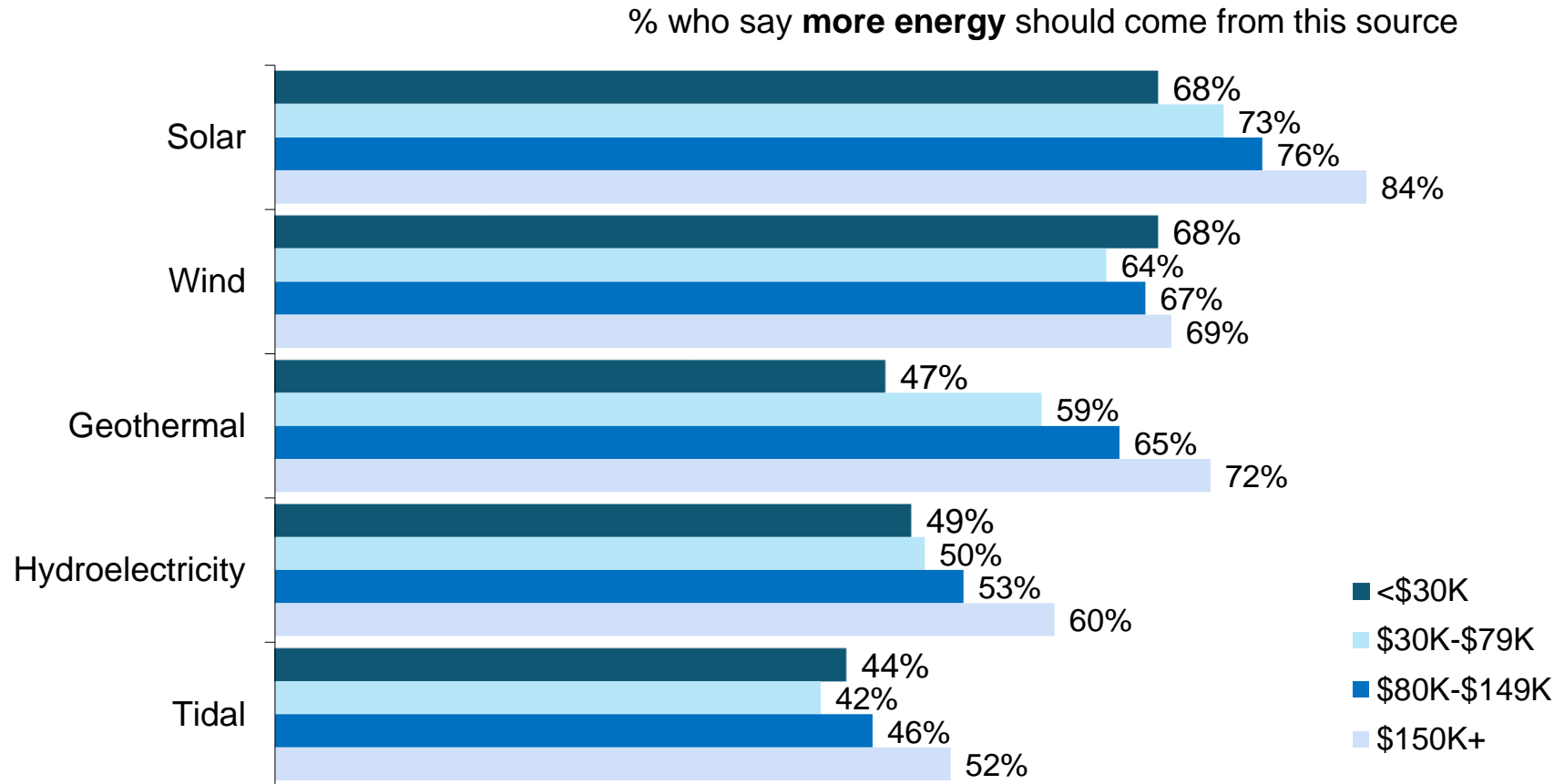


Q12. For each of the following, please indicate if you think Manitoba should use more energy, less energy or the same amount of energy from this source.

Base: All respondents

# Views on Renewable Energy in Manitoba: By Income Level

Lower-income Manitobans are less likely to want more energy produced from renewables



Notable variations include:

- University graduates are also more likely to say that Manitoba should produce **more energy from renewable sources** and **less from fossil fuels**.
- Older adults are also more likely to say that Manitoba should produce **less energy from fossil fuels**.

Q12. For each of the following, please indicate if you think Manitoba should use more energy, less energy or the same amount of energy from this source.

Base: All respondents (N=1,017)

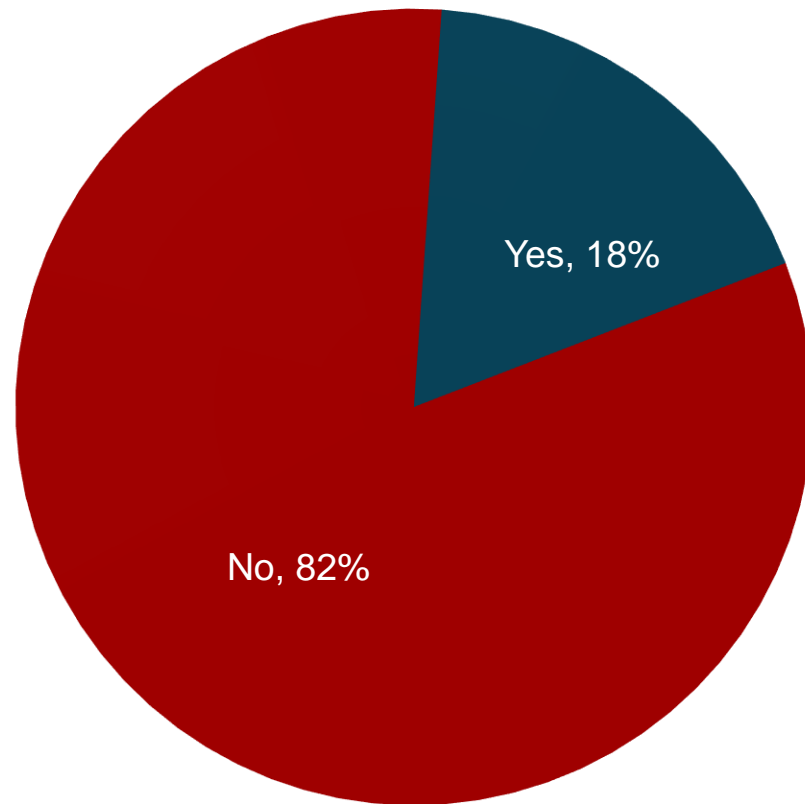




# Energy Policy Framework

# Awareness on the Provincial New Energy Policy Framework

Fewer than two in ten have heard about this review of provincial energy policy



Those who are most likely to have heard about this provincial energy policy review include:

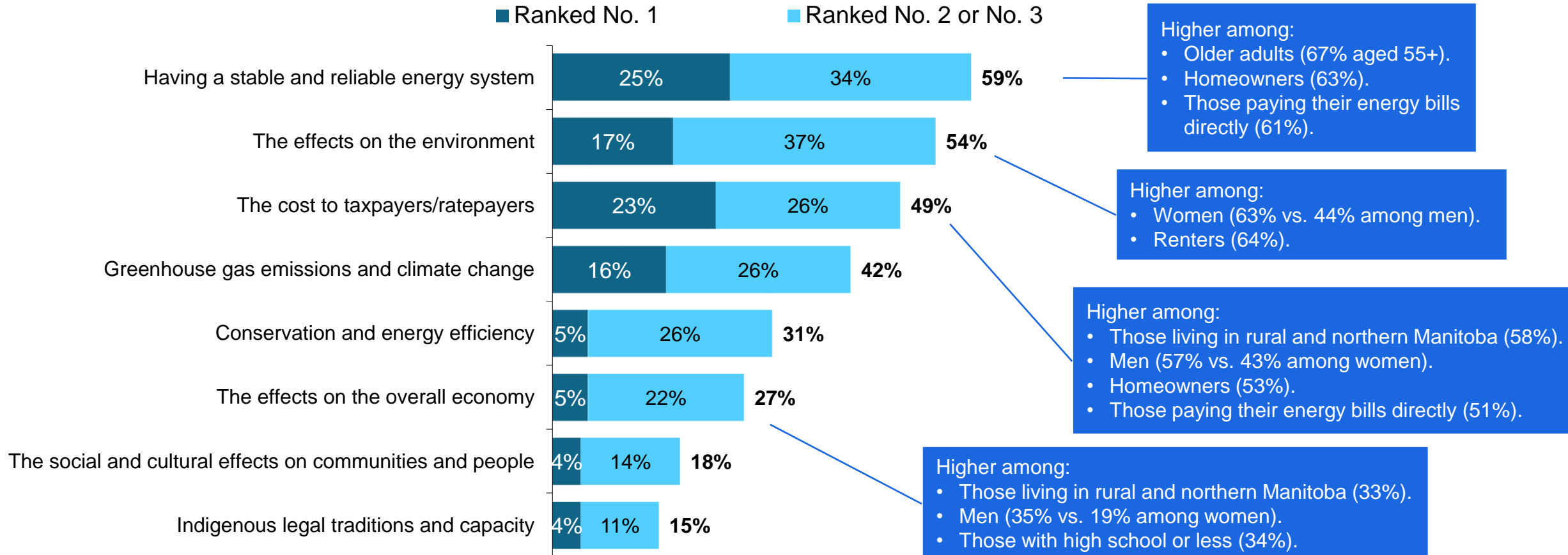
- Men (21% vs. 16% among women)
- Those with higher household incomes (23% among those earning \$150K+ vs. 10% <\$30K).
- Homeowners (20% vs. 12% among renters).
- Those who participated in energy efficiency programs (28%).

Q13. Before today, were you aware that Manitoba is currently working on a new energy policy framework for the province?

Base: All respondents (N=1,017)

# Considerations for the Future of Energy Use in Manitoba

Manitobans are most likely to want a stable and reliable energy system

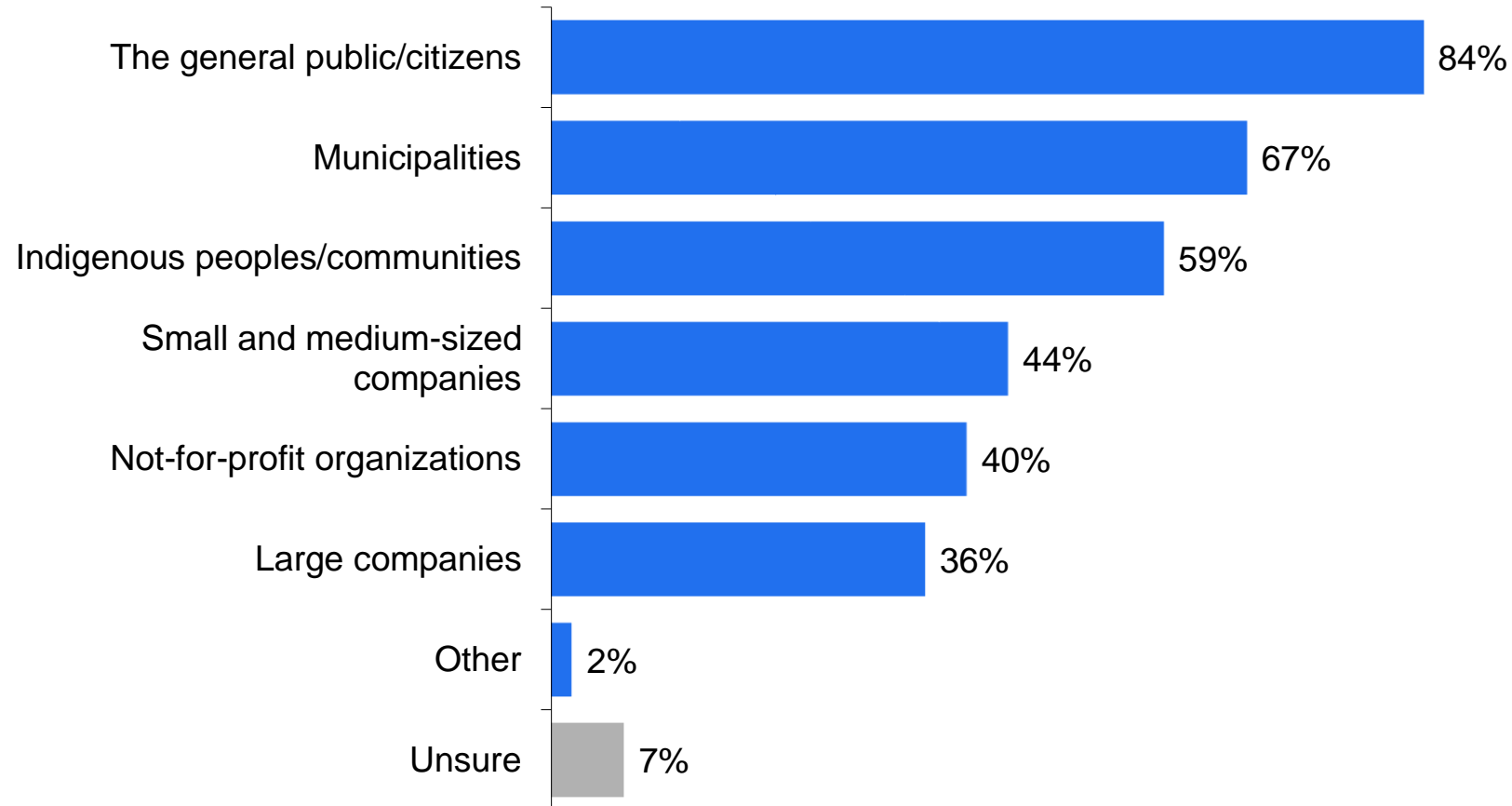


Q14. What are the most important things to consider when making decisions about how energy will be used in the future in Manitoba? Please rank up to three items in order of importance from the list below.

Base: All respondents (N=1,017)

# Views on Energy Policy Framework Stakeholders

More than eight in ten believe the general public should be invited to share its views



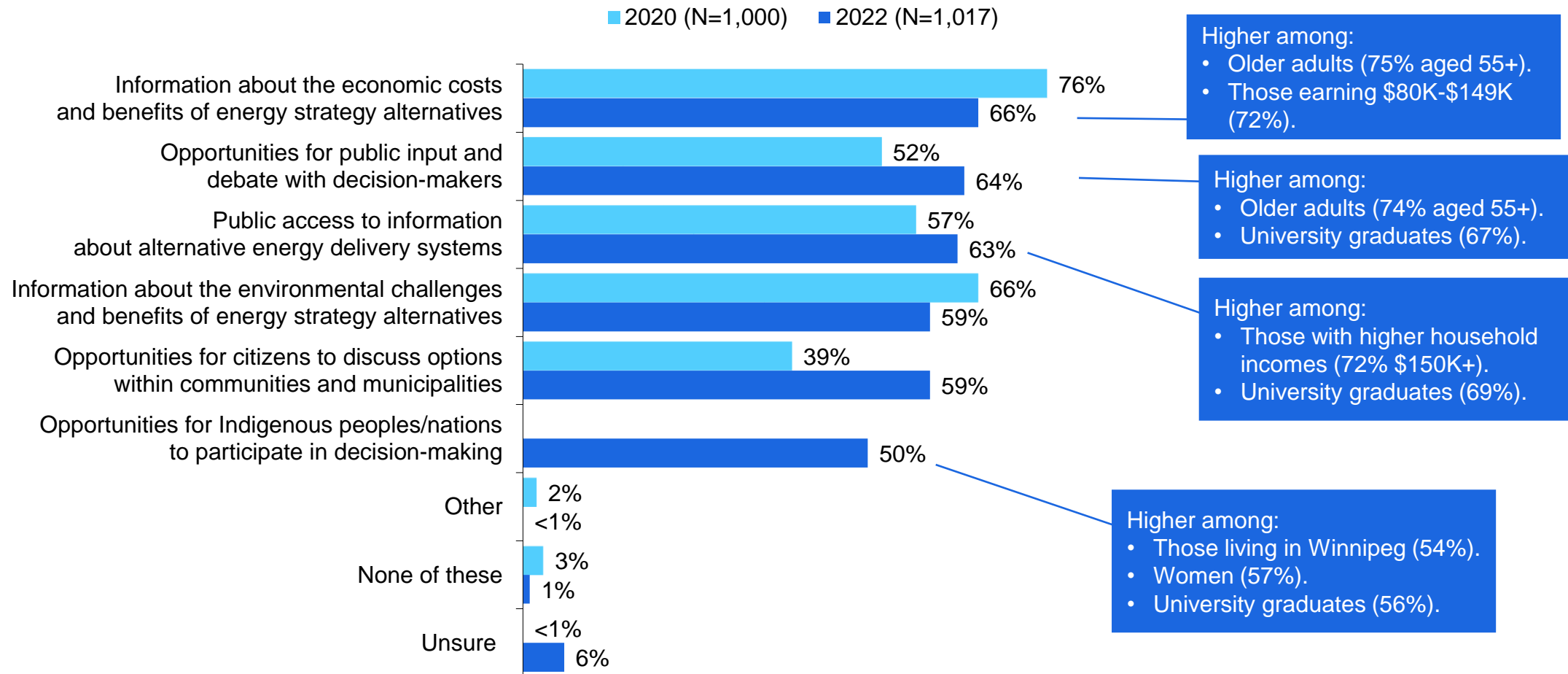
Older adults aged 55+, Manitobans with higher household incomes of \$150K+ and university graduates are more likely to have mentioned all these groups.

Q16. And who do you think should be invited to provide input into Manitoba's energy policy framework? (Select all that apply.)

Base: All respondents (N=1,017)

# Future Energy Use Decision Making: Tracking

Increasing number of Manitobans call for public input and debate with decision-makers

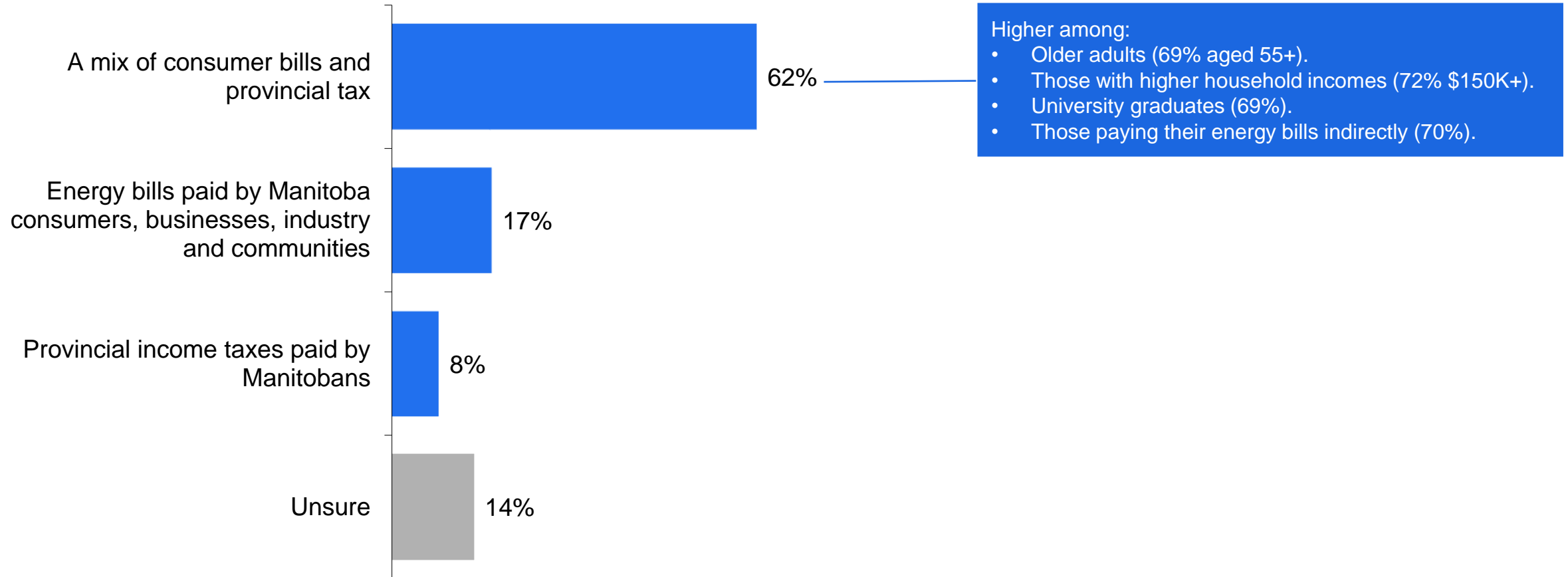


Q17. Which of the following do you think would help Manitoba make important decisions about energy use for the future? (Select all that apply.)

Base: All respondents

# Views on Funding Options for Changes to Energy Use in Manitoba

Majority want changes to be funded via both consumer bills and provincial taxes



Q18. When it comes to the cost of making changes to energy use in Manitoba during the next 10 years, do you think these changes should be paid for through...

Base: All respondents (N=1,017)



Customer service / 24 hour Trouble calls  
Service à la clientèle /  
Dépannage 24 h sur 24

Winnipeg 204-480-5900  
Outside Winnipeg / 1-888-MBHYDRO  
Extérieur de Winnipeg (1-888-624-9376)  
Deaf access line 204-360-6154  
Ligne pour malentendants

Customer name  
Nom du client  
Account number  
N° de compte  
Service location  
Adresse de service

Date issued Jun 14 JUN 2022  
Date d'émission

Amount due \$ 236.00  
Montant à payer

Due date Jun 30 JUN 2022  
Date d'échéance

Cycle number 08  
N° de cycle

Account summary / Sommaire du compte

**Manitoba Hydro  
Regulation/Oversight**

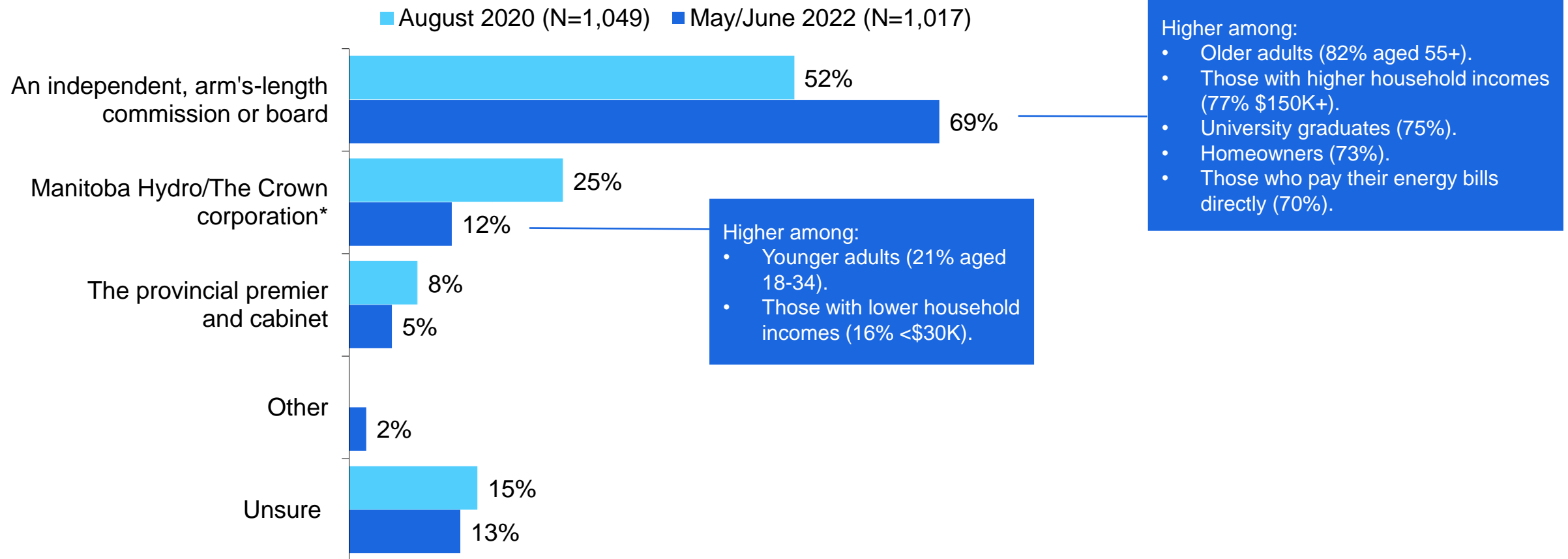
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# Views on Price Setting for Energy Sold by Manitoba Hydro: Tracking

More than seven in ten now want an independent commission or board to set energy rates



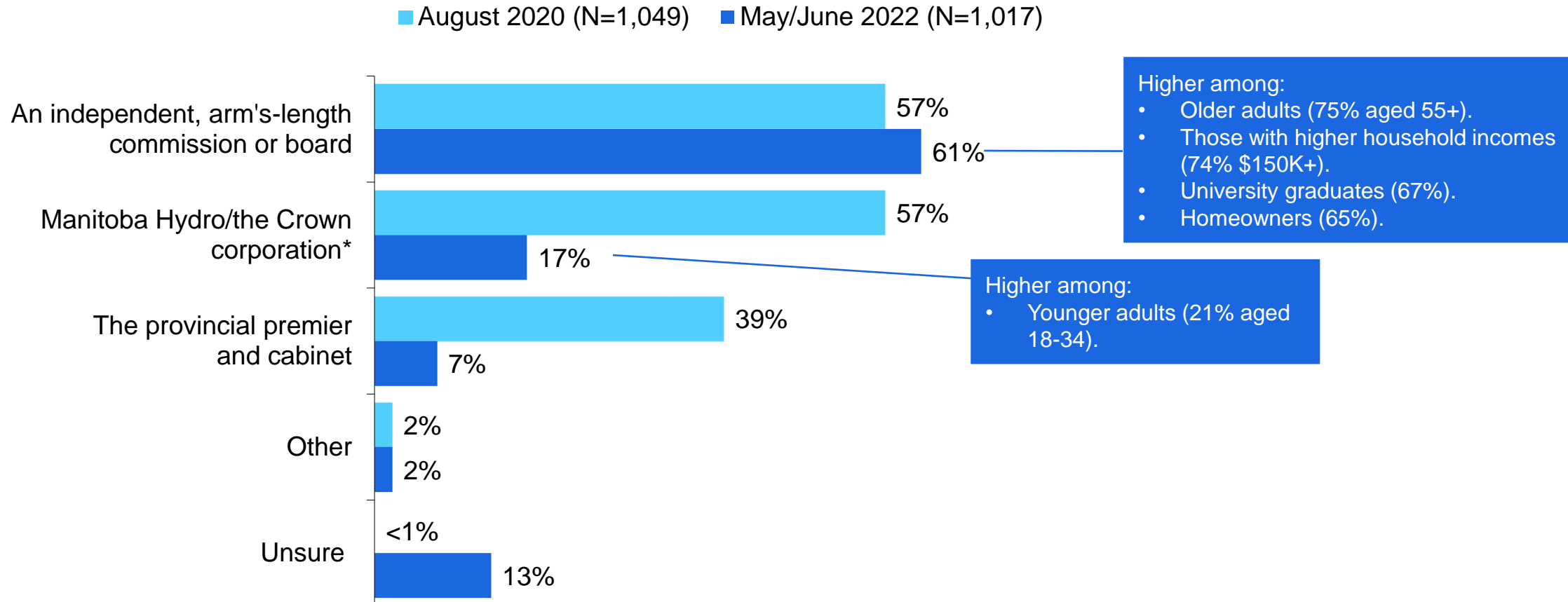
Q19. In your view, who should set prices for the electricity and natural gas sold by Manitoba Hydro? (Select only one response.)\*

\*Note: The 2020 survey asked about all Crown corporations, whereas Manitoba Hydro was the only option included in the 2022 survey.



# Views on Authority Over Customer Classes

Relatively few now think Manitoba Hydro should be able to create customer classifications

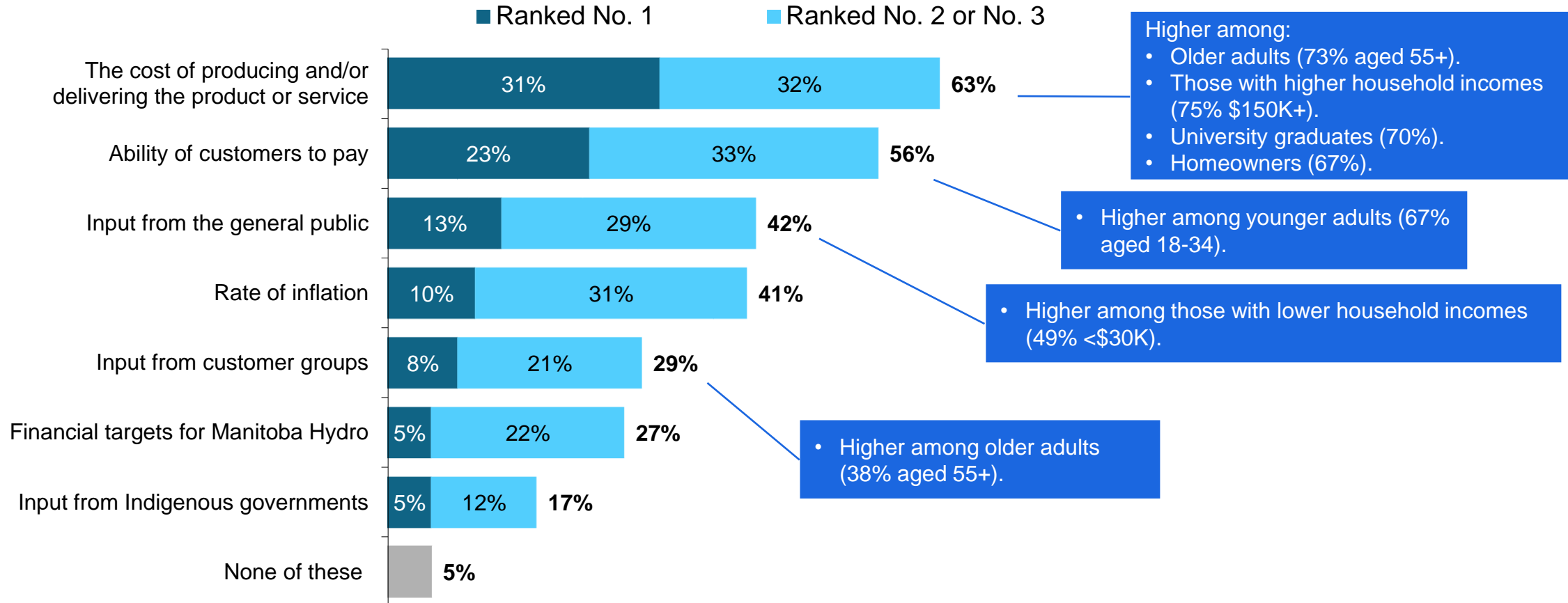


Q20. In your opinion, who should have the power to create these customer classes for Manitoba Hydro? (Select only one response.)  
 \*Note: The 2020 survey asked about all Crown corporations, whereas Manitoba Hydro was the only option included in the 2022 survey.

Base: All respondents

# Factors for Setting Prices for Manitoba Hydro's Products/Services

Manitobans most likely to say production/delivery costs are key to Hydro pricing

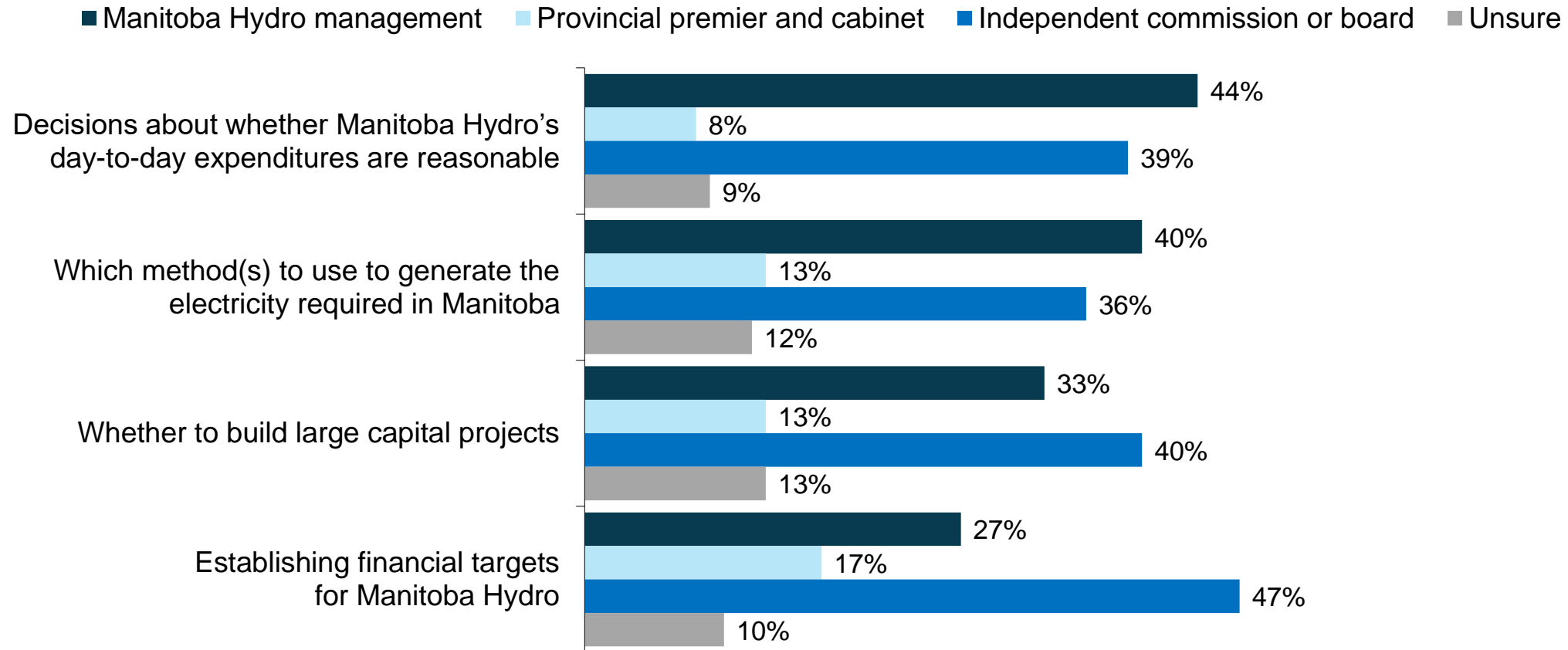


Q21. How important are each of the following considerations when setting prices for Manitoba Hydro's products and services? From the list below, please rank up to three items in order of their importance.

Base: All respondents (N=1,017)

# Views on Stakeholders Best Suited to Make Specific Decisions

Manitobans most likely to want an independent board to set financial targets, decide on major projects

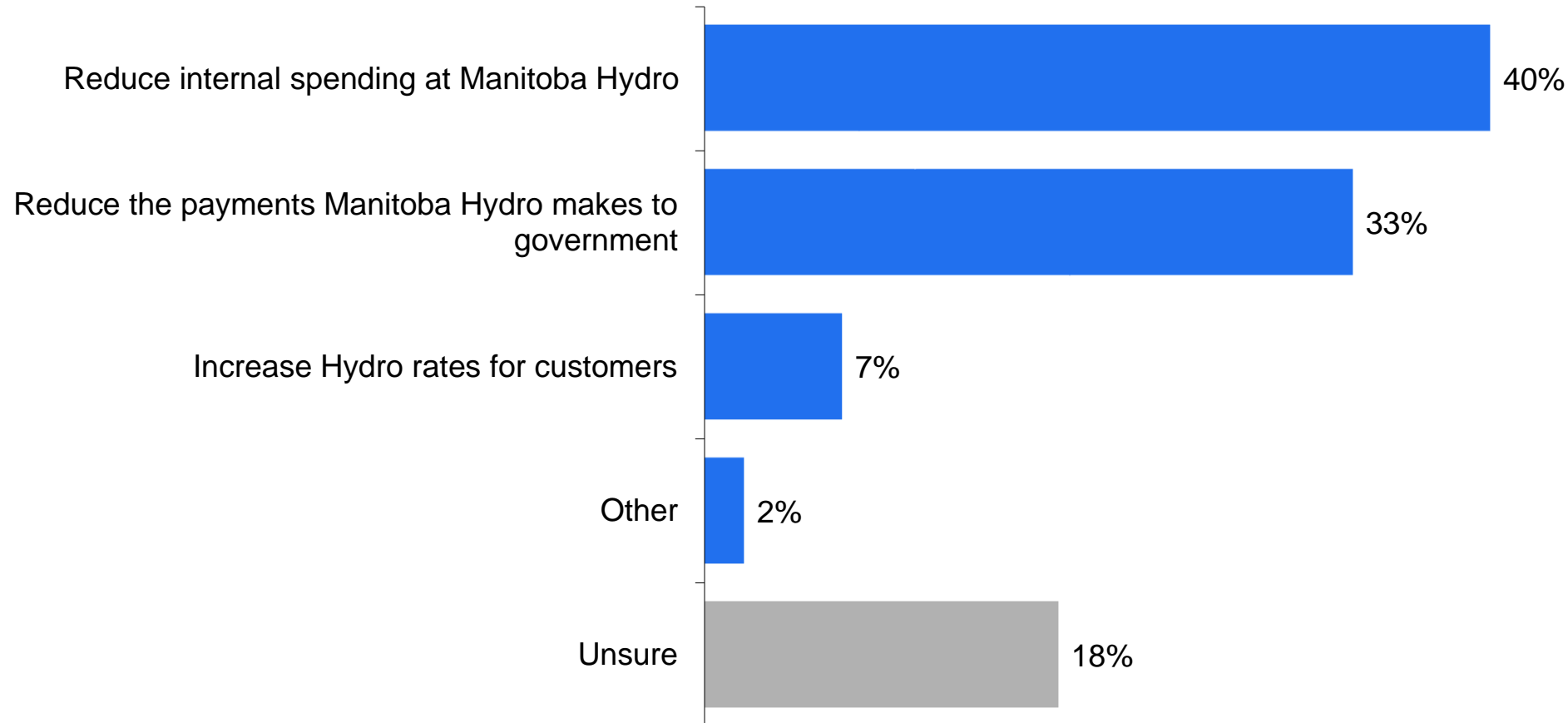


Q22. There are several different aspects of how Manitoba Hydro operates. For each of the areas below, please identify the person or organization that you think is best suited to make decisions about this area of the organization.

Base: All respondents (N=1,017)

# Views on Ways for Manitoba Hydro to Meet Financial Targets

Manitobans want Hydro to reduce spending; few believe rate increases are the solution

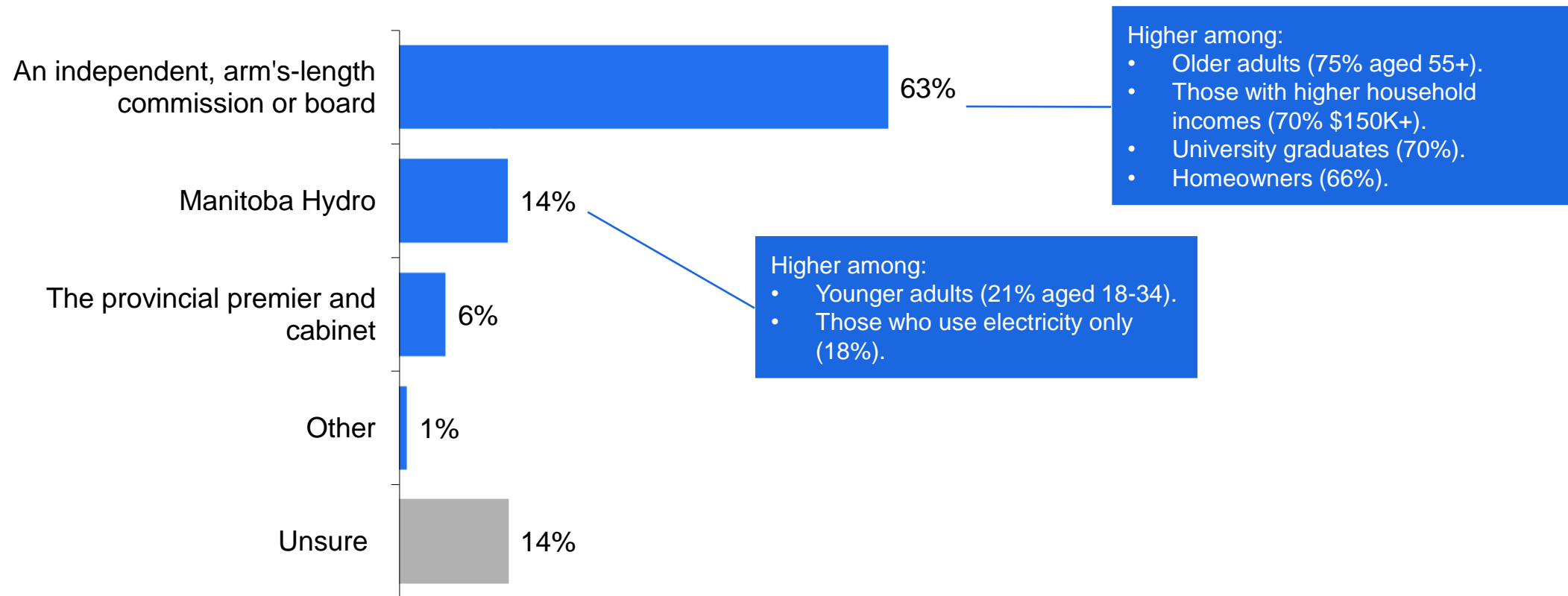


Q23. In your opinion, what is the best way for Manitoba Hydro to meet its financial targets? (Select only one response.)

Base: All respondents (N=1,017)

# Views on Appropriate Body for Setting Electricity Rates

Six in ten urge independent board to still set electricity prices in situations contemplated by Bill 36



Q24. Right now, Manitoba Hydro has a monopoly on selling electricity and natural gas directly to customers in the province. The proposed Bill 36 allows exceptions to this monopoly in a few specific situations, including where the power is a) being used to recharge electric vehicles at public charging stations; b) being distributed on the property of a landlord, condominium corporation or housing cooperative for use by tenants, occupants or other users of the property; and c) generated from a clean, renewable source of energy or for research or experimental purposes.

In your view, who should be responsible for setting the price that customers pay for electricity if they purchase from the sellers in these situations? (Select only one response.)

Base: All respondents (N=1,017)



# VIEWS ON PUBLIC INPUT INTO CROWN CORPORATION GOVERNANCE AND PAYDAY LOAN RATES

SEPTEMBER 7, 2020

CONSUMERS ASSOCIATION OF CANADA



**PROBE** RESEARCH INC.

## FOR MORE INFORMATION:

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## KEY FINDINGS

- The following are the key findings from an online survey of a representative sample of 1,049 Manitoba adults conducted August 19<sup>th</sup> to 29<sup>th</sup>, 2020.

### Crown Corporation Input and Decision-Making

- When asked who should set prices and create customer classes for publicly-owned Crown corporations in Manitoba, citizens are most likely to prefer to give an independent, arms-length commission or board these powers.
  - Fully one-half say independent bodies should have the power to set prices for the products sold by Crown corporations, with one-quarter saying the Crown corporation itself is the most appropriate body to set prices.
  - Four-in-ten say these bodies are most appropriate for establishing customer classes, with only about one-third saying the Crown corporation that sells the product is the most appropriate body to create customer classes, and one-quarter say it should set product prices.
  - For both prices and customer classes, only about one-in-ten feel it is most appropriate for the provincial premier and cabinet to have these powers.
- When asked to rank the most important factors to consider when setting pricing for Crown corporation products, Manitobans are most likely to select the cost of producing or delivering the product and the cost of living in Manitoba.
  - About four-in-ten provide a top-3 ranking for the ability of customers to pay, with this sentiment more likely to be expressed by those from lower-income households.

# KEY FINDINGS

## Crown Corporation Input and Decision-Making (cont'd)

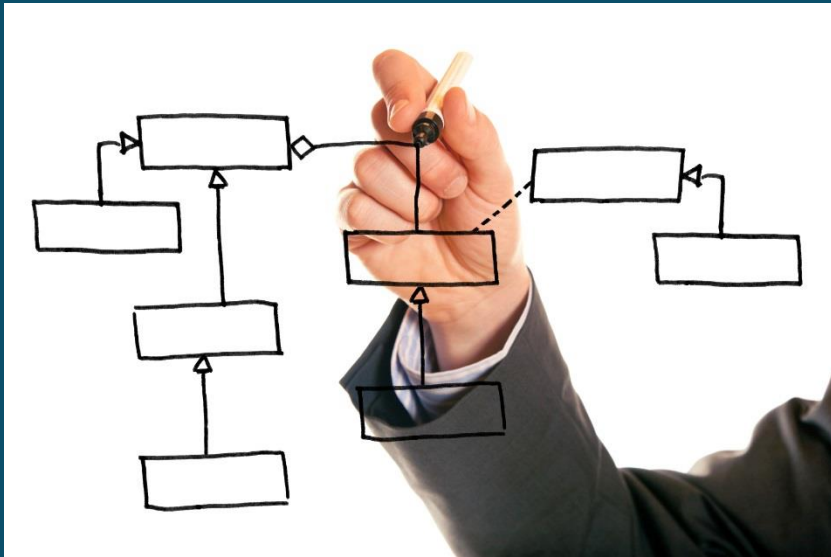
- Nearly six-in-ten Manitobans agree the general public should have input into Crown corporations' long-term strategic plans. This is nearly the same proportion as those who say the Crown corporations themselves should weigh in on these plans.
  - Again, when asked which is the most appropriate body for approving these strategic plans, one-half said an independent, arms-length commission should do so.

## Payday Loan Rates

- On the issue of payday loans, Manitobans overwhelmingly agree they should continue to have access to information about the rates the provincial government allows lenders to charge, and that they should continue to be able to provide input into what these rates should be. This sentiment is widely shared across all demographic groups.



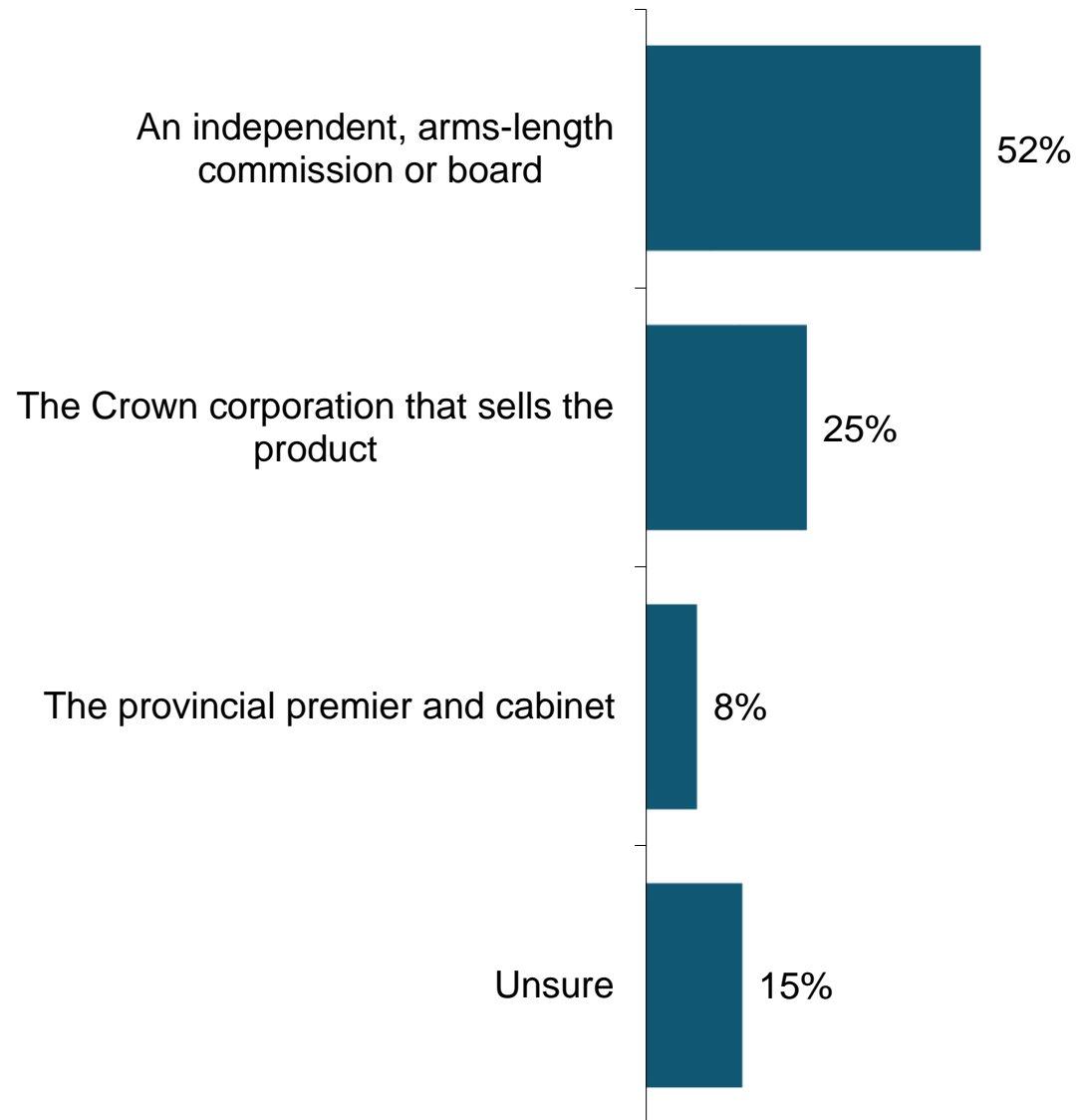
# METHODOLOGY



- Between August 19<sup>th</sup> and 29<sup>th</sup>, 2020, Probe Research surveyed a representative sampling of 1,049 Manitoba adults. The sample was provided by Probe Research's proprietary panel and supplemented by respondents from a national panel provider.
  - This includes an oversampling of Manitoba's North, with a total of N=87 respondents from this region completing the survey. Northern Manitoba was oversampled to measure any comparisons between this region and other parts of the province.
- An online survey is a sample of convenience, so no margin of error can be ascribed. However, a random and representative non-convenience sample of 1,049 Manitoba adults would have a margin of error of  $\pm 3.0$  percentage points, 19 times out of 20. The margin of error is higher within each of the survey's population sub-groups.
- As is standard public opinion research practice, minor statistical weighting has been applied to this sample to ensure that age and gender characteristics properly reflect known attributes of the province's population. All data analysis was performed using SPSS statistical analysis software.
- The survey questions were designed by Probe Research in close collaboration with the Consumers Association of Canada (CAC), with technical expertise from Dr. Patricia Fitzpatrick (University of Winnipeg).
- Results provided in this report may not add to exactly 100% due to rounding.

# ONE-HALF SAY AN INDEPENDENT BODY SHOULD SET PRICES FOR CROWN CORP PRODUCTS

B2. “And, in your view, which of the following is the most appropriate body for setting prices on products purchased from Crown corporations?”



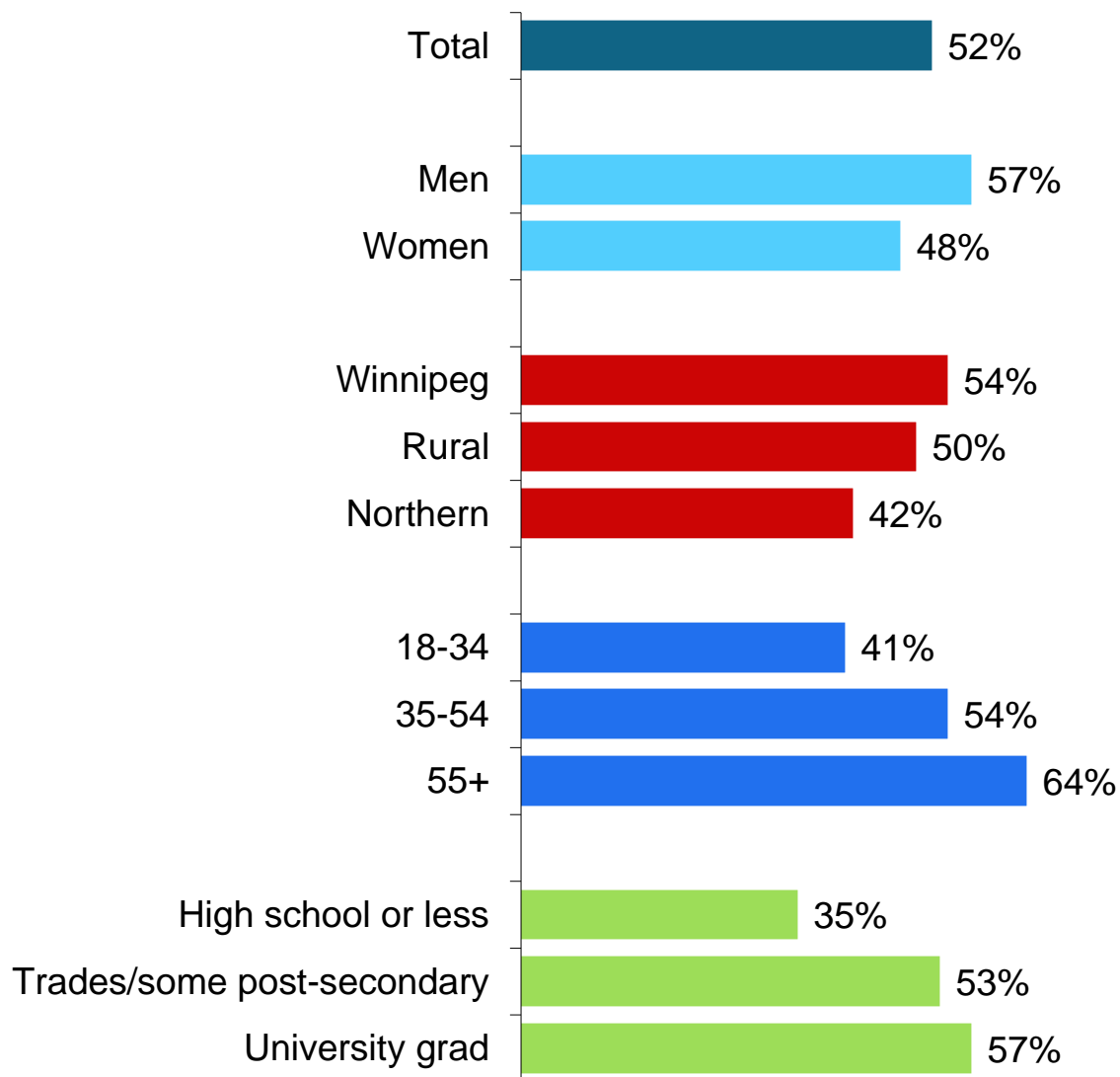
Base: All respondents (N=1,049)

# MEN, OLDER ADULTS MORE LIKELY TO WANT AN INDEPENDENT BODY TO SET PRICES FOR CROWN PRODUCTS

B2. "And, in your view, which of the following is the most appropriate body for setting prices on products purchased from Crown corporations?"

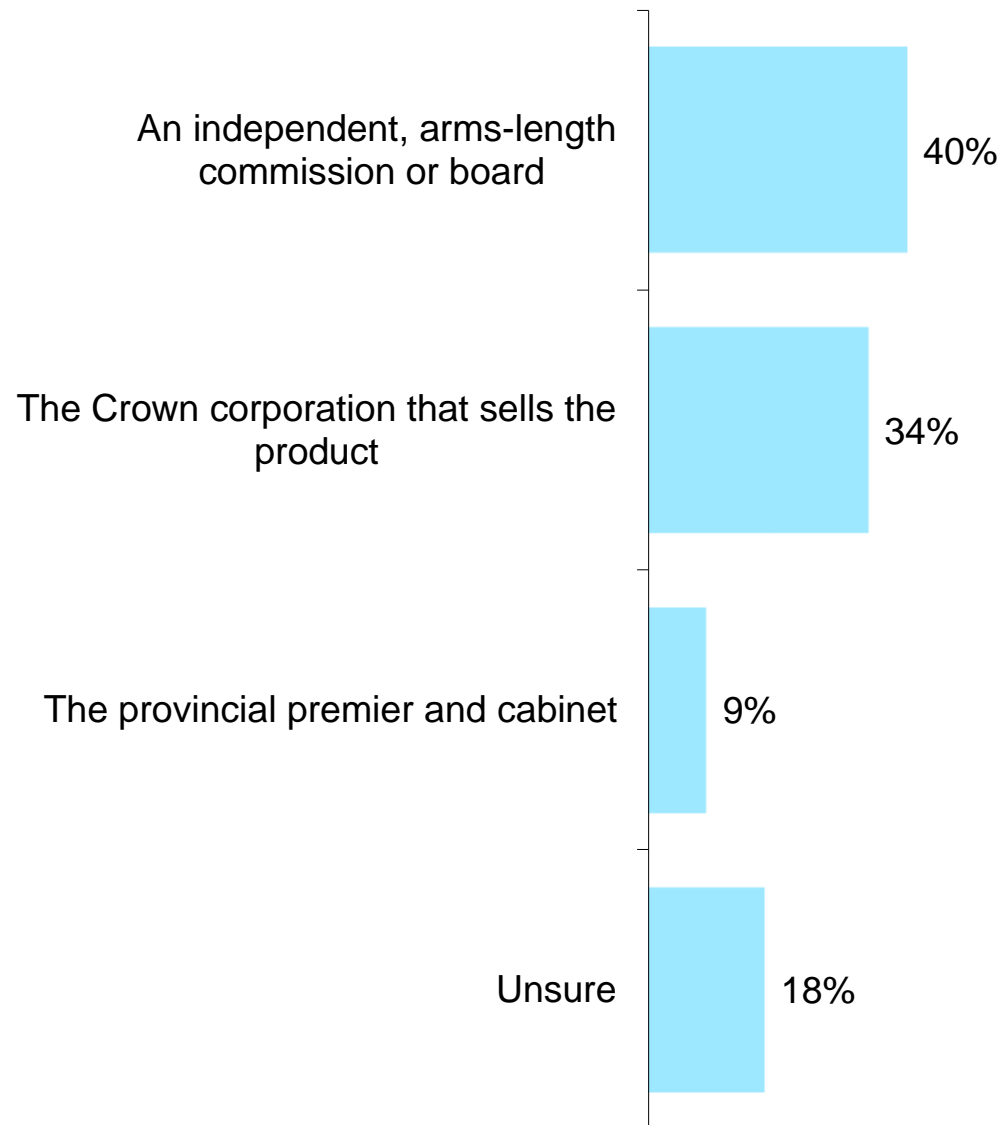
Base: All respondents (N=1,049)

% who say **an independent body** should set prices for Crown corporation products



# FOUR-IN-TEN WANT AN INDEPENDENT BODY TO SET CROWN CORP CUSTOMER CLASSES

B1. “Services provided by Crown corporations often have different customer classes, with specific policies and rates for each class. For example, with automobile insurance, the customer types include private passenger vehicles, motorcycles, taxis and ride shares, rental vehicles, etc. In your opinion, which of the following individuals or groups do you think is the most appropriate body that should have the power to create these customer classes? Please select only one response.”



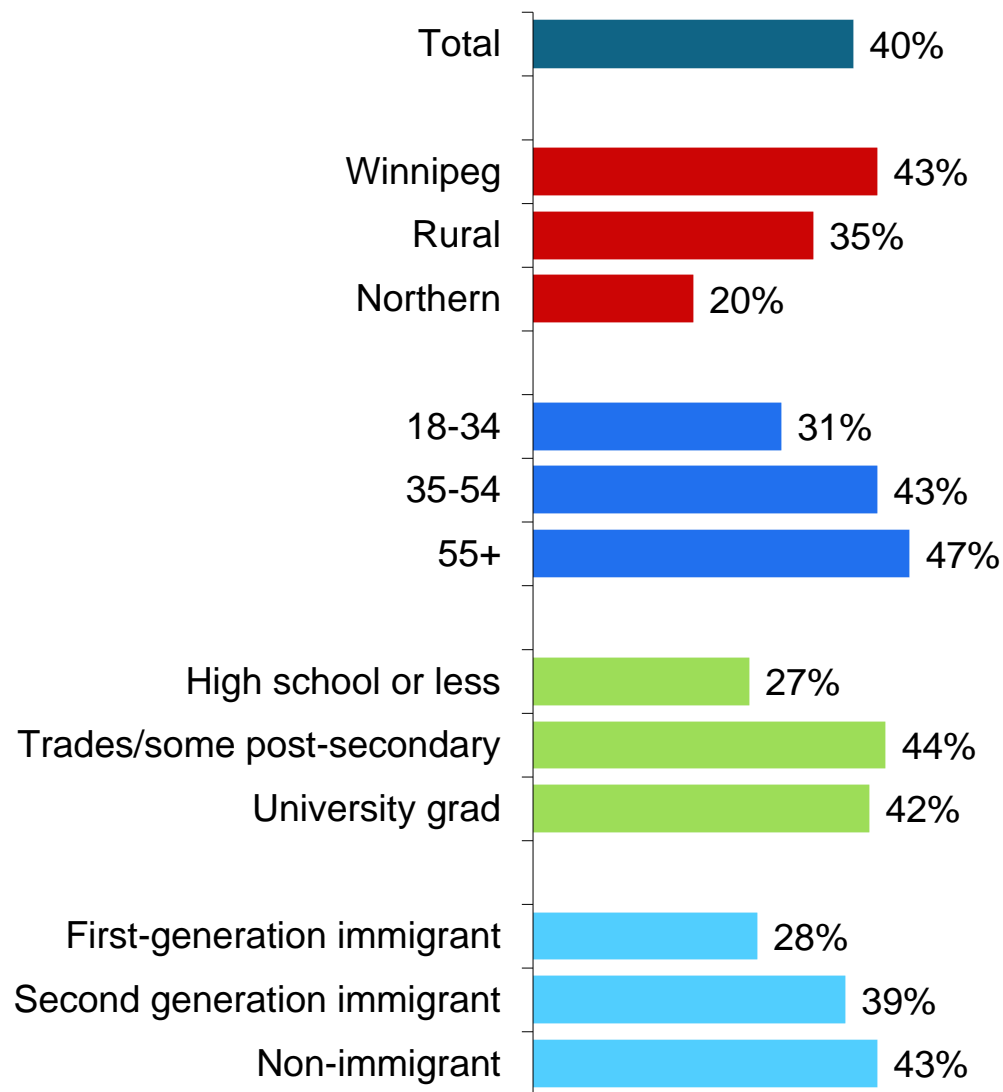
Base: All respondents (N=1,049)

# SIMILAR GROUPS WANT TO SEE INDEPENDENT BODIES CREATE CUSTOMER CLASSES FOR CROWN CORPS

B1. "...In your opinion, which of the following individuals or groups do you think is the most appropriate body that should have the power to create these customer classes? Please select only one response."

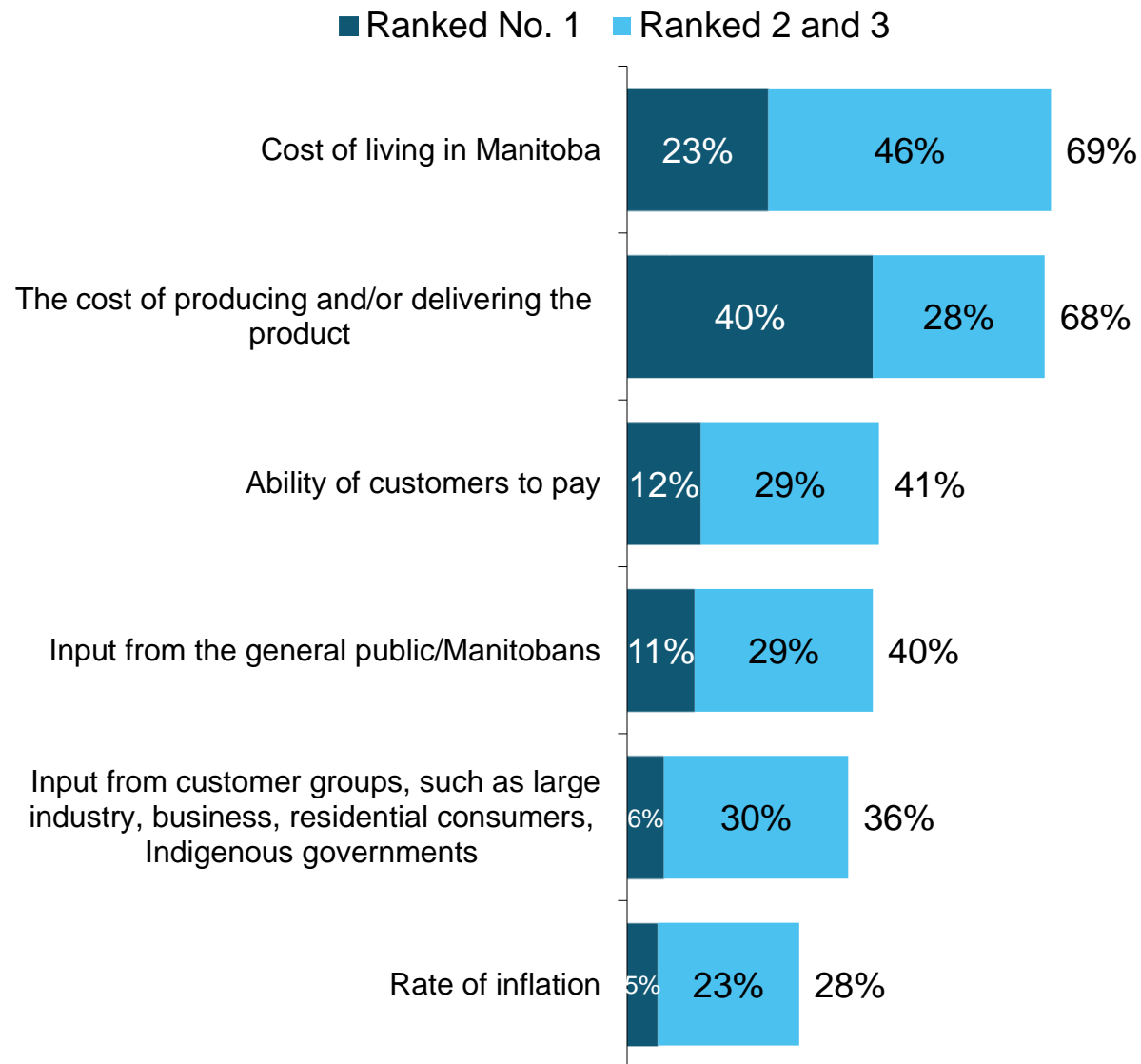
Base: All respondents (N=1,049)

% who say **an independent body** should create customer classes for Crown corporations



# PRODUCTION COSTS, COST OF LIVING MOST IMPORTANT FACTORS FOR CROWN CORP PRODUCTS

B3. "How important are each of the following when setting prices on products purchased from Crown corporations? From the list below, please rank the top-three items in order of their importance."



Base: All respondents (N=1,049)

Multiple answers accepted. Totals will add to more than 100%.

# OLDER, WEALTHIER INDIVIDUALS MORE LIKELY TO RANK PRODUCTION AND DELIVERY COSTS HIGHLY



Those most likely to be concerned about product cost/delivery:

- Older adults aged 55+ (78% rank it in their top-3)
- Those with higher levels of education (74% among university graduates) and household income (76% among those earning \$100K+).



- Conversely, younger adults are more likely to cite the cost of living as an important factor (78% among those 18-34 and 71% among those 35-54 vs. 55% among those 55+).



- The ability of customers to pay, on the other hand, is more likely to be cited by those from lower-income households (52% among those earning <\$50K vs. 36% among those earning \$100K+).

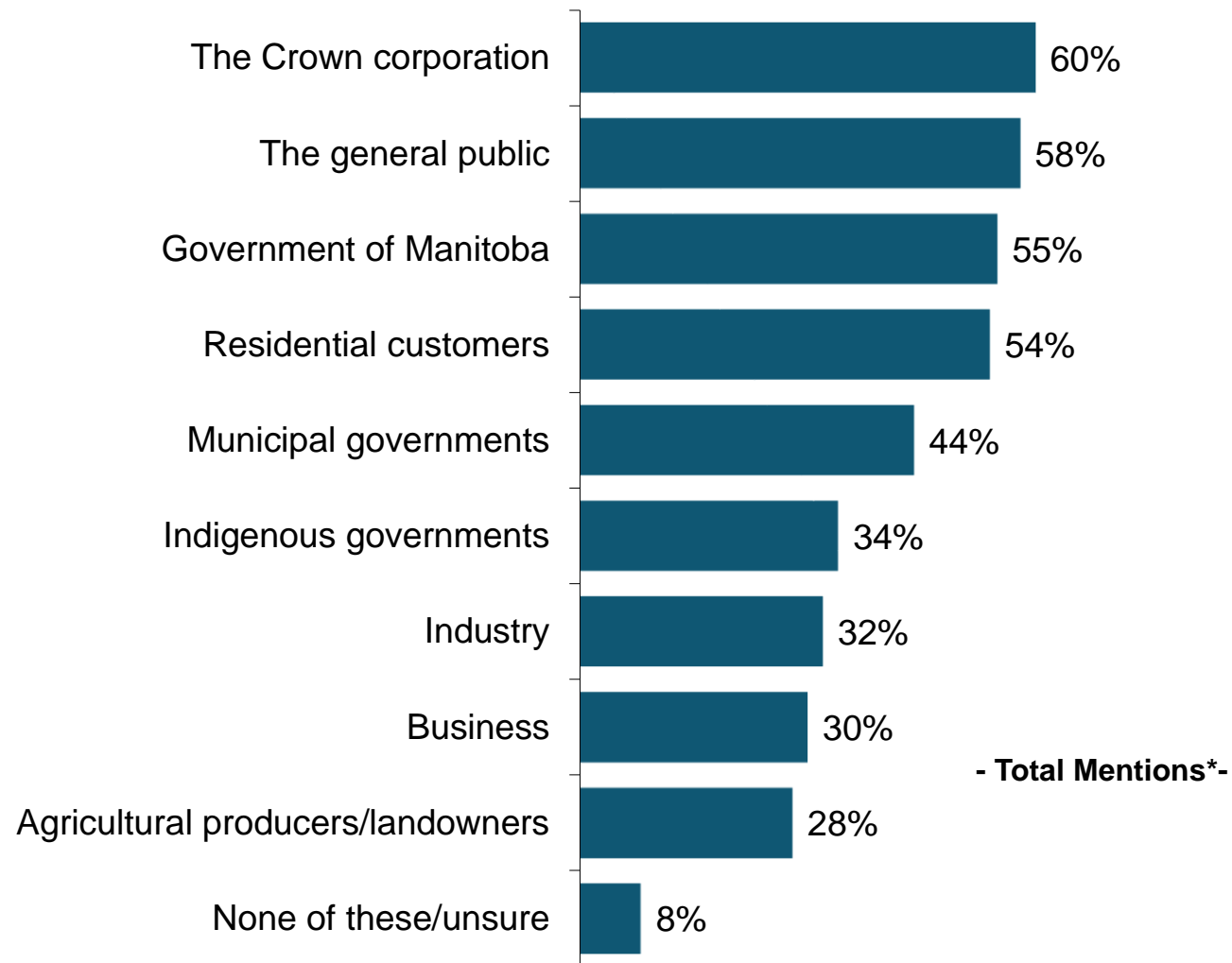
B3. "How important are each of the following when setting prices on products purchased from Crown corporations? From the list below, please rank the top-three items in order of their importance."

Base: All respondents (N=1,049)

Multiple answers accepted. Totals will add to more than 100%.

# SIX-IN-TEN SAY THE PUBLIC SHOULD HAVE INPUT INTO CROWN CORPORATION STRATEGIC PLANS

B4. "When a Crown corporation develops a long-term, strategic plan for service delivery, who, if anyone, should have input in developing the plan? Choose all that apply."



- Those in rural Manitoba are most likely to say agricultural producers should have a say into these strategic plans (35% vs. 23% among those living in Winnipeg and 20% among Northerners).
- Indigenous Manitobans (47%) and women (37% vs. 29% among men) are more likely to say Indigenous governments should have input into these strategies.

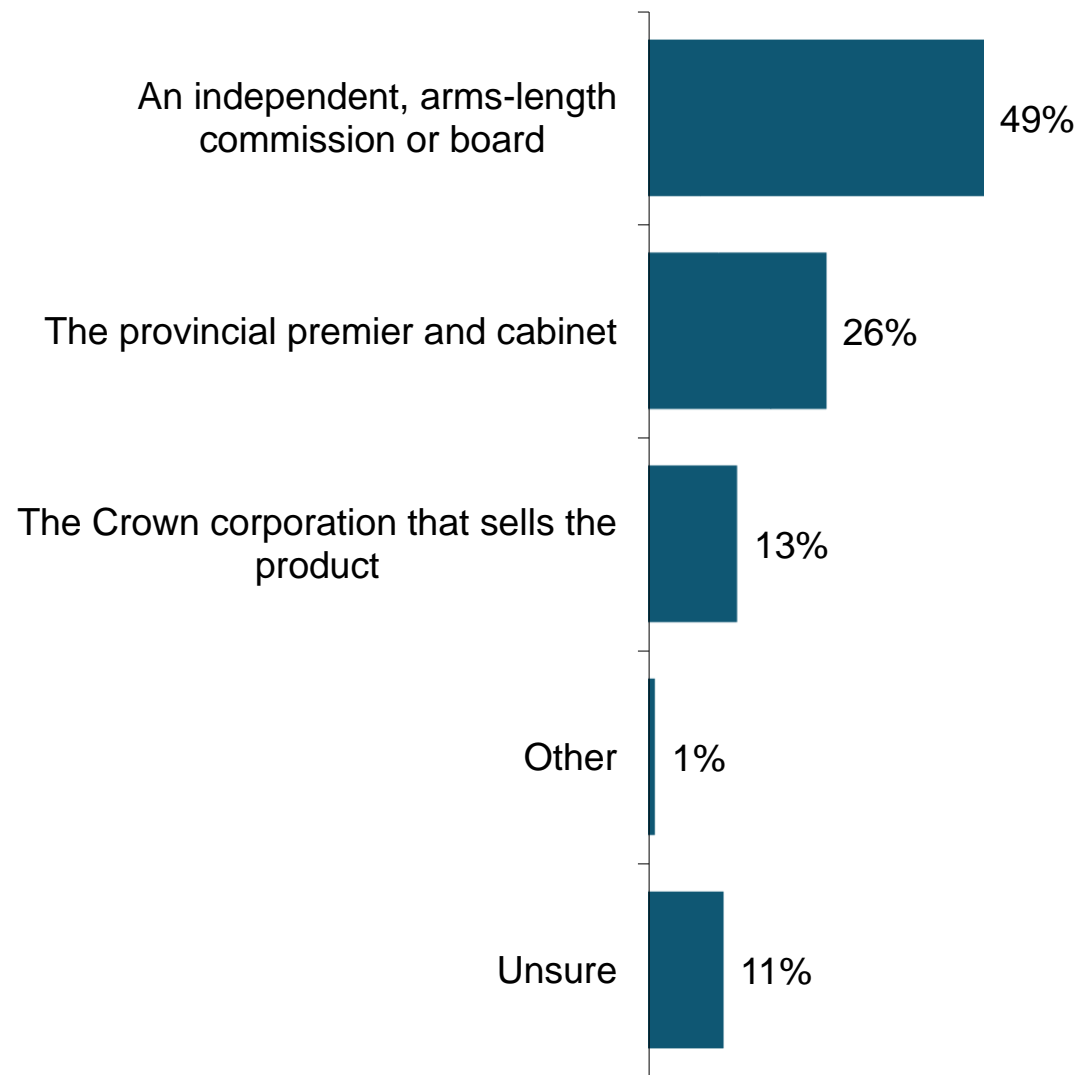
Base: All respondents (N=1,049)

\*Multiple answers accepted.  
Totals will add to more than 100%.



# ONE-HALF BELIEVE AN INDEPENDENT COMMISSION SHOULD APPROVE CROWN CORP STRATEGIC PLANS

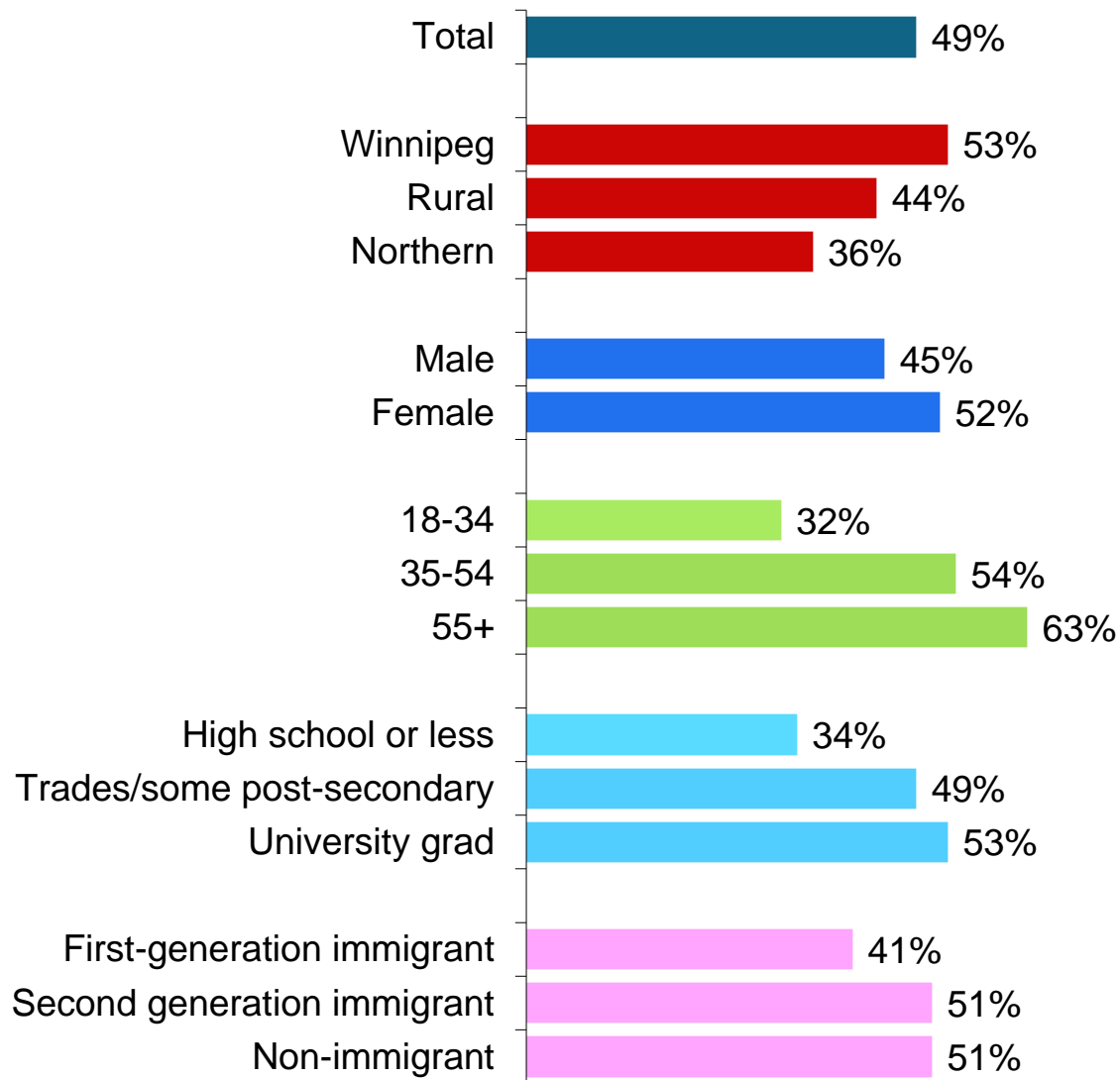
B5. "When a Crown corporation develops a strategic plan, who should ultimately be responsible for approving that plan? Please select one option from the list below."



Base: All respondents (N=1,049)

# OLDER ADULTS, WINNIPEGGERS MOST LIKELY TO WANT INDEPENDENT APPROVAL OF CROWN CORP STRATEGIC PLANS

% who say **an independent body** should approve Crown corporation strategic plans

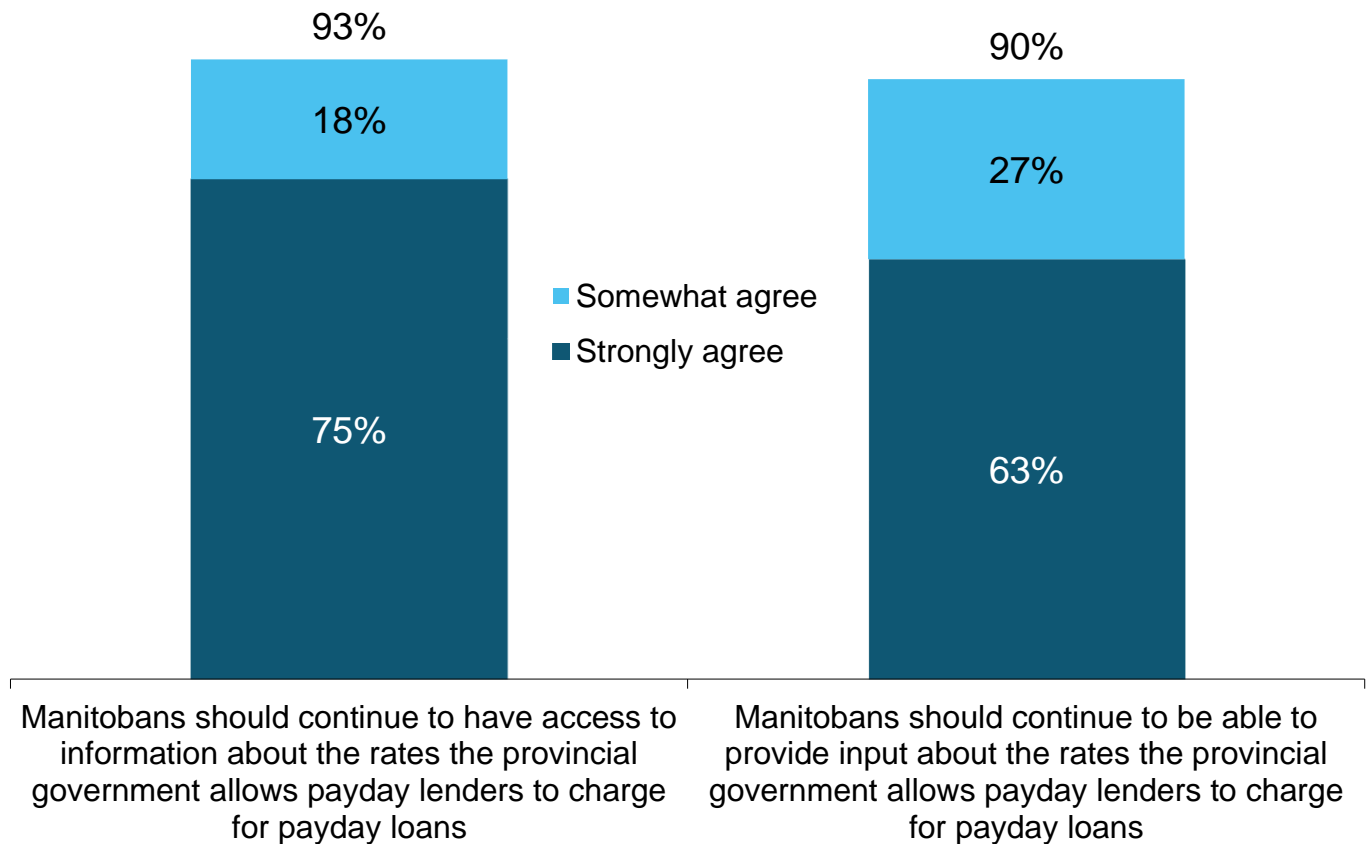


B5. "When a Crown corporation develops a strategic plan, who should ultimately be responsible for approving that plan? Please select one option from the list below."

Base: All respondents (N=1,049)

# NINE-IN-TEN MANITOBANS AGREE THEY SHOULD BE ABLE TO PROVIDE INPUT, ACCESS INFORMATION ON PAYDAY LOAN RATES

B6. "The following question is about payday loans, which are short term loans provided by non-traditional lenders. To what extent do you agree or disagree with the following statements?"



Base: All respondents (N=1,049)

# OLDER MANITOBANS MOST LIKELY TO EXPRESS STRONG AGREEMENT WITH PUBLIC PARTICIPATION IN SETTING LOAN RATES

B6. “The following question is about payday loans, which are short term loans provided by non-traditional lenders. To what extent do you agree or disagree with the following statements?”



Older Manitobans aged 55+ are more likely to **strongly** agree that citizens should be able to both access information and provide input on payday loan rates (86% and 72% respectively).



Northern Manitobans are most likely to strongly agree that citizens should be able to provide input on the rates the government allow lenders to charge (75% vs. 61% among those in rural Manitoba and 64% among those living in Winnipeg).

Base: All respondents (N=1,049)

# REPORT ON ENERGY SURVEY OF MANITOBANS

March 6, 2020

Prepared for CAC Manitoba by PRA Inc.



Contact:

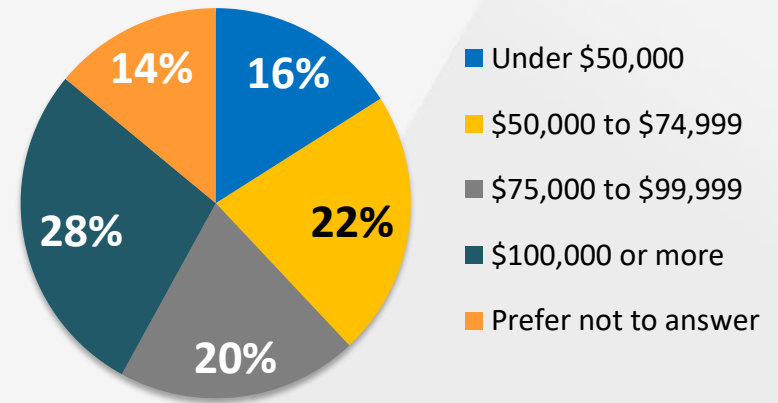
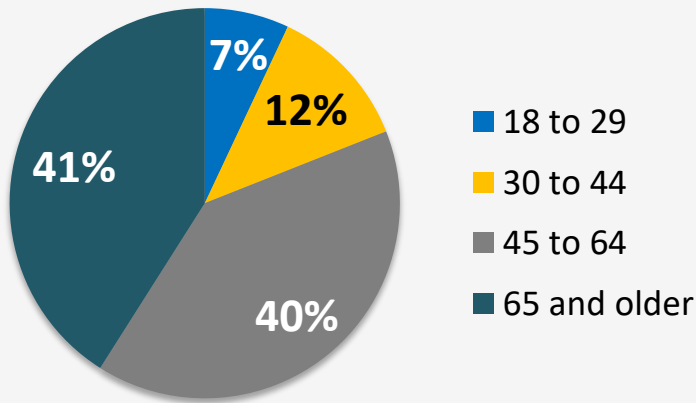
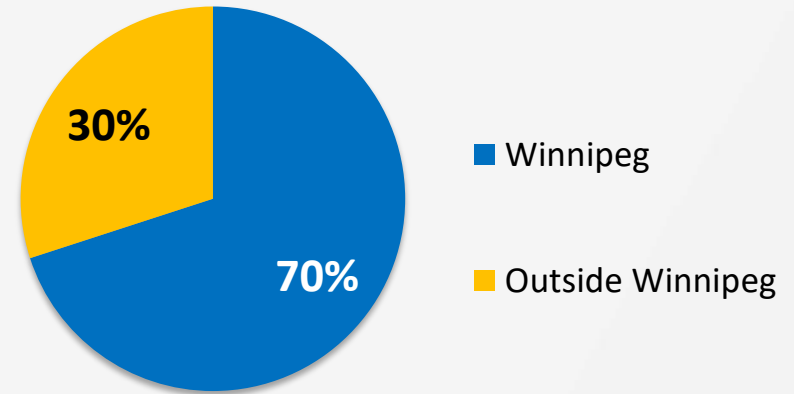
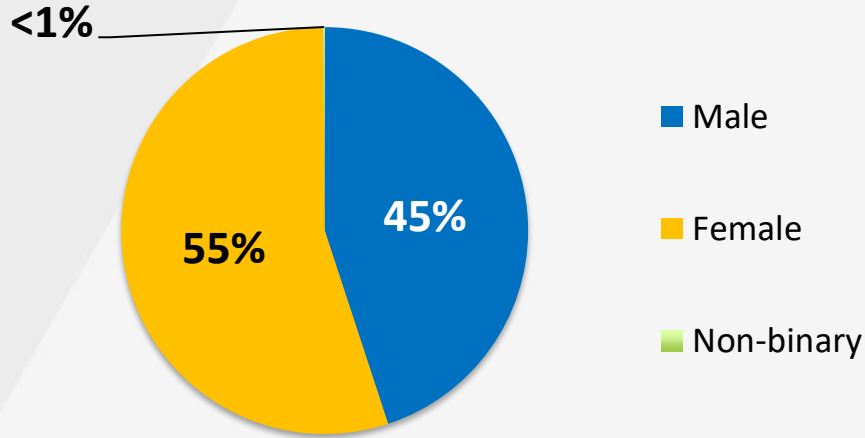
Nicholas Borodenko, Partner  
[borodenko@pra.ca](mailto:borodenko@pra.ca)  
204-594-2080

# METHODOLOGY

- PRA conducted a survey of Manitobans using its online panel from February 25 to 28, 2020.
- In total, 1,000 Manitobans completed the survey.
- The survey slightly over represents respondents over 45 years of age and those living in Winnipeg. To correct for those discrepancies, the data presented in this report were weighted by age, gender, and region to correct for differences between the demographics of the survey respondents and the Manitoba population; data presented are weighted unless otherwise stated.
- Data in charts may not always sum to 100% due to rounding.

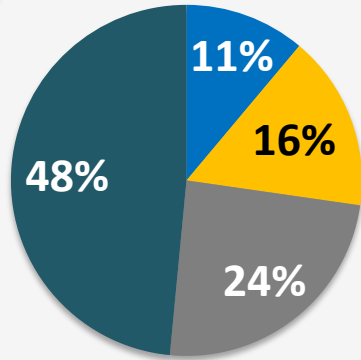
# PROFILE OF RESPONDENTS

# Profile of respondents unweighted (n = 1,000)

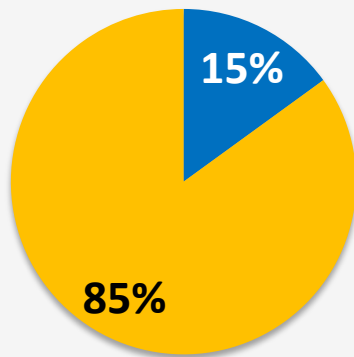




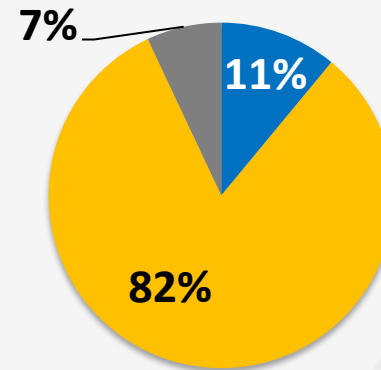
# Profile of respondents weighted (n = 1,000)



- High school or less
- Some post-secondary
- College/technical graduate
- University graduate



- Rent
- Own



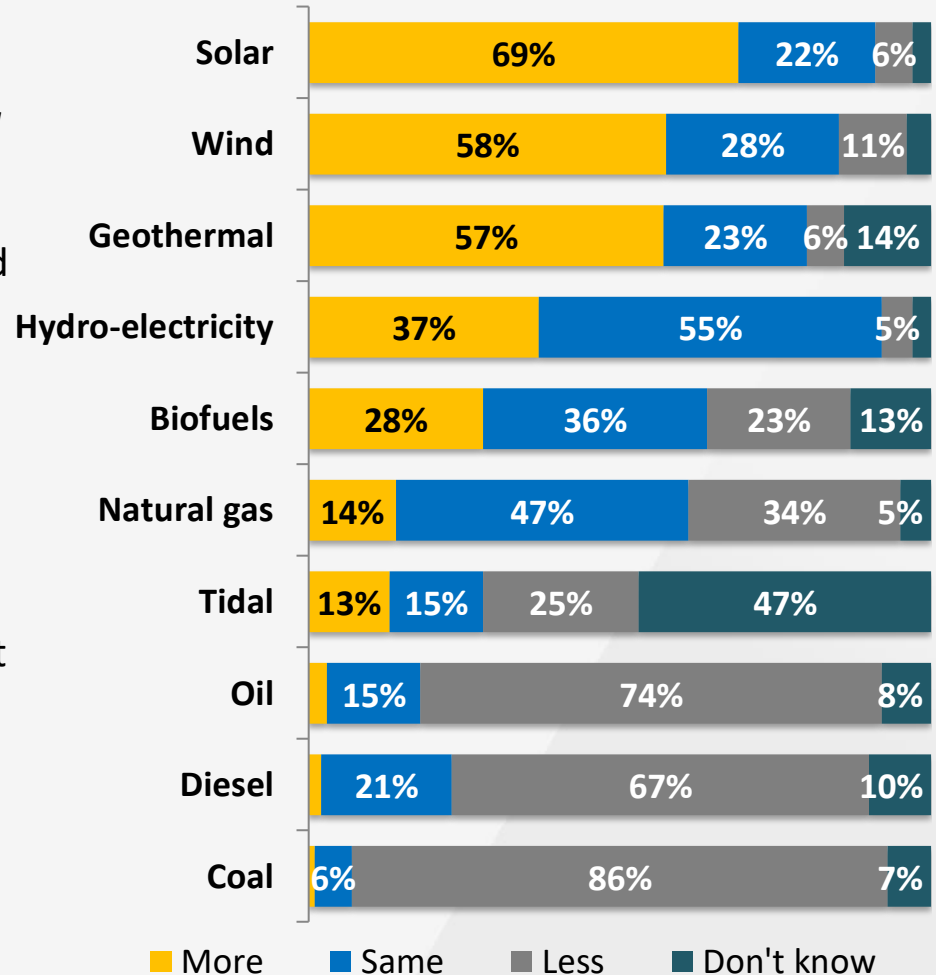
- Apartment
- House, single-family dwelling
- House, multi-family dwelling

# ENERGY PRODUCTION

# Importance of energy sources

Do you think Manitoba should place more importance, less importance, or about the same importance as it does now on producing energy from ...? (n = 1,000)

- The majority of Manitobans believe more importance should be placed on *solar* (69%), *wind* (58%), and *geothermal* (57%) energy production.
- Most believe that less importance should be placed on *coal* (86%), *oil* (74%), and *diesel* (67%) energy production.
- While more Manitobans felt less importance (25%) should be placed on *tidal* energy production versus more importance (13%), it should be noted that nearly half (47%) were unsure about this type of energy production.
- Another 17 respondents mentioned *nuclear* energy production, with 79% of those saying it should be of more importance.



# Importance of energy sources key differences

*Do you think Manitoba should place more importance, less importance, or about the same importance as it does now on producing energy from ...? (n = 1,000)*

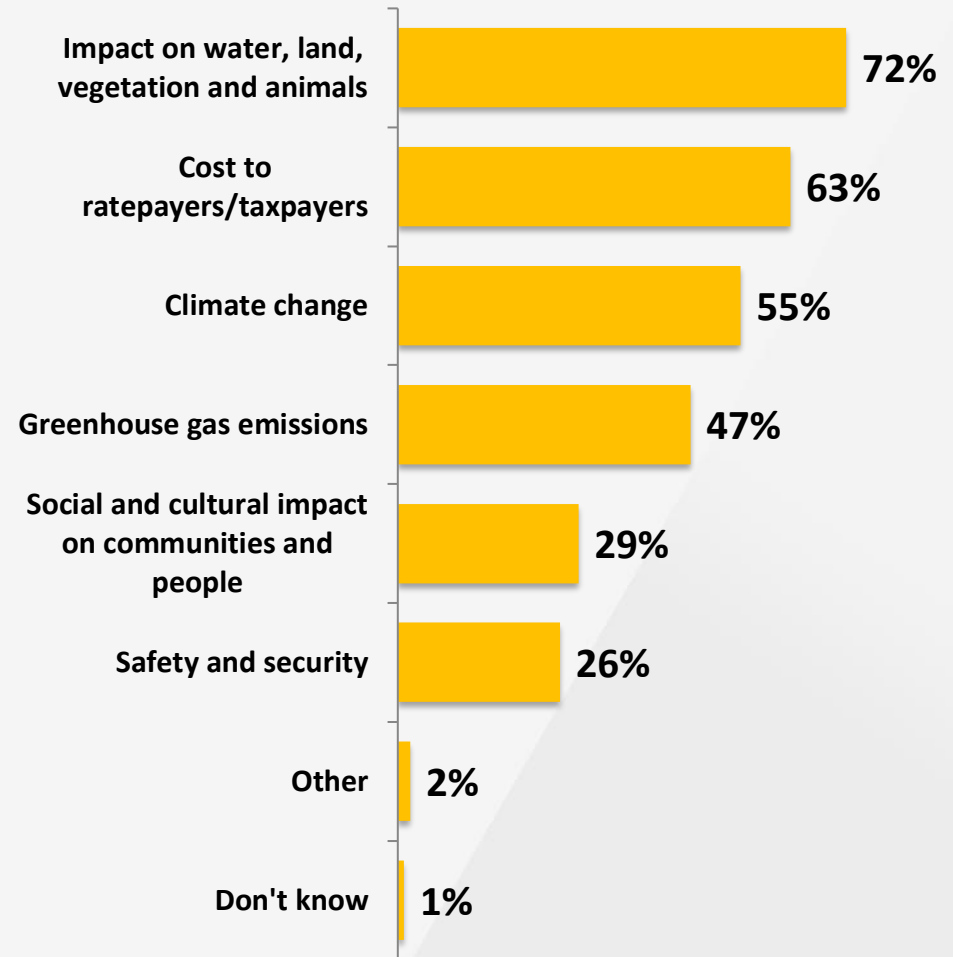
- There are a few key differences between demographic groups:
  - Women are more likely than men to say Manitoba should place more importance on *solar* energy production, but less likely to say more importance should be placed on *hydro-electricity*.
  - Men, those 65 and older, and those with no post-secondary education are less likely than their counterparts to say more importance should be placed on producing energy from *biofuels*.
  - Winnipeggers are more likely than non-Winnipeggers to say less importance should be placed on *diesel* energy production.
  - 18 to 29 year olds are more likely than older respondents to say *tidal* energy production should have more importance placed on it.
  - Those with a university degree or higher are most likely among educational groups to say there should be less importance on *diesel*.

# Considerations for energy production decision-makers

What are the three most important reasons decision-makers should consider when deciding about the sources of energy production for Manitoba? (n = 1,000)

NOTE: Respondents could give more than one response; therefore, percentages will sum to more than 100%.

- Manitobans feel that the three most important considerations when making energy production decisions should be *impact on water, land, vegetation and animals* (72%), *cost to ratepayers/taxpayers* (63%), and *climate change* (55%), followed closely by *greenhouse gas emissions* (47%).
- It should be noted that a number of respondents mentioned the connection between *climate change* and *greenhouse gas emissions*, and that they should be considered with equal importance.
- Men, those 30 and older, non-Winnepeggers, and home owners are all more likely than their counterparts to say *cost to ratepayers/taxpayers* should be one of the most important considerations.

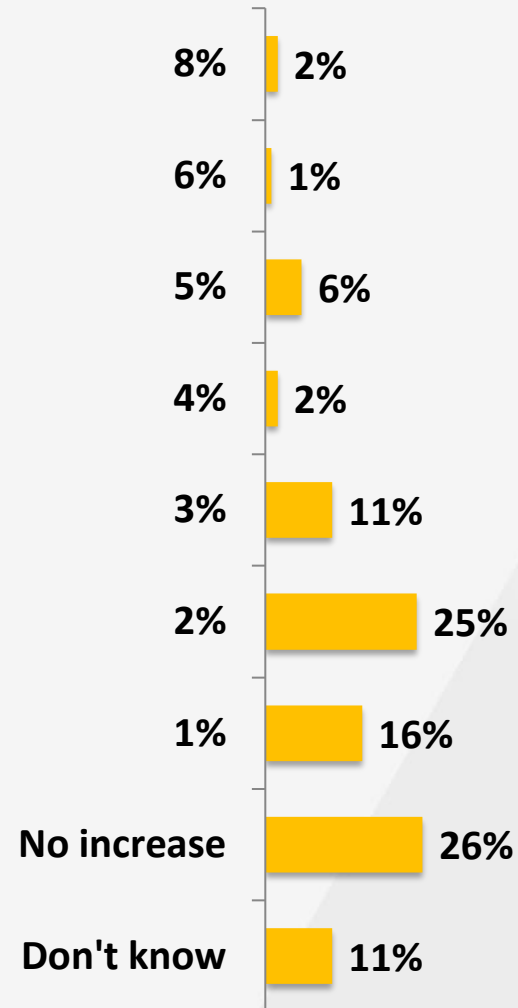


# ELECTRICITY RATES

# Electricity rate increase

*Thinking specifically about your electricity bill, if electricity rates were to increase next year, how much of an increase would you consider reasonable and affordable for your household? (n = 1,000)*

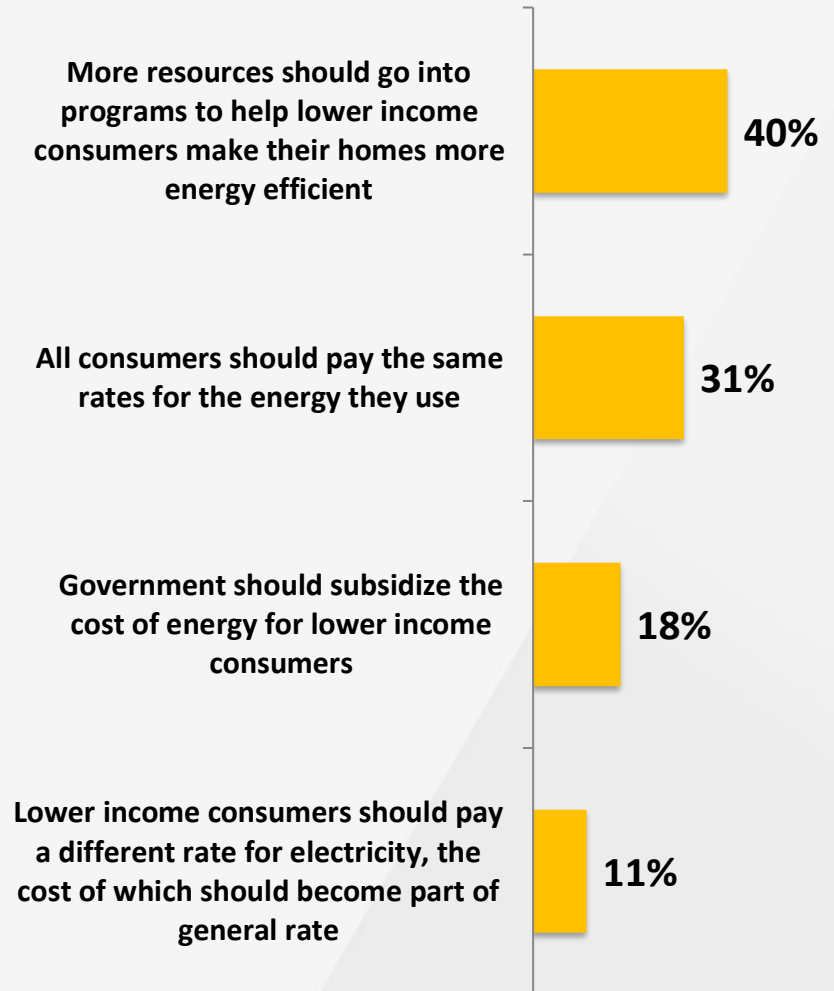
- About 63% of Manitobans say that some type of electricity rate increase would be reasonable, with an overall average increase of 1.7%, which is slightly below the rate of inflation in Manitoba (2.3%).
- About 1 in 4 Manitobans (26%) disagree with any rate increase, while another 11% were unsure.
- Winnipeggers, those in households making at least \$75,000, and those with at least some post-secondary education are more likely than their counterparts to consider some type of electricity rate increase as reasonable and affordable.



# Difficulty paying electricity bill

Thinking about those consumers who have difficulty paying their electricity bill, which of the following would you recommend? (n = 1,000)

- About 7 in 10 (69%) Manitobans believe there should be some type of support for consumers who have difficulty paying their energy bill, with the most common being *more resources should go into programs to help lower income consumers make their homes more energy efficient* (40%).
- About 31% believe that *all consumers should pay the same rates for the energy they use*.





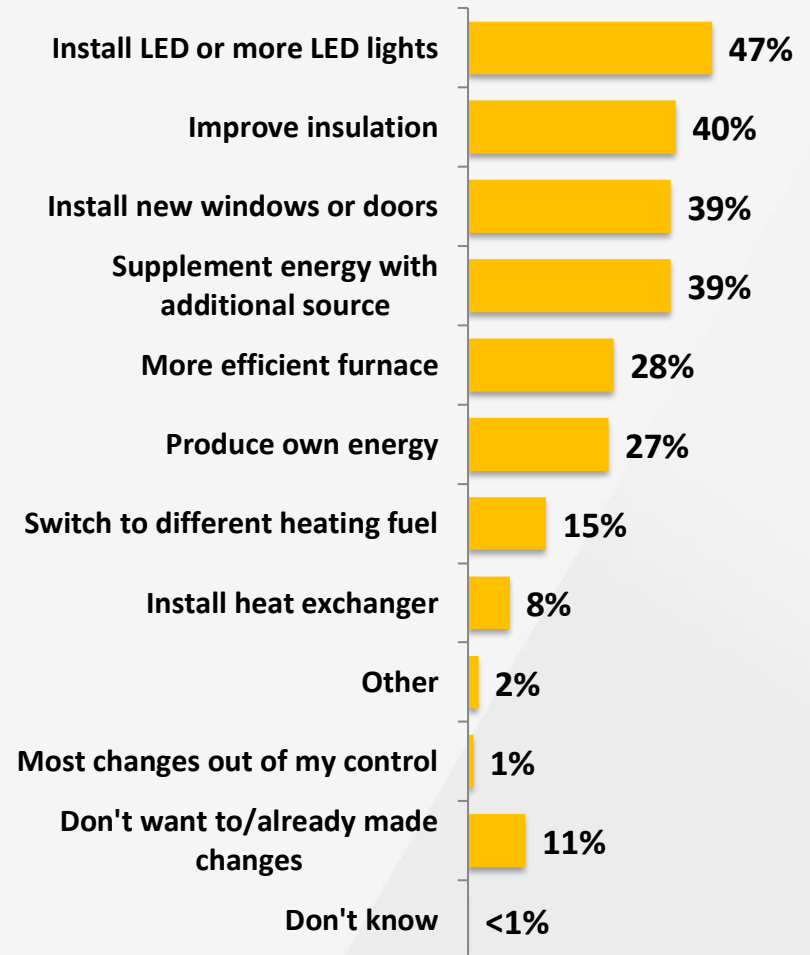
# FUTURE ENERGY USE

# Future home energy use

What changes would you like to make in your home energy use in the next 10 years? (n = 1,000)

NOTE: Respondents could give more than one response; therefore, percentages will sum to more than 100%.

- Given the ease and cost efficiency, it is not surprising that *installing LED or more LED lights* (47%) is the most commonly mentioned change Manitobans would like to make in their home energy use.
- Other common responses were *improve insulation* (40%), *install new windows or doors* (39%), and *supplement energy with an additional energy source* (39%).

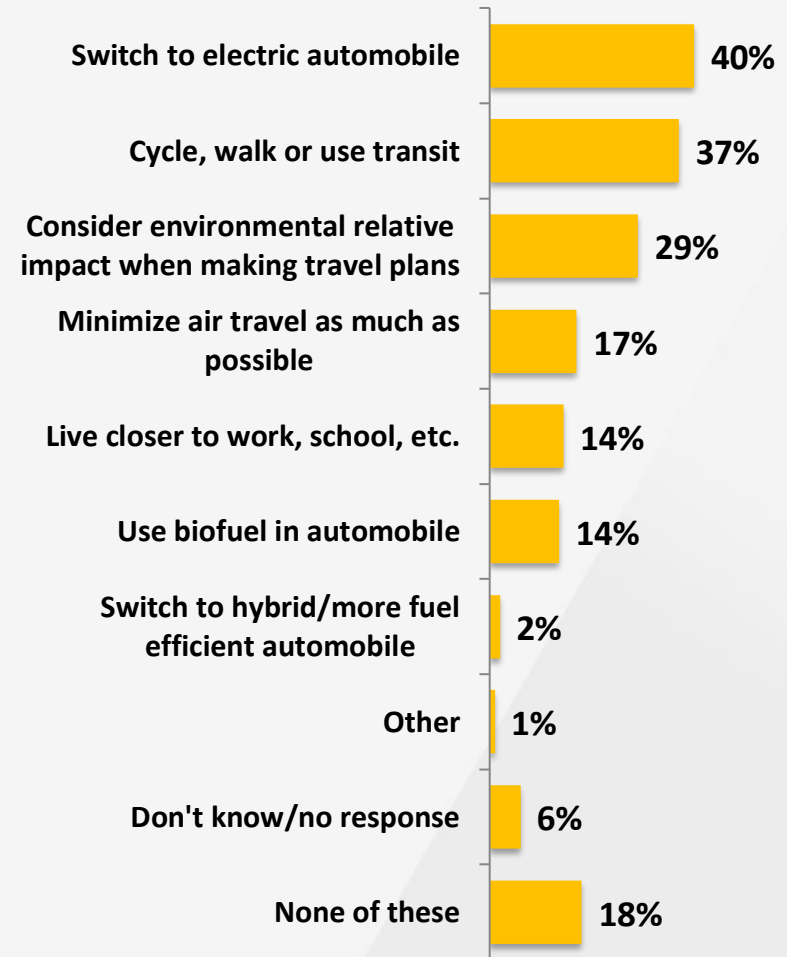


# Future transportation energy use

What changes would you like to make in your transportation energy use in the next 10 years? (n = 1,000)

NOTE: Respondents could give more than one response; therefore, percentages will sum to more than 100%.

- When asked what changes they would like to make in their transportation energy use over the next 10 years, Manitobans most often mention *switch to an electric automobile (40%)* or *cycle, walk or use transit rather than using an automobile (37%)*.

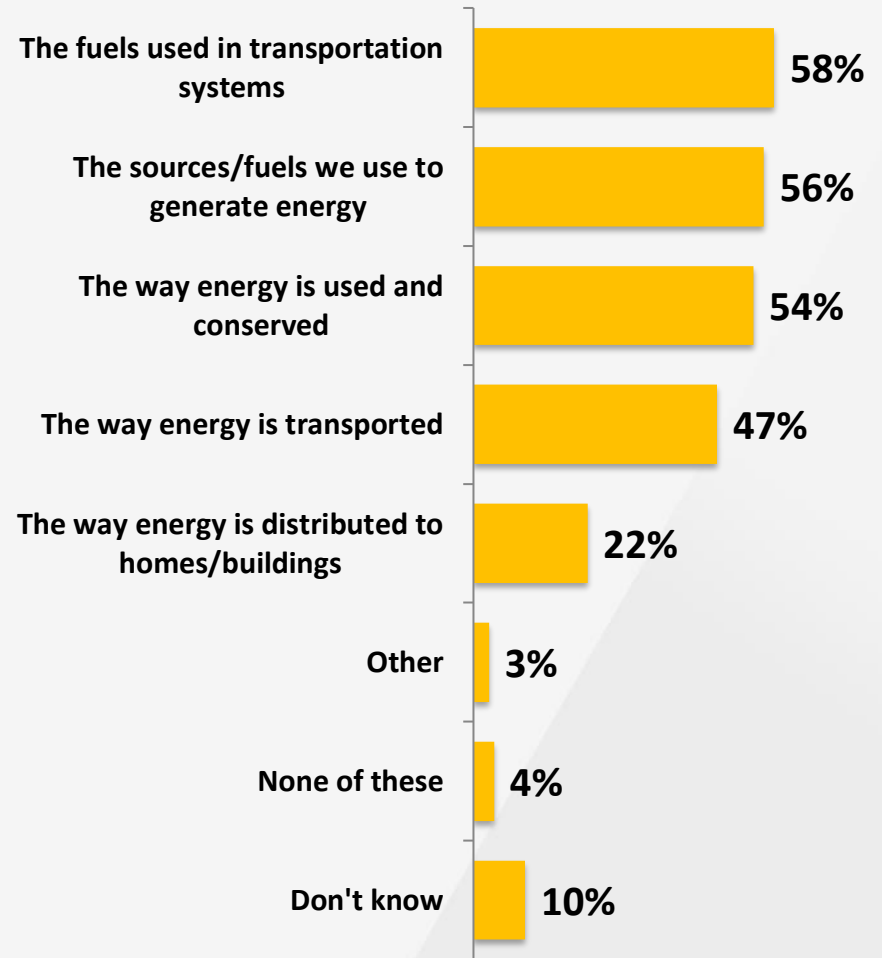


# Future energy use strategy

Thinking about your community, neighbourhood, and the province as a whole, which of the following systems would you like to see changed as part of an energy use strategy over the next 10 years? (n = 1,000)

NOTE: Respondents could give more than one response; therefore, percentages will sum to more than 100%.

- Of the five options listed, Manitobans appear to place near identical desire for change in *the fuels used in transportation systems* (58%), *the sources/fuels we use to generate energy* (56%), and *the way energy is used and conserved in public spaces, buildings, and roadways* (54%) in terms of future energy strategy.
- Manitobans appear to be less concerned with changing *the way energy is distributed to our homes and buildings* (22%).

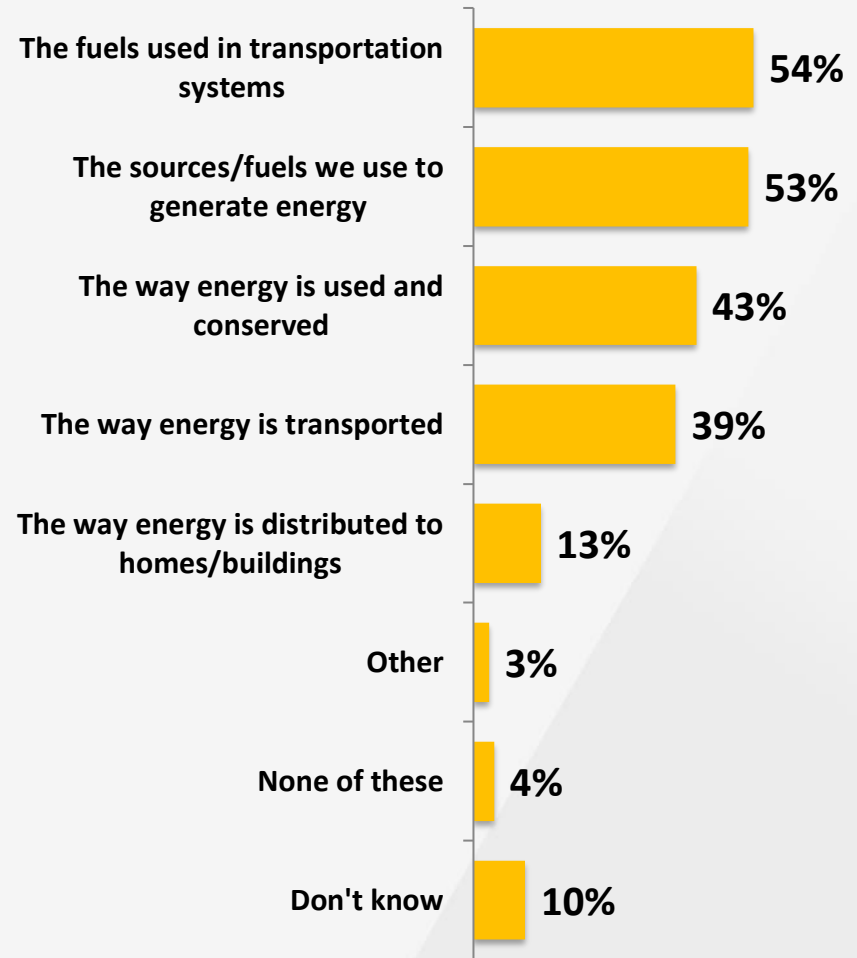


# Importance of energy systems

Which of the following would you say are the three most important changes that should be made as part of an energy use strategy for Manitoba over the next 10 years? (n = 1,000)

NOTE: Respondents could give more than one response; therefore, percentages will sum to more than 100%.

- Two aspects seem to be the most important change for Manitoba – *fuels used in the transportation systems* (54%) and *the sources/fuels we use to generate energy* (53%).
- This is followed by *the way energy is used and conserved* (43%) and *the way energy is transported* (39%).

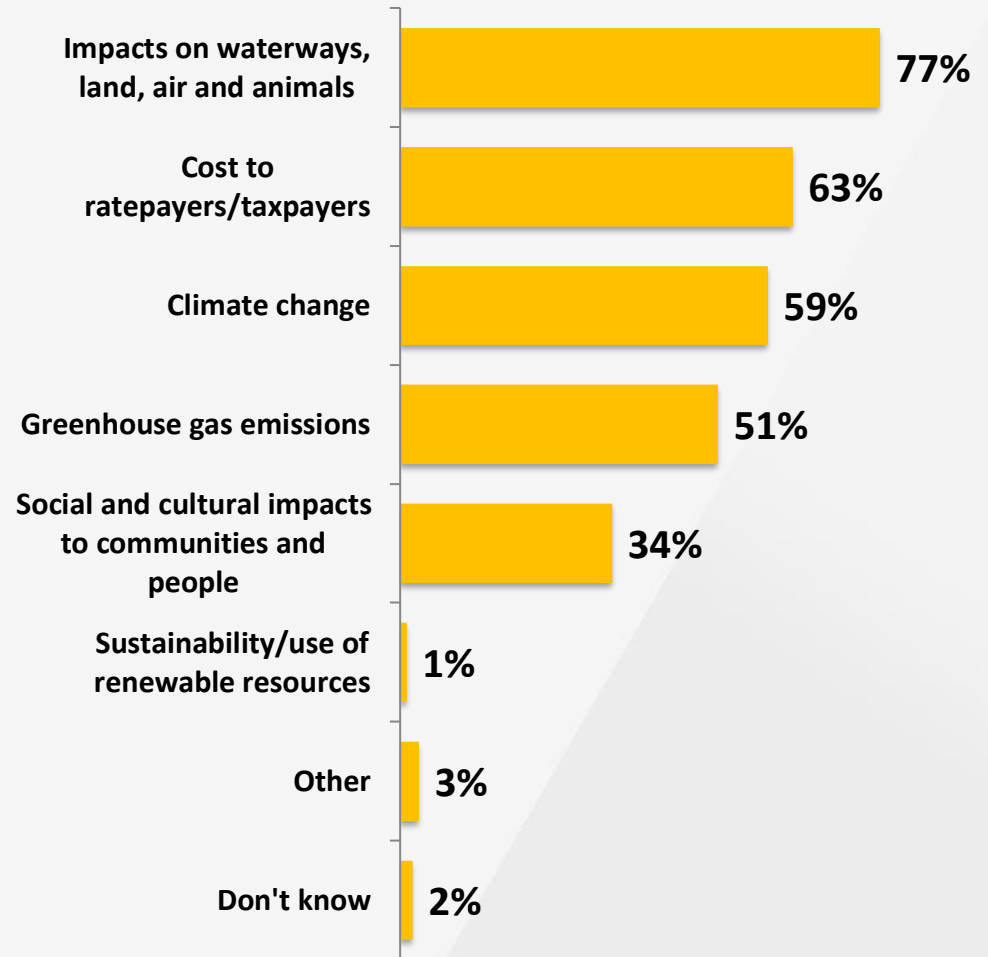


# Considerations for future energy use strategy

From the following list, which are the three most important considerations for decision-makers when making decisions about Manitoba's future energy use? (n = 1,000)

NOTE: Respondents could give more than one response; therefore, percentages will sum to more than 100%.

- Very similar to energy production considerations, Manitobans feel that the three most important considerations when making decisions about future energy use should be *impacts on waterways, land, air and animals* (77%), *cost to ratepayers/taxpayers* (63%), and *climate change* (59%), followed closely by *greenhouse gas emissions* (51%).

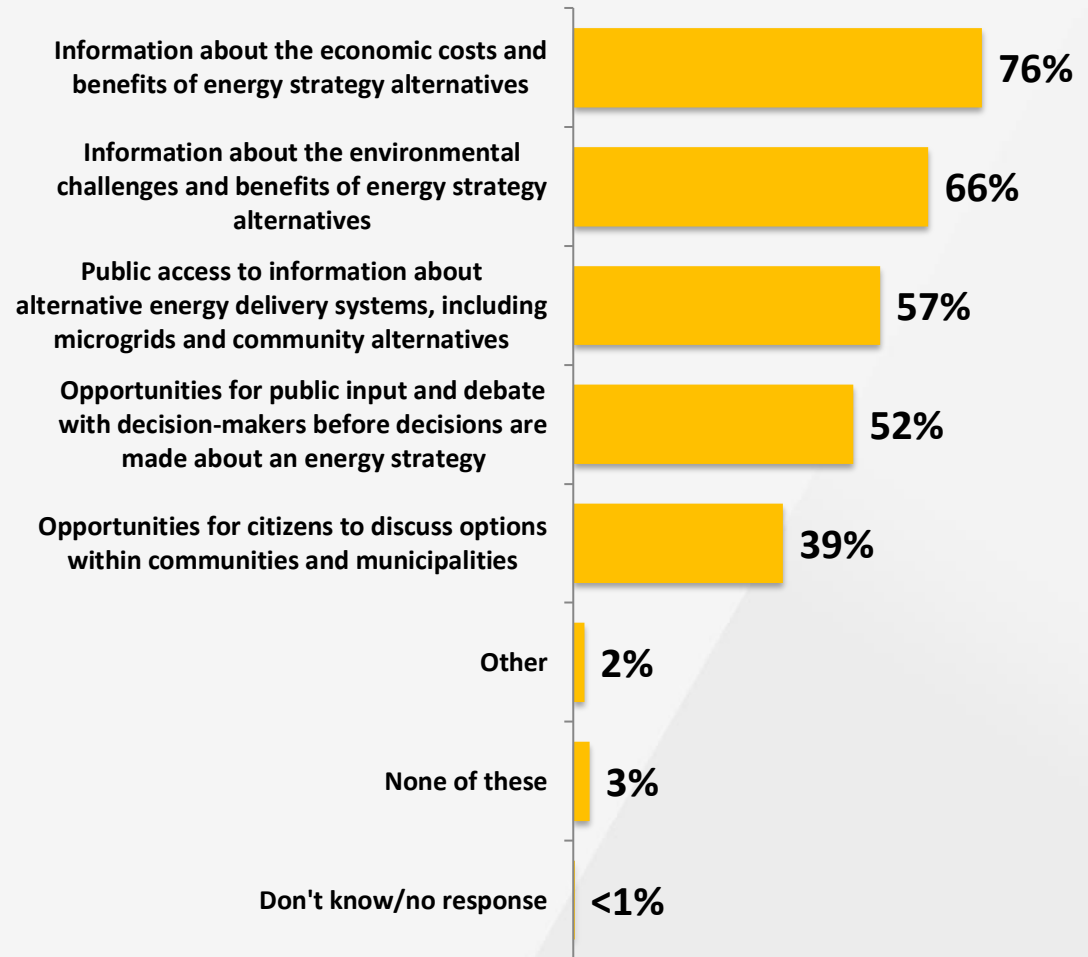


# Future energy use decision making

Which of the following do you think would help Manitoba make important decisions in energy use for the future? (n = 1,000)

NOTE: Respondents could give more than one response; therefore, percentages will sum to more than 100%.

- Results show that Manitobans feel that having access to information is most helpful in making important decisions in energy use, as the most common responses had to do with information about *economic costs and benefits* (76%), *environmental challenges and benefits* (66%), or *alternative energy systems* (57%).



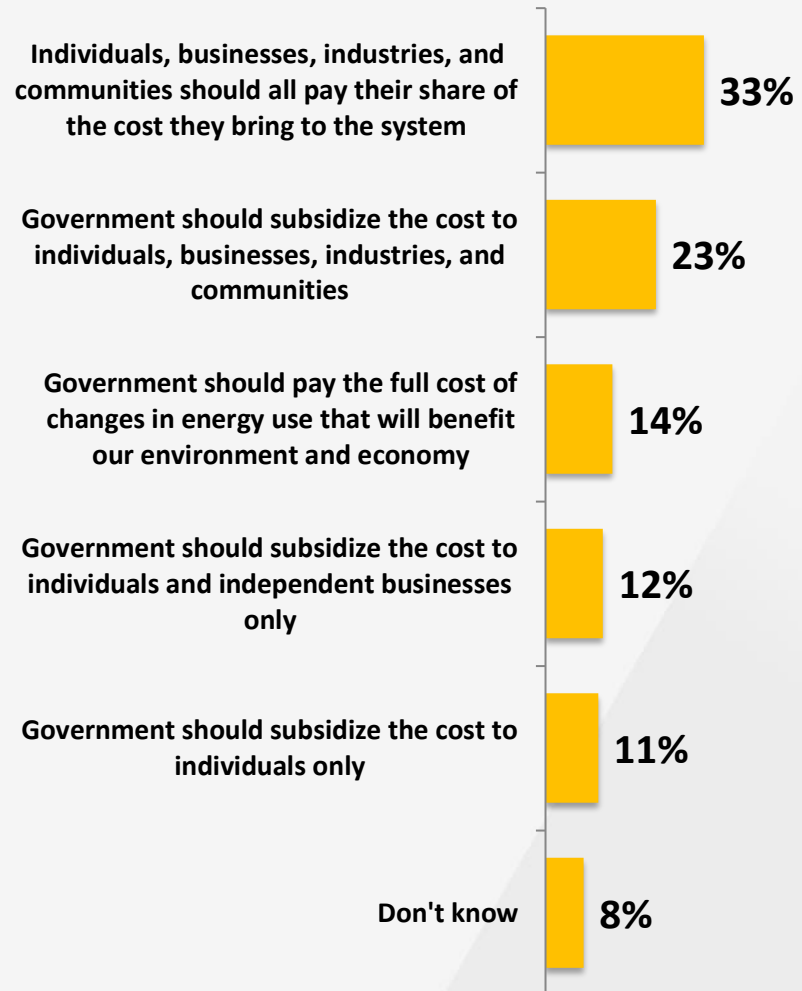
# **COST OF CHANGES**



# Responsibility of costs

Who should be responsible to pay the cost of changes in energy use in our homes, communities, and the province as a whole? (n = 1,000)

- About 1 in 3 (33%) Manitobans feel that those using energy should be the ones fully responsible for paying for changes in energy use, with no help from the government.
- Conversely, about 59% believe the government should be responsible for at least some of the costs, with the most common response in this area being *subsidizing the cost to individuals, businesses, industries, and communities* (23%).
- Manitobans under 65 are more likely than older respondents to say the government should be responsible for the cost of changes in energy use.

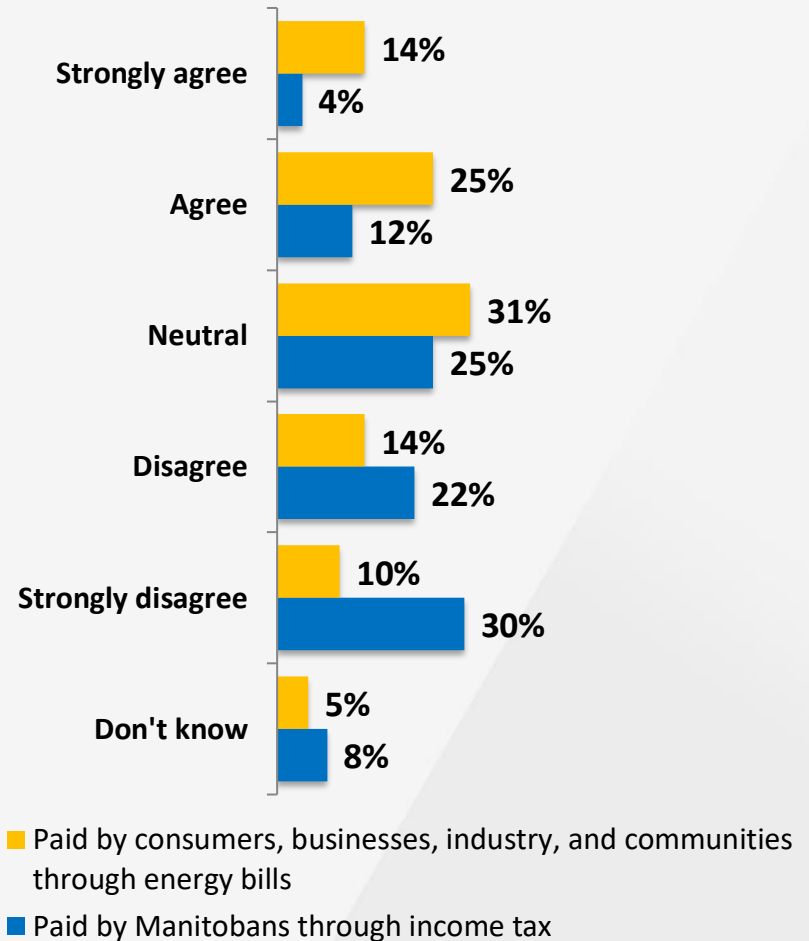


## Cost of changes

Agreement rating: The cost of changes to the energy use of Manitobans over the next 10 years should be paid for by consumers, businesses, industry, and communities through the rates they pay on their energy bills. (n = 1,000)

Agreement rating: The cost of changes to the energy use of Manitobans over the next 10 years should be paid for by Manitobans through their income taxes. (n = 1,000)

- Manitobans are more likely to agree that the cost of changes to energy use over the next 10 years should be paid for *through rates on energy bills* (39%) versus *through income tax* (16%).
- Men and those with at least some post-secondary education are more likely than their counterparts to agree that changes in energy use should be paid for *through rates on energy bills*, while those who rent their homes are more likely than those who own to agree they should be paid for *through income tax*.



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**MH/COALITION I-2**

**REFERENCE:**

Pre-filed Evidence of Kelly Derksen

**PREAMBLE:**

**QUESTION:**

For each conclusion and recommendation listed and as more fully developed in the body of the report, please identify if there were other contributors to the report of Ms. Derksen. If so, please identify those individuals, their qualifications and what portions of the report were contributed to.

**RESPONSE:**

There were no other contributors to the conclusions and recommendations to the report, other than Ms. Derksen.

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**MH/COALITION I-3**

**REFERENCE:**

Pre-filed Evidence of Kelly Derksen, Appendix A

**PREAMBLE:**

**QUESTION:**

Please confirm that since 2017, Ms. Derksen has not worked for or provided consulting services to any vertically integrated electric utility?

**RESPONSE:**

Confirmed. However, Ms. Derksen has extensive experience preparing, reviewing and assessing rate filings of vertically integrated electric utilities. As outlined in Ms. Derksen's CV (Appendix A of the Evidence), Ms. Derksen has provided (1) independent expert evidence and testimony to the Nova Scotia Utility and Review Board with respect to Nova Scotia Power Inc., on a number of occasions; and (2) regulatory consulting services to the BCOAPO ET AL intervenor group with respect to FortisBC Inc. in connection with a British Columbia Utilities Commission proceeding.

In addition, Ms. Derksen has been involved in Manitoba Hydro and Centra rate and related proceedings for over 25 years going back to the 1996 Centra COS Methodology Review and through her employment in senior positions with Manitoba Hydro from 2002 when she began testifying on behalf of the Corporation before the MPUB until 2017 and more recently, as an independent expert retained by the Consumers Coalition in connection with MH regulatory applications and associated proceedings, from 2018 to present.

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**MH/COALITION I-4**

**REFERENCE:**

Pre-filed Evidence of Kelly Derksen

**PREAMBLE:**

**QUESTION:**

Please provide a link to expert evidence filed or testimony delivered by Ms. Derksen in other jurisdictions, aside from Public Utilities Board of Manitoba proceedings (which Manitoba Hydro is aware of).

**RESPONSE:**

The links to the various publicly-available reports filed as evidence in regulatory proceedings other jurisdictions are provided below.

[https://www2.auc.ab.ca/Proceeding27658/ProceedingDocuments/27658\\_X0063\\_2023-03-27%20Evidence%20of%20Mr.%20Rainkie%20%20Ms.%20Derksen\\_000089.pdf](https://www2.auc.ab.ca/Proceeding27658/ProceedingDocuments/27658_X0063_2023-03-27%20Evidence%20of%20Mr.%20Rainkie%20%20Ms.%20Derksen_000089.pdf)

Matter 09940, N-14: <https://uarb.novascotia.ca/fmi/webd/UARB15>

Matter 10959, N-6: <https://uarb.novascotia.ca/fmi/webd/UARB15>

Matter 10351, N-11: <https://uarb.novascotia.ca/fmi/webd/UARB15>

Matter 09898, N-6: <https://uarb.novascotia.ca/fmi/webd/UARB15>

Matter 09461, N-6: <https://uarb.novascotia.ca/fmi/webd/UARB15>

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**MH/COALITION I-5**

**REFERENCE:**

Pre-filed Evidence of Kelly Derksen

**PREAMBLE:**

On page 20 Ms. Derksen states:

“Unity is a moving target, which the ZOR is intended to represent, because the actual COS assumptions and underlying costs change year over year.”

**QUESTION:**

- a) Please clarify what is meant by the statement in the preamble.
- b) Is it Ms. Derksen’s recommendation that the Board should consider an RCC of 95%, 100% and 105% to be indistinguishable from each other when determining rate differentiation?

**RESPONSE:**

- a) Further to the fact that unity is a moving target, which the ZOR is intended to represent, because the actual COS assumptions and underlying costs change year over year, Cost allocation is not a statistical exercise and there is no underlying true value that is being estimated. There are multiple possible ways of defining cost causality, even on just an embedded cost basis, each of which can be equally valid, which implies there is a range of values that could each be considered the true value. Rather than attempting to determine RCC ratios using multiple reasonable methods, a ZOR is used in Phase III of ratemaking, that is as part of the rate design phase, to allow for judgment to be applied in assessing the results of COS to consider other ratemaking objectives other than embedded cost causation, in accordance with Order 164/16.

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Thus, COS is not a statistical exercise with one true value which is what is implied by the use of the term “unity”. Given the imprecision of COS, which occurs, in part, from the fact that there are multiple defensible methods that can be used to allocate costs, each one producing a different RCC, in order to define equity. And thus, the difference from unity differs. Hence the phrase that unity is a moving target.

- b) Yes, Ms. Derksen is of the view that any RCC ratio that is within the ZOR can be considered to be full cost recovery. Further, RCCs that fall within the ZOR do not provide sufficient evidence for the Board to justify decreasing the rates of some customer groups at the expense of others. While MH may use the best information available, the results are known to be uncertain, inaccurate and a matter of judgement. The results therefore do not provide sufficient evidence, alone, to justify a differential rate change.

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**MH/COALITION I-6**

**REFERENCE:**

Pre-filed Evidence of Kelly Derksen

**PREAMBLE:**

On page 26 Ms. Derksen states:

“Table 9 shows that Net Export Revenue is sufficient enough to offset 35% of allocated costs to the Residential class, providing the least offset of costs of all classes. NER offsets nearly 50% of allocated costs to the GSL>100kV class, providing the greatest offset of allocated costs.”

**QUESTION:**

Please confirm that Table 9 shows that NER offsets only 11% of ARL costs, which is actually the lowest offset of costs of all classes.

**RESPONSE:**

Confirmed.



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**MH/COALITION I-7**

**REFERENCE:**

Pre-filed Evidence of Kelly Derksen

**PREAMBLE:**

On Page 57-58 Ms. Derksen states:

“The result is a dichotomy. The results of PCOSS24 show that the Residential class is effectively paying its share of costs. On this basis, the question becomes why should the fact that the largest GSL classes who significantly benefit from high NER in the current year, lower allocated Net Income, and a higher benefit from lower government payments, result in a material 1% rate differential spread from the Residential class? This really has nothing to do with class cost responsibility, but simply a result of the mechanics of the COS study.”

**QUESTION:**

- a) Please describe and quantify how the largest GSL classes benefit from lower allocated Net Income in PCOSS24
- b) Please identify any mechanics of the COS study that are not consistent with class cost responsibility.
- c) Explain how rate differentiation based on the results of the COS study is not consistent with class cost responsibility.

**RESPONSE:**

- a) All else equal, because Net Income is allocated on the basis of total investment, an increase in Net Income will impact the Residential Class to a more significant degree compared to the GSL class.
- b) Please see the response to PUB/Coalition I-3.

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c) Please see the response to PUB/Coalition I-3 and I-6.

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**MH/COALITION I-8**

**REFERENCE:**

Pre-filed Evidence of Kelly Derksen

**PREAMBLE:**

**Table 11:**

	PCOSS24 RCC	PCOSS24 RCC Without Water Rental & PGF Reduction	PCOSS24 Benefit of Lower Water Rentals & PGF
Residential	94.4%	94.8%	0.4%
GSS ND	109.7%	109.9%	0.2%
GSS D	101.8%	101.8%	0.0%
GSM	100.3%	100.1%	0.2%
GSL 0-30	97.9%	97.4%	0.5%
GSL 30-100	112.4%	110.7%	1.7%
GSL>100	113.2%	111.2%	2.0%
ARL	108.2%	110.9%	2.7%

On Page 31 Ms. Derksen states:

“The sensitivity demonstrates the disproportion benefit provided to some customer classes. In PCOSS24, the Residential Class RCC benefits by 0.4%, while the RCC of the GSL>100kV and the ARL classes benefit by 2.0% and 2.7%, respectively.”

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**QUESTION:**

The calculation of “PCOSS24 Benefit of Lower Water Rentals & PGF” provided in Table 11 does not distinguish between positive and negative changes in class RCC. Please correct the values in Table 11 and any conclusion based on this calculation.

**RESPONSE:**

Please see the updated Table 11 below. As indicated in Ms. Derksen’s evidence, there is a counter-intuitive disbenefit of 0.4% to the Residential class as a result of the reduction of the Water Rental and PGF payments of approximately \$180 million annually. Conversely, most other classes benefit, with the GSL classes benefitting between 1.7% - 2.7%.

	<b>PCOSS24 RCC</b>	<b>PCOSS24 RCC Without Water Rental &amp; PGF Reduction</b>	<b>PCOSS24 Benefit of Lower Water Rentals &amp; PGF</b>
Residential	94.4%	94.8%	<b>-0.4%</b>
GSS ND	109.7%	109.9%	-0.2%
GSS D	101.8%	101.8%	0.0%
GSM	100.3%	100.1%	0.2%
GSL 0-30	97.9%	97.4%	0.5%
GSL 30-100	112.4%	110.7%	1.7%
GSL>100	113.2%	111.2%	2.0%
ARL	108.2%	110.9%	2.7%

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**MH/COALITION I-9**

**REFERENCE:**

Pre-filed Evidence of Kelly Derksen

**PREAMBLE:**

On page 41:

**Table 12:**

	Marginal Cost @ Class LF (cents/kWh)	Avg Rev (cents/kWh)	Rev/MC (%)	Marginal Cost @ Class LF (cents/kWh)	Avg Rev (cents/kWh)	Rev/MC (%)
	2017/18 GRA			2023/24 GRA		
	Total MC			Total		
Residential	9.13	8	87.6	6.61	10.27	155.4
GSS ND	8.63	8.6	99.6	6.36	10.32	162.2
GSS D	8.48	6.85	80.7	6.30	8.81	139.8
GSM	8.3	5.98	72.1	6.10	7.97	130.5
GSL 0-30	8.07	5.14	63.7	6.00	6.66	111.1
GSL 30-100	6.68	4.43	66.3	5.27	5.54	105.2
GSL>100	6.67	4.01	60.1	5.26	5.13	97.5
ARL						

**QUESTION:**

Please provide references for the source and the calculation of the “2017/18 GRA Total MC” shown in Table 12.

**RESPONSE:**

Please see the response to PUB/Coalition I-3 (a).

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**MH/COALITION I-10**

**REFERENCE:**

Pre-filed Evidence of Kelly Derksen

**PREAMBLE:**

On pages 4-5 Ms. Derksen states:

“The deficiencies in MH’s rate differentiation proposals include: (i) not considering the overall bigger picture of a large vertically integrated electric utility with billions of dollars of common costs to be allocated; (ii) an anomalous circumstance with record levels of NER and the largely self-correcting situation that RCCs will move into or close to the ZOR within a short period of time; and (iii) failure to consider rate design principles of fairness, equity, efficiency and public acceptability. As per Order 164/14[sic], these considerations are appropriately weighted in the Rate Design phase.”

**QUESTION:**

- a) Please explain Ms. Derksen’s interpretation of Bonbright’s principle of public acceptability and its applicability to the determination of inter-class rate differentiation.
- b) Assuming the statement at page 5 and included in the preamble was meant to refer to Board Order 164/16, please provide references to considerations of public acceptability within that Order.

**RESPONSE:**

Public acceptability is one of the 10 ratemaking criteria as per the seminal work of Dr. Bonbright, as reflected in his 2<sup>nd</sup> Edition on page 384, and as Ms. Derksen outlines in her

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evidence<sup>1</sup>. These 10 principles are widely recognized and accepted by Regulators. One of these 10 principles, as he characterizes as being a practically related attribute is as follows:

- Related attributes of simplicity, certainty, convenience of payment, economy in collection, understandability, “public acceptability”, and feasibility of application.

Public acceptability means that rates and rate changes should be understandable to the “public”, i.e the customers who pay the rates, logical, and that the rates shouldn’t be controversial in terms of interpretation.

Ultimately, these 10 principles, including public acceptability, are about the actual setting of rates as approved by the PUB, which all customers will be required to pay. For Residential customers, it’s not the overall rate revenue increase that MH is proposing of 2% that will be paid by them but rather, if approved by the PUB, it is the differentiated rate increases of 2.4% in 2023/24 and a further 2.4% in 2024/25 that will be payable by the Residential class. Thus, the public acceptability objective is at least as applicable to MH’s proposed rate differentiation as it is to its overall proposed revenue increase.

Further, if approved, this Application represents nearly 9% in rate increases to the Residential class, that these customers will pay despite the record net income expected in 2022/23, record levels of NER, and the significant reduction in the PGF and Water Rental Fee announced by the provincial government of approximately \$180 million annually. In addition to the fact that public acceptability is part of the 10 Bonbright ratemaking objectives that are widely accepted by Regulators, it is exceedingly difficult to conceive that public acceptability is not a matter of concern to the PUB because it was not explicitly identified in Order 164/16.

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<sup>1</sup> Derksen Evidence, April 3, 2023, page 11

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**MH/COALITION I-11**

**REFERENCE:**

Pre-filed Evidence of Kelly Derksen

**PREAMBLE:**

On page 30, Ms. Derksen states:

“Given the high degree of sensitivity that NER has on the large GSL class RCCs, by 2028/29, these classes RCCs will be reasonably close to the ZOR, simply from the MH’s forecasted decline in export revenues, and in the absence of any rate differentiation.”

**QUESTION:**

- a) Please confirm that forecast NER is only one of the factors that will impact RCC results in 2028/29.
- b) Please confirm that if Ms. Derksen’s analysis only includes the change in forecasted NER and no other changes in circumstances or costs that will affect the RCCs in 2028/29 it is not possible to conclude that RCCs “will be reasonably close to the ZOR” in five years.

**RESPONSE:**

- a) Confirmed.
- b) A mechanistic reliance on the results of a COSS to drive rate differentiation necessarily forces considerations beyond the current Test Year in order to understand the variation and oscillations that may occur to class RCC that, all else equal, may result in greater rate instability rather than rate stability.



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**MH/COALITION I-12**

**REFERENCE:**

Pre-filed Evidence of Kelly Derksen

**PREAMBLE:**

On page 43, Ms. Derksen states:

“However, as the Board found in 164/16, marginal cost concepts are appropriate and important tools to assist in both setting the rate levels and establishing the rate design for the various customer classes served by a MH so as to permit a fair recovery of a utility’s embedded cost-based revenue requirement.”

**QUESTION:**

Please provide a specific reference to where in Order 164/16 the Board suggests that marginal costs are “appropriate and important tools to assist in setting rate levels”.

**RESPONSE:**

In Order 164/16, the Board’s finding is:

“Allocating on Winter Coincident Peak and unweighted energy means the COSS methodology no longer includes marginal cost considerations in the allocation of Generation costs. The Board finds that marginal cost considerations are more appropriately addressed in the rate design stage of ratemaking and not the COSS stage...Equity and efficiency are ratemaking goals that should be addressed in a rate-setting process such as a GRA.” (Order 164/16, page 53).

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Stated differently, had the Board found that marginal cost concepts as inappropriate or unimportant, it would not have directed that efficiency should be addressed in the rate-setting process as part of a GRA.

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**MH/COALITION I-13**

**REFERENCE:**

Midgard Consulting Incorporated – Evidence For The Consumers Coalition

**PREAMBLE:**

**QUESTION:**

- a) Please provide a copy of Midgard’s written retainer letter or agreement. Please also provide any instructions received with respect to the retainer.
- b) Did any of Midgard’s team members meet with members or representatives of the Consumers Coalition? If so, what information was provided? If in written or electronic format, please file.
- c) Pg. 6 states that Midgard’s mandate was to “evaluate MH’s Generation, Transmission and Distribution System Capital Investments and related plans in consideration of modern good utility practice in areas of asset management, asset condition and health assessment, risk management, reliability performance, economic optimization and value to ratepayers.”
  - i. Who developed Midgard’s mandate, and in particular, the specific areas identified? Did members or representatives of the Consumers Coalition (i.e., Consumers Association of Canada (Manitoba Branch), Aboriginal Council of Winnipeg and Harvest Manitoba) have input into the mandate or areas identified?
  - ii. Was that the mandate agreed to by Midgard and Public Interest Law Centre and/or the Consumers Coalition? If not, please identify any additional duties or areas identified by Midgard.
  - iii. If areas were identified by Consumers Coalition, please indicate whether the areas were identified collectively, or individually (i.e., Consumers Association of Canada (Manitoba Branch), Aboriginal Council of Winnipeg and Harvest Manitoba). If individually, please identify which areas were identified by which member of the Consumers Coalition.

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- d) Pg. 6 states that Midgard’s mandate was to “evaluate MH’s Generation, Transmission and Distribution System Capital Investments and related plans in consideration of modern good utility practice in areas of asset management, asset condition and health assessment, risk management, reliability performance, economic optimization and value to ratepayers.”
- i. Please confirm that in terms of Midgard’s evaluation, they have not had any discussions with employees of Manitoba Hydro to ask specific questions related to the mandate or areas to be reviewed as stated above.
  - ii. Please confirm that Midgard has not attended Manitoba Hydro property to personally see the condition of Manitoba Hydro’s assets.

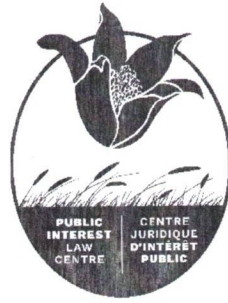
**RESPONSE:**

- a) The initial January 30, 2023 retainer agreement and the amending agreement dated March 15, 2023 between PILC and Midgard Consulting Inc. are provided as MH/COALITION I-13(a) Attachment 1 and Attachment 2. No instructions beyond what is detailed within the attached retainer agreements were provided to Midgard.
- b) On April 18, 2023, Midgard participated in a meeting with representatives of the Consumers Coalition member organizations and Consumers Coalition legal counsel. The purpose of the meeting was to provide a brief presentation, lasting approximately 10 minutes, which provided an overview of Midgard's evidentiary filing for this proceeding. After the presentation, the members and representatives were given an opportunity to ask questions of Midgard as needed. Please refer to the attached presentation slide deck for further information, which is provided as MH/COALITION I-13(b) Attachment 1.
- c) (i), (ii) The statement of Midgard’s “mandate” as referenced on page 6 of its report was determined by Midgard exercising professional judgment in the interpretation of instructions set out in its retainer agreement.

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- (iii) Please see the response to MH/Consumers Coalition I-1(c)(iii).
- d) (i) Confirmed. Midgard has not had any discussions with Manitoba Hydro to ask specific questions related to Midgard's mandate or review.
- (ii) Confirmed. Midgard has not attended Manitoba Hydro property to personally see the condition of Manitoba Hydro's assets. Midgard reviewed and evaluated the evidence provided by Manitoba Hydro in this proceeding. Midgard relied on Manitoba Hydro's evidence and interrogatory responses regarding the condition of its assets and the state of its asset management program.



Writer's direct line: 204-985-8533  
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January 30, 2023

Mr. Chris Oakley  
Mr. Peter Helland  
Midgard Consulting Inc.  
1130 W Pender Street, Suite 828  
Vancouver, BC V6E 4A4

Sent via email: [coakley@midgard-consulting.com](mailto:coakley@midgard-consulting.com)  
[phelland@midgard-consulting.com](mailto:phelland@midgard-consulting.com)

Dear Mr. Oakley and Mr. Helland:

**Re: Manitoba Hydro 2023/24 & 2024/25 General Rate Application**

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I am writing on behalf of the Manitoba Branch of the Consumers' Association of Canada (CAC Manitoba), the Aboriginal Council of Winnipeg, and Harvest Manitoba to retain you for services in support of their joint intervention as the 'Consumers Coalition' in the Manitoba Hydro 2023/24 & 2024/25 General Rate Application (GRA) before the Manitoba Public Utilities Board (PUB).

**Background**

Manitoba Hydro filed a GRA on November 15, 2022 seeking confirmation of the January 1, 2022 3.6% interim rate increase and 3.5% rate increases effective September 1, 2023 and April 1, 2024. Following the government of Manitoba's announcement of reductions to Manitoba Hydro's water rental and debt guarantee fees, the corporation reduced its requested rate increases for 2023 and 2024 to 2.0%.

Our clients have long represented the interests of Manitoba Hydro's residential customer class in regulatory proceedings before the PUB. Their application to intervene in this proceeding was approved in the Board's December 8, 2022 Procedural Order.

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Supported By The Manitoba Law Foundation And  
Members Of The Manitoba Bar Association

100-287 Broadway, Winnipeg, Manitoba, R3C 0R9  
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The Consumers Coalition intends to vigorously test all evidence put forward by Manitoba Hydro in support of its rate application.

### **Scope of Work**

By this letter, we retain you on behalf of the Consumers Coalition for support of its Intervention in the Manitoba Hydro 2023/24 and 2024/25 GRA. Based on your experience and expertise, your work will address issues related to Manitoba Hydro's capital asset management practices and related plans relating to both new and sustaining capital, including an assessment of the extent to which Manitoba Hydro's practices are consistent with best practice and/or are returning value to its customers.

### **Your Tasks**

In relation to the topics identified above, you will be provide the following:

- Draft First Round Information Requests;
- Draft Second Round Information Requests following review of Manitoba Hydro's responses to First Round Information Requests;
- Preparation of a case theory memo identifying and explaining your views on priority issues within your areas of focus for the Consumers Coalition; and
- Support for legal counsel and our clients in preparing for and participating in the hearing, including through participation in briefing meetings and preparation of briefing notes upon request.

Please note that this retainer agreement does not contemplate the preparation of independent expert evidence or your participation in the hearing as an independent expert witness. Any amendments to the tasks or scope of work described above must be agreed to in writing.

Please also note that deadlines for the above tasks will be determined by agreement on an ongoing basis. However, for your information, we direct your attention to the approved hearing timetable found at Appendix A to PUB Order 130/22 for detailed information about the PUB's deadlines.

### **Duty to the Public Utilities Board**

Is it your duty to provide evidence that:

- is fair, objective and non-partisan;
- is related only to matters that are within your area of expertise; and





- to provide such additional assistance as the Public Utilities Board may reasonably require to determine an issue.

**Financial Terms**

We estimate that the work described above will require no more than 240 hours of your team members' time at a rate of \$219.00 per hour for a total value of \$52,560.00. This amount cannot be exceeded without written authorization. In the event you anticipate being unable to complete the work described above within this time estimate, we ask that you please bring this to our attention with as much notice as possible.

We propose to pay 25% of the total estimated value of this agreement on receipt of a signed copy of this retainer agreement. We propose to pay an additional 25% following the filing of independent expert evidence, if any. Following the conclusion of the hearing, we propose to pay the difference between all amounts paid to date and 75% of the total value of this agreement. All remaining amounts will then be payable contingent on a successful application for final costs by the Consumers Coalition.

**Invoices and Reporting**

We will require invoices accompanied by detailed time sheets itemizing the date, a brief description of the task, and the number of hours spent (rounded to one decimal place) for each task undertaken. As you may know, PILC is GST exempt (#R107863847).

**Conclusion**

If you find the terms of this retainer acceptable, please sign and return to my attention one copy of this letter. We recommend that you also retain a copy for your own records.

Thank you,



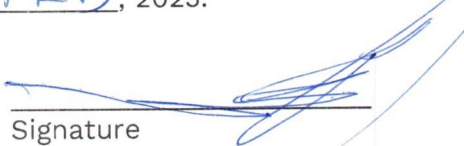
Byron Williams  
Director

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I accept the terms of this retainer this 3 day of FEB, 2023.

PETER HELLAND

Name (printed)\*

Signature 

\*I am authorized to bind Midgard Consulting Inc.







Writer's direct line: 204-985-8533  
Email: [bywil@legalaid.mb.ca](mailto:bywil@legalaid.mb.ca)

March 15, 2023

Mr. Chris Oakley  
Mr. Peter Helland  
Midgard Consulting Inc.  
1130 W Pender Street, Suite 828  
Vancouver, BC V6E 4A4

*Sent via email: [coakley@midgard-consulting.com](mailto:coakley@midgard-consulting.com)  
[phelland@midgard-consulting.com](mailto:phelland@midgard-consulting.com)*

Dear Mr. Oakley and Mr. Helland:

**Re: Manitoba Hydro 2023/24 & 2024/25 General Rate Application**

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On behalf of the Manitoba Branch of the Consumers' Association of Canada (CAC Manitoba), the Aboriginal Council of Winnipeg and Harvest Manitoba, I write to amend the terms of your retainer agreement dated January 30, 2023 regarding your services in support of their joint intervention as the 'Consumers Coalition' in the Manitoba Hydro 2023/24 & 2024/25 General Rate Application (GRA) before the Manitoba Public Utilities Board (PUB).

The amendments to your retainer described below will add to your tasks (1) the preparation of an independent report presenting an assessment of matters identified in your January 30, 2023 retainer agreement as within the scope of your review, and (2) appearance before the PUB during the oral hearing to provide oral evidence.

**Additions to your Assignment**

Your January 30, 2023 retainer agreement provided a bulleted list identifying the elements of your assignment. This list is reproduced here with two new tasks added in underlined text below:

**AN INDEPENDENT OFFICE OF LEGAL AID MANITOBA**  
**L'AIDE JURIDIQUE DU MANITOBA**  
Supported By The Manitoba Law Foundation And  
Members Of The Manitoba Bar Association

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tel 204.985.8540 fax 204.985.8544  
e-mail [centre@pilc.mb.ca](mailto:centre@pilc.mb.ca)



- Draft First Round Information Requests;
- Draft Second Round Information Requests following review of Manitoba Hydro's responses to First Round Information Requests;
- Preparation of a case theory memo identifying and explaining your views on priority issues within your areas of focus for the Consumers Coalition;
- Support for legal counsel and our clients in preparing for and participating in the hearing, including through participation in briefing meetings and preparation of briefing notes upon request.
- Prepare an independent report to be filed as evidence with the PUB assessing matters within the scope of your review of Manitoba Hydro's GRA filing; and
- Provide oral evidence and participate in cross-examination in the PUB hearing of Manitoba Hydro's GRA.

### **Scope of Work**

The scope of your review is not amended by this letter and remains, as stated in your January 30, 2023 retainer, as follows:

Based on your experience and expertise, your work will address issues related to Manitoba Hydro's capital asset management practices and related plans relating to both new and sustaining capital, including an assessment of the extent to which Manitoba Hydro's practices are consistent with best practice and/or are returning value to its customers.

### **Duty to the Public Utilities Board**

Your duty to the Public Utilities Board is not amended by this letter and remains, as stated in your January 30, 2023 retainer to provide evidence that:

- is fair, objective and non-partisan;
- is related only to matters that are within your area of expertise; and
- to provide such additional assistance as the Public Utilities Board may reasonably require to determine an issue.

### **Financial Terms**

It is estimated that the additional tasks assigned by this letter will increase the total value of your retainer to an amount not exceeding \$117,032.00.



We also note that the PUB tariff rate for engineering services increased effective January 1, 2023.<sup>1</sup>

Neither the payment schedule nor other financial terms are amended by this letter.

**Conclusion**

If you find the terms of this amendment to your retainer acceptable, please sign and return to my attention one copy of this letter. We recommend that you also retain a copy for your own records.

Thank you,



Byron Williams  
Director

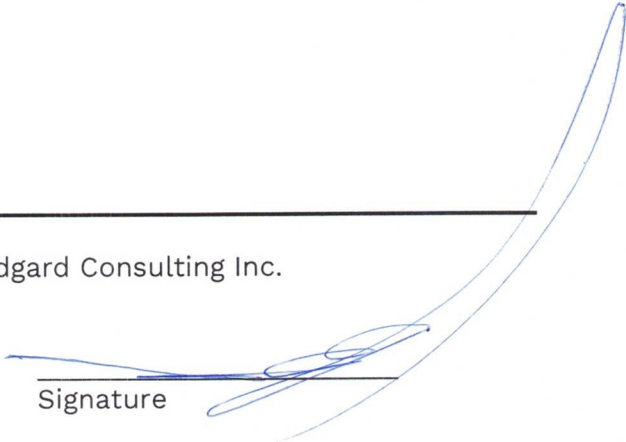
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I accept the terms of this retainer on behalf of Midgard Consulting Inc.

Peter Helland

Name (printed)\*

\*I am authorized to bind Midgard Consulting Inc.



Signature

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<sup>1</sup> <http://www.pubmanitoba.ca/v1/about-pub/pubs/maximumrateschedule2023.pdf>



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**MH/COALITION I-14**

**REFERENCE:**

Midgard Consulting Incorporated – Evidence For The Consumers Coalition

**PREAMBLE:**

**QUESTION:**

Page 7 and 85 of Midgard’s report provide a list of conclusions and recommendations. For each conclusion and recommendation, please identify the name and qualification of each person who worked on each of the conclusion and recommendation, including a list of the previous projects or proceedings which the individual participated in related to the topic and his/her role in the project or proceeding (if not already provided).

**RESPONSE:**

All conclusions and recommendations on pages 7 and 85 of Midgard’s report are attributable to Chris Oakley and Peter Helland. The qualifications of Chris Oakley and Peter Helland are provided in Section 2.3 of the Midgard evidence and their resumes are on the record of this proceeding at pdf pages 48-59 of Exhibit CC-1.

Table 1 below summarizes the regulatory filings that the authors Chris Oakley and Peter Helland have been involved in that included assessments of utility asset management practices.

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**MH/COALITION I-14 Table 1: Midgard Summary of Experience – Regulatory Processes with Asset Management Practice**

Company	Regulatory Filing	Description	P. Helland	C. Oakley
Alberta Utilities Commission	1521942-1: AltaLink SW 240 kV Transmission Developments	<p>Midgard was retained by the Alberta Utilities Commission to complete an assessment of AltaLink’s planning and execution of the southwest 240 kV transmission development project.</p> <ul style="list-style-type: none"> <li>• Reviewed asset management strategy.</li> <li>• In-depth review of all aspects of the 240 kV Transmission Development project, from project outset to in service date</li> <li>• Assessment of variances between forecast and actual costs and all decisions that were made with respect to cost, consultation, schedule, and project scope</li> <li>• Reconciliation and assessment of all project costs incurred from Project outset to final in service</li> <li>• Assessment adequacy of project management decisions and actions with respect to Alberta industry standards and best practices</li> <li>• Audit of all technical and financial aspects of construction execution</li> <li>• Interviews with AltaLink senior management and capital project personnel</li> <li>• C. Oakley sat on a panel for cross-examination</li> </ul>	✓	✓

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Company	Regulatory Filing	Description	P. Helland	C. Oakley
Boralex Ltd.	BCUC Project No. 1599046: 2019-2022 Rates and Terms and Conditions of Service for Boralex LP's Service to BC Hydro	<p>Midgard was retained by Boralex Inc. to prepare an Ocean Falls Hydro cost of service revenue requirement application for filing with the BC Utilities Commission. The application is underpinned by a comprehensive model of the capital and operating costs associated with the generation and distribution systems comprising Boralex's Ocean Falls utility, which was jointly developed by Midgard and Boralex.</p> <p>Midgard reviewed asset management strategies with the client and conducted an on-site facility condition assessment review, which served as an input to preparing a depreciation schedule that was accepted by the BCUC.</p>	✓	✓
Manitoba Hydro-Electric Board	2017/18 & 2018/19 General Rate Application	<p>Reviewed Manitoba Hydro's Generation, Transmission and Distribution Capital Program for the Manitoba Public Utilities Board.</p> <ul style="list-style-type: none"> <li>• Review and assess whether Manitoba Hydro has asset management methodologies that maximize ratepayer value, considering rate impacts and system reliability when developing annual expenditure plans</li> <li>• Identify industry best practices for asset health monitoring and condition assessment and assess whether and</li> </ul>	✓	✓

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Company	Regulatory Filing	Description	P. Helland	C. Oakley
		<p>how Manitoba Hydro follows these practices</p> <ul style="list-style-type: none"> <li>• Review and assess whether and the extent to which Manitoba Hydro complies with ISO 55000 or PAS55 asset management standards</li> <li>• Review and assess the extent to which Manitoba Hydro uses data-driven analytics in its asset management</li> </ul>		
Newfoundland & Labrador Public Utility Board	NLH-PUB-006: 2019 Capital Budget Application Guideline Review	<p>Retained as an expert consultant to perform a review of the NLPUB’s existing Capital Budget Application Guidelines to recommend changes to the existing Guidelines to help improve the overall efficiency and effectiveness of the annual Capital Budget Application processes required under legislation.</p> <ul style="list-style-type: none"> <li>• Reviewed and recommended the asset management data that should be supplied as part of future applications, to determine annual capital budget applications</li> <li>• Explored issues around formalizing and enhancing asset management practices, minimum datasets required to support effective intervention, and how these topics can streamline regulatory arguments</li> </ul>	✓	✓
Nova Scotia Utility and	M08162 – Tusket Falls Main Dam Refurbishment Project	Reviewed Nova Scotia Power’s <i>Tusket Falls Main Dam Refurbishment</i> Application. The site	✓	✓

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Company	Regulatory Filing	Description	P. Helland	C. Oakley
Review Board		<p>consisted of one (1) hydroelectric generating station and four (4) storage reservoirs.</p> <ul style="list-style-type: none"> <li>• Reviewed scope of proposed work, including the total cost estimate and future O&amp;M costs</li> <li>• Reviewed asset management program and practices</li> <li>• Conducted an on-site facility condition assessment review (C. Oakley &amp; his colleague M. Potyok)</li> <li>• Prepared a <i>testimony</i> report</li> </ul>		
Nova Scotia Utility and Review Board	M10197 – Tusket Falls Main Dam Refurbishment Project – Approval to Overspend	<p>Reviewed Nova Scotia Power’s <i>Tusket Falls Main Dam Refurbishment- Approval to Overspend</i> Application.</p> <ul style="list-style-type: none"> <li>• Reviewed the application, its contingency reports, Nova Scotia Power’s Economic analysis model, Nova Scotia Power’s responses, 2020 and 2021 annual capital expenditure plans, and 2020 integrated resource plan.</li> <li>• Provided support in pre-hearing activities and participated in Information Requests</li> <li>• Note: at the time of preparing this document, this Proceeding is ongoing.</li> </ul>	✓	
Nova Scotia Utility and Review Board	M09579- Gaspereau Dam Safety Remedial Works	<p>Reviewed Nova Scotia Power’s <i>Gaspereau Dam Safety Remedial Works</i> Application.</p> <ul style="list-style-type: none"> <li>• Reviewed asset management strategy</li> <li>• Reviewed fiscal proposal entailing justification for original design as well</li> </ul>		✓



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Company	Regulatory Filing	Description	P. Helland	C. Oakley
		<p>as cost estimates including past investments</p> <ul style="list-style-type: none"> <li>• Reviewed overall risk management, specifically evaluating methodological or quantitative approach</li> <li>• Answer the question, “<i>Is NSPI correctly evaluating and minimizing the future financial risk to its ratepayers with the Proposed Option?</i>”</li> <li>• Filed <u>testimony</u></li> </ul>		
Nova Scotia Utility and Review Board	M09596 – Wreck Cove Life Extension and Modernization – Unit Rehabilitation and Replacement	<p>Reviewed Nova Scotia Power’s <i>Wreck Cove Life Extension and Modernization – Unit Rehabilitation and Replacement</i> Application.</p> <ul style="list-style-type: none"> <li>• Reviewed asset management strategy</li> <li>• Justified that it is in the ratepayer’s interest that the life of the assets in question should be extended</li> <li>• Justified that the approach being taken to extend the life of the assets is prudent and cost-effective</li> <li>• Demonstrated that considerable risks involved with executing such a complex project are being appropriately managed</li> <li>• Recommended that the project scope be reduced by \$10M to eliminate unnecessary asset additions, which was accepted in the NSUARB final decision</li> <li>• Prepared and filed <u>testimony</u></li> </ul>		✓

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Company	Regulatory Filing	Description	P. Helland	C. Oakley
Nova Scotia Utility and Review Board	M10013 – Annapolis Tidal Generation Station Retirement	<p>Reviewed Nova Scotia Power Inc.'s (NSPI's) application for the retirement of Annapolis Tidal Generator Station: Request for Accounting Treatment and Net Book Value Recovery for NSUARB's evaluation.</p> <ul style="list-style-type: none"> <li>• Analyzed the technical analysis conducted by NSPI regarding the status of the station.</li> <li>• Reviewed refurbishment options, including electrical and mechanical auxiliary components.</li> <li>• Considered options for replacement, including tidal generation.</li> <li>• Analyzed and reviewed the validity of the decommissioning of the station.</li> <li>• Assessed the viability of disposing of the station.</li> <li>• Analyzed the decision analysis created using Monte Carlo simulation.</li> <li>• Prepared Information Requests to NSPI and reviewed responses</li> <li>• Prepared and filed <i>testimony</i> and responded to Information Requests regarding it.</li> <li>• Participated in hearing,</li> </ul>		✓
Ontario Energy Board	Filing Review for Electricity Distribution Rate Application (Chapter 5 Re-Write)	The OEB engaged Midgard to undertake a review of the " <i>Filing Requirements for Electricity Transmission and Distribution Applications, Chapter 5, Consolidated Distribution System Filing Plan Filing Requirements, March 28 2013</i> " and suggest	✓	✓

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Company	Regulatory Filing	Description	P. Helland	C. Oakley
		consolidation and clarification of language and recommended filing requirements in order promote streamlining and reduce regulatory burden. Deliverables included policy considerations related to the review process, asset management and avoiding gaming followed by a detailed mark-up of the 2013 version of the document.		
Ontario Energy Board	EB-2015-0083: 2016 Electricity Distribution Rates, Custom IR	<p>Reviewed the Distribution System Plan (DSP) for OEB’s evaluation of Kingston Hydro’s Expenditure and Revenue Application:</p> <ul style="list-style-type: none"> <li>• Reviewed system capital assets for the 2016-2020 period, customer growth forecast, aging asset demographics, accommodation of renewable energy generation projects and “smart grid” integration.</li> <li>• Reviewed reliability risk/consequence of failure analyses and risk management approaches.</li> <li>• Provided an Summary Review Report of the Asset Management Plan, Distribution System Plan and forecast Capital Expenditures filed as part of the Application (internal to OEB).</li> <li>• Provided assessment report and responded to technical conference questions.</li> </ul>	✓	✓

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Company	Regulatory Filing	Description	P. Helland	C. Oakley
Ontario Energy Board	EB-2015-0089: 2016 Electricity Distribution Rates, Cost Of Service	Reviewed Distribution System Plan (DSP) for OEB’s evaluation of Milton Hydro’s Expenditure and Revenue Application: <ul style="list-style-type: none"> <li>• Reviewed asset management plans, asset condition assessments, justification of capital expenditure programs</li> <li>• Reviewed load forecasts, stakeholder engagement, risk management</li> <li>• Reviewed integration of renewable technologies and “smart grid” integration.</li> <li>• Provided Information Requests on the DSP application.</li> <li>• Provided an expert summary report of the DSP Capital Expenditure Application.</li> <li>• Provided assessment report and responded to technical conference questions.</li> </ul>		✓
Ontario Energy Board	EB-2015-0074: 2016 Electricity Distribution Rates, Cost Of Service	Reviewed the Distribution System Plan (DSP) for OEB’s evaluation of Halton Hydro’s Expenditure and Revenue Application: <ul style="list-style-type: none"> <li>• Reviewed asset management plans, asset condition assessments, justification of capital expenditure programs and provided Information Requests regarding them.</li> <li>• Reviewed load forecasts, stakeholder engagement, risk management</li> </ul>		✓

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Company	Regulatory Filing	Description	P. Helland	C. Oakley
		<ul style="list-style-type: none"> <li>• Reviewed integration of renewable technologies and “smart grid” integration.</li> <li>• Provided a Provided an Summary Review Report of the Asset Management Plan, Distribution System Plan and forecast Capital Expenditures filed as part of the Application (internal to OEB).</li> </ul>		
Ontario Energy Board	EB-2014-0105: 2016 Electricity Distribution Rates, Cost Of Service	<p>Reviewed the Distribution System Plan (DSP) for OEB’s evaluation of Ottawa River Power’s Expenditure and Revenue Application:</p> <ul style="list-style-type: none"> <li>• Reviewed asset management plans, asset condition assessments, justification of capital expenditure programs and provided Information Requests regarding them.</li> <li>• Reviewed load forecasts, stakeholder engagement, risk management.</li> <li>• Reviewed integration of renewable technologies and “smart grid” integration.</li> <li>• Provided a Summary Review Report of the Asset Management Plan, Distribution System Plan and forecast Capital Expenditures filed as part of the Application (internal to OEB).</li> </ul>		✓
Ontario Energy Board	EB-2016-0061: 2017 Electricity Distribution Rates, Cost Of Service	<p>Reviewed the Distribution System Plan (DSP) for OEB’s evaluation of Niagara Power’s Expenditure and Revenue Application:</p> <ul style="list-style-type: none"> <li>• Reviewed asset management plans, asset condition assessments,</li> </ul>		✓

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Company	Regulatory Filing	Description	P. Helland	C. Oakley
		<p>justification of capital expenditure programs and provided Information Requests regarding them.</p> <ul style="list-style-type: none"> <li>• Reviewed load forecasts, stakeholder engagement, risk management.</li> <li>• Reviewed integration of renewable technologies and “smart grid” integration.</li> <li>• Provided a Summary Review Report of the Asset Management Plan, Distribution System Plan and forecast Capital Expenditures filed as part of the Application (internal to OEB).</li> </ul>		
Ontario Energy Board	Eb-2016-0160: 2017-18 Transmission Rates, Cost Of Service	<p>Reviewed the 2017 and 2018 Transmission Cost-of-Service Application and Evidence filing for Hydro One Networks Inc.</p> <ul style="list-style-type: none"> <li>• Reviewed Asset Management Process, and Hydro One’s system forecast developments for the 2017-2018 test period, including sustaining capital, development capital, operations capital, and common corporate costs.</li> <li>• Provided a Summary Review Report of the Asset Management Plan, Distribution System Plan and forecast Capital Expenditures filed as part of the Application (internal to OEB).</li> <li>• Assisted Ontario Energy Board preparing questions for the technical conference and hearing cross-examination.</li> </ul>	✓	✓

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Company	Regulatory Filing	Description	P. Helland	C. Oakley
Ontario Energy Board	EB-2016-0058: 2017 Electricity Distribution Rates, Cost Of Service	Reviewed the Distribution System Plan (DSP) for OEB’s evaluation of Brantford Power’s Expenditure and Revenue Application: <ul style="list-style-type: none"> <li>• Reviewed system capital assets for the 2017-2021 period, customer growth forecast, aging asset demographics, accommodation of renewable energy generation projects and “smart grid” integration.</li> <li>• Reviewed reliability risk/consequence of failure analyses and risk management approaches.</li> </ul>		✓
Ontario Energy Board	EB-2016-0105: 2017 Electricity Distribution Rates, Cost Of Service	Reviewed the Distribution System Plan (DSP) for OEB’s evaluation of Thunder Bay Hydro’s Expenditure and Revenue Application: <ul style="list-style-type: none"> <li>• Reviewed system capital assets for the 2016-2020 period, customer growth forecast, aging asset demographics, accommodation of renewable energy generation projects and “smart grid” integration</li> <li>• Reviewed reliability risk/consequence of failure analyses and risk management approaches</li> </ul>		✓
Ontario Energy Board	EB-2016-0110: 2017 Electricity Distribution Rates, Cost Of Service	Reviewed the Distribution System Plan (DSP) for OEB’s evaluation of Welland Hydro-Electric System Corp.’s Expenditure and Revenue Application: <ul style="list-style-type: none"> <li>• Reviewed system capital assets for the 2017-2021 period, customer growth forecast, aging asset demographics,</li> </ul>		✓

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Company	Regulatory Filing	Description	P. Helland	C. Oakley
		accommodation of renewable energy generation projects and “smart grid” integration <ul style="list-style-type: none"> <li>• Reviewed reliability risk/consequence of failure analyses and risk management approaches</li> </ul>		
Ontario Energy Board	EB-2017-0049: 2018-2022 Electricity Distribution Rates, Year One Custom IR	Reviewed the Distribution System Plan (DSP) for OEB’s evaluation of Hydro One’s Expenditure and Revenue Application: <ul style="list-style-type: none"> <li>• Reviewed electricity distribution rates for 2018 base revenue requirement and retail transmission service charge</li> <li>• Reviewed Custom Incentive Regulation Model for setting 2019-2022 distribution rates</li> <li>• Reviewed specific services charges, rate riders, creation of new customer classes, and continuation, creation, and disposition of specified regulatory accounts.</li> </ul>	✓	✓
Ontario Energy Board	EB-2017-0024: 2018 Electricity Distribution Rates	Reviewed the Distribution System Plan (DSP) for OEB’s evaluation of Welland Hydro-Electric System Corp.’s Expenditure and Revenue Application: <ul style="list-style-type: none"> <li>• Reviewed system capital assets for the 2017 Capital Module Revenue Requirement Application, customer growth forecast, aging asset demographics, accommodation of renewable energy generation projects and “smart grid” integration</li> </ul>		✓



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Company	Regulatory Filing	Description	P. Helland	C. Oakley
		<ul style="list-style-type: none"> <li>Reviewed reliability risk/consequence of failure analyses and risk management approaches</li> </ul>		
Ontario Energy Board	EB-2017-0073: 2018 Electricity Distribution Rates	Reviewed the Distribution System Plan (DSP) for OEB’s evaluation of Sioux Lookout Hydro’s Expenditure and Revenue Application: <ul style="list-style-type: none"> <li>Reviewed system capital assets for the 2018-2022 period, customer growth forecast, aging asset demographics, accommodation of renewable energy generation projects and “smart grid” integration</li> <li>Reviewed reliability risk/consequence of failure analyses and risk management approaches</li> </ul>		✓
Ontario Energy Board	EB-2017-0039: 2018 Electricity Distribution Rates	Reviewed the Distribution System Plan (DSP) for OEB’s evaluation of Essex Powerline’s Expenditure and Revenue Application: <ul style="list-style-type: none"> <li>Reviewed system capital assets for the 2018-2022 period, customer growth forecast, aging asset demographics, accommodation of renewable energy generation projects and “smart grid” integration</li> <li>Reviewed reliability risk/consequence of failure analyses and risk management approaches</li> </ul>		✓
Ontario Energy Board	EB-2017-0038: 2018 Electricity Distribution Rates	Reviewed the Distribution System Plan (DSP) for OEB’s evaluation of Erie Thames Powerline’s Expenditure and Revenue Application:	✓	✓

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Company	Regulatory Filing	Description	P. Helland	C. Oakley
		<ul style="list-style-type: none"> <li>• Reviewed system capital assets for the 2018-2022 period, customer growth forecast, aging asset demographics, accommodation of renewable energy generation projects and “smart grid” integration</li> <li>• Reviewed reliability risk/consequence of failure analyses and risk management approaches</li> </ul>		
Ontario Energy Board	EB-2018-0218: 2019 Revenue Requirement	<p>Reviewed the Distribution System Plan (DSP) for OEB’s evaluation of Hydro One Sault Ste. Marie Inc. (“HOSSM”) revenue requirement for 2019-2026 Application:</p> <ul style="list-style-type: none"> <li>• Reviewed HOSSM’s assessment management and investment plan including capital projects and programs, asset health indexes, and asset condition assessment.</li> <li>• Reviewed HOSSM’s performance management including reliability metrics and scorecard</li> <li>• Reviewed revenue cap index framework components and revenue requirement calculation methodology.</li> <li>• Reviewed HOSSM’s various regulatory deferral/variance accounts</li> <li>• Reviewed HOSSM’s rate design and rates including the calculations of the UTR</li> </ul>	✓	✓

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Company	Regulatory Filing	Description	P. Helland	C. Oakley
Ontario Energy Board	EB-2019-0082: 2020-22 Electricity Transmission Revenue Requirement	<p>Reviewed the Transmission System Plan (TSP) and O&amp;M Costs to support OEB’s evaluation of Hydro One’s Cost of Service Revenue Requirement Application (2017 to 2019; \$1.5B per year in Revenue Requirements and \$1B+ in annual Capital Expenditures).</p> <ul style="list-style-type: none"> <li>• Reviewed load and customer growth forecasts, asset demographics &amp; performance, accommodation of anticipated renewable energy projects and “smart grid” development.</li> <li>• Reviewed reliability risk/consequence of failure analyses and risk management approaches</li> </ul>	✓	✓
Ontario Energy Board	EB-2019-0032: 2020 Electricity Distribution Rates	<p>Reviewed the Distribution System Plan (DSP) for OEB’s evaluation of ENWIN Utilities’ Expenditure and Revenue Application:</p> <ul style="list-style-type: none"> <li>• Reviewed system capital assets for the 2020-2024 period, customer growth forecast, aging asset demographics, accommodation of renewable energy generation projects and “smart grid” integration</li> <li>• Reviewed reliability risk/consequence of failure analyses and risk management approaches</li> </ul>	✓	✓
Ontario Energy Board	EB-2019-0018: 2020 Electricity Distribution Rates	<p>Reviewed the Distribution System Plan (DSP) for OEB’s evaluation of Alectra Utilities’ Expenditure and Revenue Application:</p> <ul style="list-style-type: none"> <li>• Reviewed system capital assets for the 2020-2024 M-Factor Revenue</li> </ul>	✓	✓

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		Requirement Application, customer growth forecast, aging asset demographics, accommodation of renewable energy generation projects and “smart grid” integration <ul style="list-style-type: none"> <li>• Reviewed reliability risk/consequence of failure analyses and risk management approaches</li> </ul>		
Ontario Energy Board	EB-2019-0261: 2021-25 Electricity Distribution Rates	Reviewed the Distribution System Plan (DSP) for OEB’s evaluation of Hydro Ottawa’s Expenditure and Revenue Requirement Application. <ul style="list-style-type: none"> <li>• Reviewed system capital assets for the 2021-2025 period, customer growth forecast, aging asset demographics, accommodation of renewable energy generation projects and “smart grid” integration</li> <li>• Reviewed reliability risk/consequence of failure analyses and risk management approaches</li> </ul>	✓	✓
Ontario Energy Board	EB-2021-0110: 2023-2027 Joint Distribution And Transmission Rates	Assisted the OEB in reviewing Hydro One’s Joint Rate Application “ <i>Review and Assessment of Asset Management and Investment Planning Practices and Plans</i> ” (“HOJRA”).	✓	✓
Ontario Energy Board	EB-2022-0022: 2023 Electricity Distribution Rates	Reviewed the Distribution System Plan (DSP) for OEB’s evaluation of Cooperative Hydro Embrun Inc. (“CHEI”)’s Capital Expenditures and Rate Base calculation methodology for the 2023-2027 period.	✓	✓

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Company	Regulatory Filing	Description	P. Helland	C. Oakley
		<ul style="list-style-type: none"> <li>• Reviewed capacity issues, system reliability and performance, efficiency assessment, renewable energy generation/DER, asset management, and asset condition assessment.</li> </ul>		
Ontario Energy Board	EB-2022-0049: 2023 Electricity Distribution Rates	<p>Reviewed the Distribution System plan, Asset Management Process, and Capital Expenditure Plan for OEB’s evaluation of Milton Hydro Distribution Inc. (“MHDI) for the 2023-2027 period.</p> <ul style="list-style-type: none"> <li>• Reviewed MHDI’s system access investments in new subdivisions, customer connections, and roadway relocations.</li> <li>• Reviewed MHDI’s system renewal investment in overhead distribution replacement, underground distribution replacement, and meter replacement program.</li> <li>• Reviewed MHDI’s system service investment in system automation and expansion.</li> <li>• Reviewed MHDI’s general plant investment in building office equipment, fleet, stores and major tools, and IT Hardware and software.</li> </ul>	✓	✓
British Columbia	2000 West Kootenay Power Annual	Prepared and presented the System Performance segment of WKP annual review		✓

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<b>Company</b>	<b>Regulatory Filing</b>	<b>Description</b>	<b>P. Helland</b>	<b>C. Oakley</b>
Utilities Commission	Performance Based Regulation Review			
Alberta Energy and Utilities Board	1999 & 2000 Alberta Transmission Tariff Hearing (1999)	Representing Alberta Transmission Administrator ESBI Alberta Ltd. – defended need for system reinforcements as part of proposed System Expansion Related Pricing (“SERP”)		✓
Alberta Energy and Utilities Board	Transmission Facilities Right of Way Hearing – Nova Joffre Expansion (1998)	Representing Alberta Transmission Administrator ESBI Alberta Ltd. – defended transmission project need		✓
British Columbia Utilities Commission	Proceeding #921 – BC Hydro Fiscal 2023 to 2025 Revenue Requirements	Midgard intervened on behalf of RCIA and provided expert evidence on the topics of asset management, depreciation, and an evaluation of BC Hydro’s operating costs, particularly on the topic of vegetation management. Provided expert testimony.	✓	✓
British Columbia Utilities Commission	Proceeding #922 – FortisBC Inc. 2021 Long-Term Electric Resource Plan and Long-Term Demand-Side Management Plan	The LTERP presents a long-term plan for meeting the forecast peak demand and energy requirements of customers with demand-side and supply-side resources over the 20-year planning horizon (2021 to 2040). Midgard intervened on behalf of RCIA, providing expert evidence proposing an alternative framework for FortisBC Inc. to enable a comparative evaluation of the performance of alternative	✓	✓

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		resource portfolios under a broad range of credible scenarios to determine the priority of investments needed to achieve an optimal portfolio.		
British Columbia Utilities Commission	Proceeding #965 – BC Hydro 2021 Integrated Resource Plan	<p>BC Hydro’s 2021 IRP took into consideration over a 20-year time frame the decision for the integrated system to meet future electricity needs of their customers. Midgard intervened on behalf of RCIA by providing multiple of IRs as well as expert evidence on forecasting risks and system reliability to further assist the BCUC with their decision in this proceeding.</p> <p>At the time of preparing this IR response, this proceeding is ongoing before the BCUC.</p>	✓	✓
British Columbia Utilities Commission	Proceeding #911 – FortisBC Inc. 2022 Annual Review of Rates	Midgard intervened on behalf of RCIA, representing residential consumers who use FBC's electrical services and are impacted by the 2022 annual review of rates and its proposed rate increase, through a broad-based review of FBC’s O&M and capital expenditures.	✓	✓
British Columbia Utilities Commission	Proceeding #1017 – FortisBC Inc. 2023 Annual Review of Rates	Midgard intervened on behalf of RCIA, representing residential consumers who use FBC's electrical services and are impacted by the 2023 annual review of rates and its		✓

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		proposed rate increase, through a broad-based review of FBC's O&M and capital expenditures.		
British Columbia Utilities Commission	Proceeding #910 – FortisBC Energy Inc. 2022 Annual Review of Delivery Rates	Midgard intervened on behalf of RCIA, representing residential consumers who use FBC's natural gas services and are impacted by the 2022 annual review of rates and its proposed rate increase, through a broad-based review of FBC's O&M and capital expenditures.		✓
British Columbia Utilities Commission	Proceeding #1018 – FortisBC Energy Inc. 2023 Annual Review of Delivery Rates	Midgard intervened on behalf of RCIA, representing residential consumers who use FBC's natural gas services and are impacted by the 2023 annual review of rates and its proposed rate increase, through a broad-based review of FBC's O&M and capital expenditures.		✓
British Columbia Utilities Commission	Proceeding #836 – BC Hydro Fiscal 2022 Revenue Requirements Application	Midgard intervened on behalf of RCIA, including reviewing O&M costs (e.g., vegetation management), asset management practices and capital investment decisions.	✓	✓
British Columbia Utilities Commission	Proceeding #831 – Creative Energy 2021 Revenue Requirements for the Core Steam System	Midgard intervened on behalf of RCIA, including reviewing O&M costs (e.g., vegetation management), asset management practices and capital investment decisions.		✓
British Columbia	Proceeding #840 – Nelson Hydro 2021 General Rate Increase	Midgard intervened on behalf of RCIA, including reviewing O&M costs (e.g.,		✓



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Company	Regulatory Filing	Description	P. Helland	C. Oakley
Utilities Commission		vegetation management), asset management practices and capital investment decisions.		
British Columbia Utilities Commission	Proceeding #1071 – Creative Energy 2023 RRA for the Core TES	This proceeding has recently started. Midgard is intervening on behalf of RCIA, including reviewing O&M costs asset management practices and capital investment decisions.		✓

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**MH/COALITION I-15**

**REFERENCE:**

Section 4, p.18 and Section 10, p. 85

**PREAMBLE:**

At page 18 Midgard states:

“today’s overbuilt investments take much longer for to absorb as compared to historic overbuilding.”

At page 85 (summary) Midgard states:

“MH has overbuilt its electrical system and is using this overbuilt system to provide superior reliability to its ratepayers.”

**QUESTION:**

Please define ‘overbuilt’ as it is used in this context, and provide some specific example investments, assets or systems including commentary on how they are overbuilt.

**RESPONSE:**

Manitoba Hydro's capital investments should prioritize meeting the reliable service needs of its domestic ratepayers, as they bear the entire cost risk associated with these investments. The needs of these domestic customers can be defined as:

*“In the simplest possible terms, customers want value and are willing to pay for it (limited by their capacity to do so). Electric service is considered valuable by customers, and an attribute of electric service valued by customers is reliability.”*

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*However, reliability is subject to diminishing returns on investment, and achieving perfect reliability would be an imprudent utility target. Similarly, customers expect a certain level of reliability, but their appetite for increasingly high levels of reliability is moderated by the associated rate impacts.”<sup>2</sup>*

Therefore ‘overbuilt’ as used in this context means surplus capital investments (i.e., surplus assets) that are excess to the needs of domestic ratepayers (i.e., assets excess to those required to meet a targeted level of domestic reliability and risk).

Based on the available evidence, a specific example of overbuild appears to be in the DC transmission system. As stated in evidence:

*“And when queried about the customer load that was shed historically due to a Bipole failure the answer was none, but caveats were provided regarding the absence of Keeyask:*

*“MH has not shed customer load outside of curtailable load in the past 5 operating years due to an HVDC outage. Therefore, the answer to this question is none.”<sup>3</sup>*

*“The 5-year timeframe between 2018 and 2023 reflects a unique situation with Bipole III in service with Keeyask Generating Station not fully in commercial service. Future HVDC outage impacts are likely to differ significantly from the past five years as Keeyask Generating Station is coming into full service adding 630 MW of generation capability and thus more power is likely to be delivered through the HVDC system.”<sup>4</sup>*

*But in any case, MH [Manitoba Hydro] correctly identifies the crux of the issue:*

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<sup>2</sup> Exhibit CC-8, Section 9.1, p. 74.

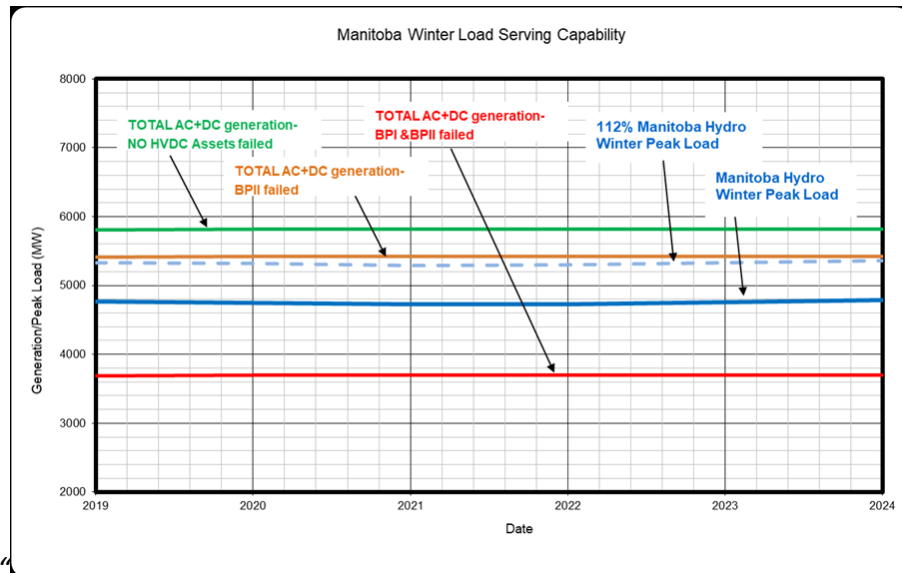
<sup>3</sup> Manitoba Hydro response to IR No. 1, COALITION/MH I-99g.

<sup>4</sup> Manitoba Hydro response to IR No. 1, COALITION/MH I-99h.

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*“Loss of domestic load serving ability depends on the load, the availability of the remaining ac generation and the availability of power for import in the MISO market.”<sup>5</sup>*

*And provides figure and explanatory text that shows with one Bipole failed (in this case Bipole II) all domestic load could be served, and even with two Bipoles failed, Manitoba Hydro could still supply domestic load in most cases:*



*When more HVDC assets fail (ie. BPI&BPII failed) the total AC and DC generation curve could fall below the 112% Manitoba Winter Peak load. This shortfall would not necessarily result in load shedding in Manitoba, if the short fall is not excessive. However, in such conditions, Manitoba will not be assured of being self-sufficient in meeting its load and would have an increased dependence on imports from the MISO market to serve Manitoba load. Import contracts of 950 MW and an import capability up to 1400 MW can be a source of supply to meet this shortfall. However, it is not a*

<sup>5</sup> Manitoba Hydro response to IR No. 1, COALITION/MH I-99e.

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*guaranteed supply from the MISO market for extended periods. In the event that the MISO market is unable to supply the energy required, the Manitoba load may not be adequately supplied.”<sup>6</sup>*

*As a result, the ratepayer impact of a single Bipole failing is near zero, because there is sufficient redundancy in the DC and AC transmission systems to meet domestic loads even at peak times. And consequently, the criticality of the increased failure rates of Bipole I and Bipole II is lower than indicated by MH when focusing on impacts at a system rather than asset level because it would take more than one Bipole failure, and typically more than two Bipole failures to result in an impact to domestic ratepayers.”<sup>7</sup>*

Another specific investment is Manitoba Hydro’s Keeyask Generating Station, which was constructed ahead of domestic customer need. It is possible that it will be a long time before the Keeyask Generating Station is needed to serve domestic loads and Manitoba Hydro acknowledges that the Keeyask project created surplus supply capacity above peak annual domestic demand:

*“Manitoba Hydro confirms that commissioning of the Keeyask project effectively created surplus supply capacity above Manitoba Hydro’s firm obligations, including domestic demand, planning reserve margin requirements, losses and firm export commitments that will extend for years into the future.”<sup>8</sup>*

Another example investment is the Manitoba-Minnesota Transmission Line Project (“MMTP”) which was constructed to serve export markets, not domestic loads as evidenced by the over double firm scheduling limit for exports relative to imports:

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<sup>6</sup> Manitoba Hydro response to IR No. 1, COALITION/MH I-99e.

<sup>7</sup> Exhibit CC-8, Section 7.2.5, p. 56-57.

<sup>8</sup> Manitoba Hydro Response to IR No. 1, COALITION/MH I-113a.

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*“With the completion of the MMTP, the Manitoba to US interface now consists of two 500-kV interconnections plus three 230-kV interconnections. The firm scheduling limit is approximately 2,850 MW for export and 1,400 MW for import.”<sup>9</sup>*

Although Manitoba Hydro acknowledges that MMTP can provide additional import capacity during years where domestic hydro energy is lacking, MMTP is not necessary to meet domestic load despite making available yet another additional path for accessing external market energy:

*“The Manitoba–Minnesota Transmission Project (“MMTP”) was completed in June 2020. The MMTP is a major 500-kV transmission line that interconnects with Minnesota Power’s Great Northern Transmission Line to a station near Grand Rapids, Minnesota. The MMTP enabled the 250 MW System Power Sale and other energy sale/energy exchange agreements with Minnesota Power.”<sup>10</sup>*

Midgard notes that Manitoba Hydro blends assessments of both domestic load and export commitments together in its evaluation of investments, without evaluating if exports are self-sustaining from the perspective of returning the full lifecycle cost of investments made to enable exports to ratepayers:

*“But unfortunately, MH does not appear to evaluate if exports are self-sustaining from the perspective of returning the full lifecycle cost of exports to ratepayers, but rather MH blends evaluations of both domestic load and export commitments together in its evaluation of marginal investments:*

*“Manitoba Hydro uses a single approach to the evaluation of generation investments, which recognizes the obligation to serve Manitoba load, and the value obtained from interaction with external markets (both exports and*

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<sup>9</sup> Application, Tab 5, Section 5.7, p. 36, l. 8-10.

<sup>10</sup> Application, Tab 5, Section 5.7, p. 36, l. 3-7.

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*imports). Manitoba Hydro operates an integrated system in which all available generation resources are operated as required to meet Manitoba load while considering its market interactions on a least cost basis. For this reason, the incremental or marginal generation resulting from any single project is not individually allocated to serving domestic load or export and import market interactions.*

...

*Manitoba Hydro will require additional resources to reliably supply firm load, including the domestic load and firm export sales.”” [footnote removed] <sup>11</sup>*

Manitoba Hydro's approach to system planning is heavily influenced by its export commitments and opportunity sales, which results in an overbuilt system that is excess to the needs domestic customers.

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<sup>11</sup> Exhibit CC-8, Section 3, p. 14.

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**MH/COALITION I-16**

**REFERENCE:**

Section 8, p.69-70

**PREAMBLE:**

At page 69, Midgard states:

“To balance the expected increases in asset failure rates due to aging out, MH should commensurately increase maintenance crew resources available to respond to asset failures in a timely manner, thus both maximizing asset value extraction (i.e., thereby minimizing rates) and minimizing response times (i.e., managing SAIDI in a cost-effective manner).

And Midgard expects that Distribution will need to increase the number of distribution crews servicing poles and pole system asset renewals/replacements.”

**QUESTION:**

Please confirm that it is Midgard’s opinion that increasing maintenance staffing is a valid strategy for Manitoba Hydro to manage the aging asset risk.

If not confirmed, please explain the rationale for not increasing staffing or alternate strategies.

**RESPONSE:**

Increasing maintenance staffing to manage aging asset risk is a valid strategy if the marginal cost of implementing this strategy is less than the equivalent marginal costs of investing in new assets or other mitigation measures. Manitoba Hydro has not provided sufficient evidence to conclusively demonstrate that it adequately considers this trade-off between



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O&M costs (of which maintenance staffing is a component) and capital investments. Based on Manitoba Hydro's statements, it appears to recognize that it must adequately resource its maintenance staff complement to support a run-to-failure asset strategy for specific low risk assets (such as poletop distribution transformers).

*"Manitoba hydro went through a large capital build phase over the last decade and now there is a need to maintain the system, including the new assets added and the aging asset base. In addition to that, Manitoba Hydro is completing planning work preparing for the evolving energy landscape and the future. Work related to planning activities is not deemed a capital expense.*

*As stated in evidence, the strategy of continuing to let some assets run-to-failure is an appropriate strategy, and Midgard agrees that Manitoba Hydro should retain an appropriate maintenance staff complement to support this strategy."*<sup>12</sup>

Midgard does not support Manitoba Hydro adding more maintenance staff than would be required to support specific asset management strategies that maximize customer value versus cost:

*"MH is not incorrect when it states that aging of its distribution assets is leading to overall increases in failure rates of those assets<sup>13</sup>, but Midgard asserts it is also the correct strategy to continue letting some assets run-to-fail (or near failure) because it maximizes the value that is extracted for ratepayers from those assets, minimizes rates, and as demonstrated in **Error! Reference source not found.** has not compromised MH's superior system performance relative to its Canadian utility peers. In short, it is expected that due to aging asset demographics distribution*

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<sup>12</sup> Manitoba Hydro Response to IR No. 1, COALITION/MH I-22c.

<sup>13</sup> In response to MIPUG/MH I-75-d Hydro stated "When considered with the asset renewal rates shown in Appendix 7.5, Manitoba Hydro is confident that aging assets are resulting in increased failures that are resulting in an upwards trend in SAIDI and SAIFI over the past decade."

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*asset renewal investments will increase, but not a step increase of unnecessary pre-emptive replacements, but rather a moderate risk-informed increase coupled with increased numbers of reactive replacement as the assets naturally age out at the end of their lives (i.e., after maximum asset value has been extracted rather than premature replacement). To balance the expected increases in asset failure rates due to aging out, MH should commensurately increase maintenance crew resources available to respond to asset failures in a timely manner, thus both maximizing asset value extraction (i.e., thereby minimizing rates) and minimizing response times (i.e., managing SAIDI in a cost-effective manner).”<sup>14</sup>*

In summary, Midgard agrees that Manitoba Hydro should maintain an adequate maintenance staff complement to support continued application of its historical asset management strategy of running certain assets (e.g., pole top transformers) to failure, provided that the combined associated capital and operating costs represent the lowest cost approach to achieving the service reliability levels desired by ratepayers.

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<sup>14</sup> Exhibit CC-8, Section 8.1, p. 69.

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**MH/COALITION I-17**

**REFERENCE:**

Section 7.2.3, p.43-48

**PREAMBLE:**

On page 48 Midgard states:

“Note that by citing this example, Midgard is not endorsing the parameter weightings, risk ratings and prioritized project list submitted by Enwin in the referenced filing, but Enwin’s quantified asset management-based approach to capital project ranking creates an opportunity for robust and transparent testing of Enwin’s capital plans by the OEB and interveners.”

In Tab 7 of Manitoba Hydro’s General Rate Application, the capital planning process is described, specifically in sections: *7.4.1 We are Continually Improving our Investment Decision Making*, *7.4.2 Our Capital Planning Model Remains the Same* and *7.4.3 Capital Optimization Process used to Achieve an Optimal Balance of Asset Cost, Performance and Risk*.

Manitoba Hydro has an evolved and robust capital planning process, which appears very similar to the Enwin example outlined in Midgard’s evidence Section 7.2.3 How Others do Asset Management and Capital Planning.

**QUESTION:**

Please confirm that Manitoba Hydro applies processes and techniques similar to Enwin regarding capital planning. If not confirmed, please explain with specific examples as to how they are different?

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**RESPONSE:**

Midgard referenced the Enwin case as an example of how modern asset management and risk management practices can enhance the transparency of the value being added by proposed capital spending:

*“Midgard has cited the Enwin case because it provides a simple, clear example of how using modern asset management and risk management processes enables more transparency of the value being added by proposed capital spending, and therefore provides a useful basis for discussion the merits of the capital investments proposed at the lower value margin between a utility, its regulator and interveners in rate applications. If the regulator and interveners have confidence in the utility’s asset management and risk management processes, and if the utility can demonstrate that the marginal projects make sense in the proposed year, all parties should be able to agree that the overall proposed project portfolio should be approved.”<sup>15</sup>*

However, Midgard wishes to reiterate that:

*“Midgard is not endorsing the parameter weightings, risk ratings and prioritized project list submitted by Enwin in the referenced filing, but Enwin’s quantified asset management-based approach to capital project ranking creates an opportunity for robust and transparent testing of Enwin’s capital plans by the OEB and interveners.”<sup>16</sup>*

Regarding the process comparison requested in the interrogatory, Midgard provides the following:

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<sup>15</sup> Exhibit CC-8, Section 7.2.3, p. 48.

<sup>16</sup> Ibid.

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1. Manitoba Hydro's asset information, record keeping, its ability to manage its asset data, and analytics to track progress are lagging:

*"In more direct terms, MH is firmly at an "Awareness" stage (Score = 1.32<sup>17</sup>) with its asset information, record keeping, its ability to manage its asset data, and analytics to track progress. In the future an Asset Information Strategy will improve these areas of deficiency. However, as of today, MH's asset information is of poor quality, lacks the necessary information systems to store, access and utilize the data effectively, and is absent metrics to track and plan improvement. Based on these AMCL findings, Midgard strongly recommends that MH place a focused and sustained effort on improving its Asset Information. As stated before, without good data, the tools (e.g. C55 and decision making frameworks) will be ineffective despite their apparent potential. It is concerning to Midgard that MH is lagging so markedly in this area when Asset Information is the foundational underpinning of all asset decision making."* <sup>18</sup>

2. Manitoba Hydro's risk and review activities are impaired due to a lack of asset information, asset cost models, and Asset Health Indices ("AHI") for key assets:

*"Building on the challenges facing MH's Asset Information discussed above, MH's risk and review activities are consequently so impaired as to be effectively non-existent.*

...

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<sup>17</sup> Manitoba Hydro 2023/24 & 2024/25 General Rate Application, Appendix 7.4, Page 18 of 184

<sup>18</sup> Exhibit CC-8, Section 7.3, p. 61.

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*Based on the AMCL Report findings, MH has plans to improve its risk and review frameworks and tools, but they are often ineffective, absent or siloed in a manner that renders them ineffective for improving asset management practices. In short, MH is firmly in the “Awareness” category in the Risk and Review area, and similar to Asset Information, Midgard is concerned that MH is lagging so markedly in this area given that Risk and Review is foundational to asset decision-making.”<sup>19</sup>*

Additionally:

*“Deficiencies related to a lack of Asset Information are clearly problematic for risk and review, but lacking asset costs models, lacking Asset Health Indices (AHI) for key assets, and having inconsistent AHI between asset classes, renders use of these risk and review inputs pointless. Again, without high quality inputs, MH cannot make high quality asset management decisions, and therefore Midgard strongly recommends risk and review be an area of focused and sustained improvement.*

...

*Since Asset Health Indices are used throughout the organization, and in particular as inputs to C55 and other decision-making frameworks that forecast remaining asset life and maintenance requirements, Midgard highlights two aspects of common concern. Specifically, in many cases MH’s AHIs do not accurately represent asset health or asset condition and therefore are not an accurate indicator of failure*

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<sup>19</sup> Exhibit CC-8, Section 7.4, p. 62.

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*probability. As such, they are not fit for their intended purposes (e.g., as an input to C55 or as support for other asset planning decisions)."*

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The crux of the process issue is not whether Manitoba Hydro employs processes and techniques that appear at a high level to be "similar" to Enwin Utilities. The crux is that the inputs to Manitoba Hydro's processes are poor, and accordingly the outputs are also poor. Regarding the crux of the issue, Midgard provided the following in evidence:

*"During the 2017/18 & 2018/19 General Rate Application Midgard reviewed the planned implementation of Copperleaf C55. Based on that evidence and evidence in the current General Rate Application Midgard is of the same opinion as it was previously. Copperleaf C55 ("C55") is a suitable tool for its intended purpose but that it requires high quality inputs, and surrounding asset decision making structures to yield high quality results. As a result, since C55 is a suitable tool, the remainder of the following discussion will focus on the types of inputs it requires, best practices to achieve those inputs, and deficiencies in MH's inputs. Data deficiencies lead to "garbage-in/garbage-out" problems with MH's asset management decision-making.*

...

*Consequently, although C55 can be an effective tool, its effectiveness is only as good as the data it is fed, and MH's inputs are deficient in areas that impair C55's effectiveness and MH's asset management decision making. The quality of C55's inputs will be discussed further in the next section, with a specific focus on the quality of the probability inputs to C55's risk matrix.*

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<sup>20</sup> Exhibit CC-8, Section 7.4 & 7.4.1, p. 63.

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...

*In more direct terms, MH is firmly at an “Awareness” stage (Score = 1.32<sup>21</sup>) with its asset information, record keeping, its ability to manage its asset data, and analytics to track progress. In the future an Asset Information Strategy will improve these areas of deficiency. However, as of today, MH’s asset information is of poor quality, lacks the necessary information systems to store, access and utilize the data effectively, and is absent metrics to track and plan improvement.*

*Based on these AMCL findings, Midgard strongly recommends that MH place a focused and sustained effort on improving its Asset Information. As stated before, without good data, the tools (e.g. C55 and decision making frameworks) will be ineffective despite their apparent potential. It is concerning to Midgard that MH is lagging so markedly in this area when Asset Information is the foundational underpinning of all asset decision making.*

...

*Building on the challenges facing MH’s Asset Information discussed above, MH’s risk and review activities are consequently so impaired as to be effectively non-existent. AMCL identifies the following findings for the emerging “Awareness” (Score = 1.42) that MH has in risk and review:*

...

*Based on the AMCL Report findings, MH has plans to improve its risk and review frameworks and tools, but they are often ineffective, absent or siloed*

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<sup>21</sup> Manitoba Hydro 2023/24 & 2024/25 General Rate Application, Appendix 7.4, Page 18 of 184



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*in a manner than renders them ineffective for improving asset management practices. In short, MH is firmly in the “Awareness” category in the Risk and Review area, and similar to Asset Information, Midgard is concerned that MH is lagging so markedly in this area given that Risk and Review is foundational to asset decision-making. What is more, establishing objective rather than subjective AHIs for all key assets and transitioning to using economic life to drive decisions were key recommendations of the 2016 UMS Report, and whose present status can be summarized as: MH has done “some” work and plans to do more work in the future:*

*“Manitoba Hydro has some Asset Health Index (AHi) algorithms for the Electric Transmission, Distribution and HVDC systems.”[emphasis added]<sup>22</sup>*

*“Manitoba Hydro identified a need to improve its asset condition assessment methodology for its key assets.”<sup>23</sup>*

*For expected/economic life, ... Manitoba Hydro does not have survival curves for these asset classes. Manitoba Hydro plans to use the in service year and removal information to estimate the survival curves for transformers and wood poles, this work will be completed in summer 2023.”<sup>24</sup>*

*Deficiencies related to a lack of Asset Information are clearly problematic for risk and review, but lacking asset costs models, lacking Asset Health Indices (AHI) for key assets, and having inconsistent AHI between asset classes,*

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<sup>22</sup> Manitoba Hydro 2023/24 & 2024/25 General Rate Application, Appendix 7.4, Page 69 of 184

<sup>23</sup> Manitoba Hydro 2023/24 & 2024/25 General Rate Application, Appendix 7.4, Page 72 of 184

<sup>24</sup> Manitoba Hydro response to COALITION/MH II-83b

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*renders use of these risk and review inputs pointless. Again, without high quality inputs, MH cannot make high quality asset management decisions, and therefore Midgard strongly recommends risk and review be an area of focused and sustained improvement.*

...

*Since Asset Health Indices are used throughout the organization, and in particular as inputs to C55 and other decision-making frameworks that forecast remaining asset life and maintenance requirements, Midgard highlights two aspects of common concern. Specifically, in many cases MH's AHIs do not accurately represent asset health or asset condition and therefore are not an accurate indicator of failure probability. As such, they are not fit for their intended purposes (e.g., as an input to C55 or as support for other asset planning decisions).*

...

*As a result of the AHI deficiencies, they are inconsistently used for decision-making, not always suitable for use in the various asset management tools and frameworks, and are often not fit for intended purpose (e.g., to evaluate asset health), with the following results noted by MH:*

*“Due to missing AHI information from the asset portfolio, the sustainment capital investment plan communicated in Tab 7 is impacted in the following ways:*

- Investment decision-making.*
- Long-term spending targets”<sup>25</sup>*

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<sup>25</sup> Manitoba Hydro response to IR No. 1, COALITION/MH I-100b.

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*This means that without effective AHI, MH's investment decision-making, long-term spending targets, and asset intervention planning is impaired and non-optimized, which leads to higher average lifecycle costs.<sup>26</sup> <sup>27</sup>*

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<sup>26</sup> Manitoba Hydro response to IR No. 1, COALITION/MH I-100b.

<sup>27</sup> Exhibit CC-8, Section 7.2.6, p. 57 to 65.

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**MH/COALITION I-18**

**REFERENCE:**

Section 6 p. 28, Section 7 p.31

**PREAMBLE:**

Midgard refers to “middle age” in several areas of the evidence. “Section 6 – ASSET DEMOGRAPHICS REACHING MIDDLE AGE”, “Section 7 – MIDDLE AGED ASSETS NEED MODERN ASSET MANAGEMENT”

And Midgard states:

“However, MH is not facing an unexpected or unique situation with an aging asset base, nor is a “continuously degrading asset base” a surprise. In fact, the asset base has been continuously degrading since it was installed because that is what the passage of time does to assets. As a result, the fact that MH’s asset demographics are aging and have always been aging does not justify an asset replacement strategy. Instead, Manitoba Hydro, like all other mature North American utilities, needs to better manage the trade-off between investing in its fully or mostly depreciated existing asset base versus replacing it with new assets.”

**QUESTION:**

- a) Please define the criteria for when assets are determined to be in middle age, as it is used in this context.
- b) Please provide specific examples where Manitoba Hydro is not managing... “the trade-off between investing in its fully or mostly depreciated existing asset base versus replacing it with new assets.”
- c) In Midgard’s opinion what drives the strategy from maintaining to replacement of assets?

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**RESPONSE:**

- a) Midgard is using middle-age in the context of three asset demographic patterns:
- 1) New Utility/Rapid Growth (i.e., Manitoba Hydro's pre-1985 years with most of its assets being newly installed);
  - 2) Middle Age – transition from growth to sustainment (i.e., where Manitoba Hydro is today, with an increasingly greater proportion of its original assets reaching end of life for the 1<sup>st</sup> time, and with an increasing share of capital spending directed toward sustainment rather than growth); and
  - 3) Sustainment (i.e., the majority of assets are into sustainment cycles, having reached the end of life one (1) or more times).

For example, Manitoba Hydro's DC system was recently new. BP I and BP II are now in their middle age (BP III is still new). In 50 years all three Bipoles will have transitioned firmly into sustainment phase with effectively all DC assets having experienced one or more sustainment cycles.

- b) In response to IRs discussing increased sustainment spending, Manitoba Hydro states:

*“The increase in capital investment is driven by the current intervention rates on Manitoba Hydro's assets versus the required intervention rates needed to avoid loss of reliability for our customers. This is driven by our aging assets. Without the capital investment increases asset health will continue to degrade resulting in increased risk of failure and rising O&M costs associated with work deferral and cancellation. Increased capital investment spending assists with addressing end of life assets countering the increasing reactive work orders caused from run-to-fail scenarios. Run-to-failure introduces unplanned workloads and strain on Operation and Maintenance divisions.*”

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*Increased sustainment spending will restore life on asset classes and allow allocation of more resources to planned maintenance.”<sup>28</sup>*

Manitoba Hydro is increasing its capital investments as the preferred solution to its aging asset demographics but does not provide evidence that it has prioritized the lowest life-cycle costs for maintaining reliability by performing a quantified tradeoff between increasing O&M costs and increasing capital costs. Increasing its capital investments may mitigate the increased risks of asset failures and rising O&M costs associated with deferred or avoided investments, but capital investments may not provide the lowest lifecycle costs.

Maintenance expenditure increases and unquantified expectations of future trends that could, but are not confidently forecast to materialize, appear to be driving capital investment considerations:

*“Manitoba Hydro is strategically targeting increased maintenance expenditures in the coming years.*

...

*While current performance is above the Electricity Canada averages with respect to distribution metrics, system performance decline is apparent. Maintenance completion rates are a leading indicator of system performance and one that, in many cases, impacts the long-term performance trend. This means that the under-performance of maintenance requires action in the coming years in order to influence and correct future system performance beyond that horizon and prevent performance declines that could otherwise fall below Electricity Canada averages.”<sup>29</sup>*

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<sup>28</sup> Manitoba Hydro Response to IR No. 1, COALITION/MH I-106b(ii), p. 3 of 4.

<sup>29</sup> Manitoba Hydro Response to IR No. 1, COALITION/MH I-23b.

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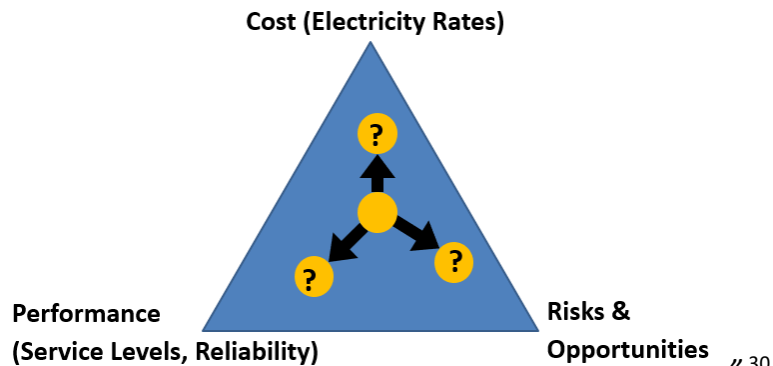
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Manitoba Hydro appears to prefer capital investments to address maintenance issues and changing asset demographics without providing an analysis of full lifecycle cost of these tradeoffs from a ratepayer perspective.

- c) In Midgard’s opinion, the trade-off that should drive the strategy of whether to replace an asset or maintain an asset is the tradeoff of Cost, Service and Risk from a ratepayer perspective:

*“Revenue requirement applications incorporate planned utility rate base additions as an important input to derive the utility revenue requirement. Since rate base additions affect the revenue requirement and consequently the rates paid by ratepayers, regulatory boards must make trade-offs between ratepayer costs (the proposed capital investments which will affect rates), system performance (the expected service quality and reliability impacts of the investments) and risks (the system, safety, environment and economic hazards and opportunities the investments address). This trade-off concept is illustrated in Figure 1.*

*Figure 1: Regulatory Trade-off Between Cost, Performance and Risk*



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<sup>30</sup> Exhibit CC-8, Section 7, p. 31.

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The utility should perform an analysis that demonstrates which O&M option or capital investment option provides ratepayers with the appropriate tradeoff between Cost, Service and Risk. This will require the utility to have a target reliability and risk that it seeks to provide for least cost, as is consistent with the utility's mandate (i.e., Manitoba Hydro's corporate mission):

*"Manitoba Hydro's ("MH") stated corporate mission is to*

*"help all Manitobans efficiently navigate the evolving energy landscape, leveraging their clean energy advantage, while ensuring safe clean, reliable energy at the lowest possible cost.""<sup>31</sup>*

The least cost option will be the options that provide least-cost over the entire lifecycle and includes tradeoffs between O&M options and different types of capital investments. Using a T&D example, the following are options (not an exhaustive list) that could be traded off:

- 1) O&M Option –Vegetation Management: Changes in vegetation management practices to increase or decrease the outages caused by tree contacts (transient or non-transient)
- 2) O&M Options: Maintenance Staffing levels: Maintain staffing levels so that response times to tree contacts and asset failures are kept at acceptable levels.
- 3) Capital Investment – System Enhancement: Investments in remote and automated switching assets so that lines can be remotely sectionalized, reconnected or reconfigured to reduce outage times and impacts.
- 4) Capital Investment – Full Asset Renewal: Replacing aging (degrading condition) distribution lines with new distribution lines.

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<sup>31</sup> Exhibit CC-8, Section 3, p. 13.



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- 5) Capital Investment – Partial Asset Renewal: Replacing aging distribution line components so that the overall asset condition of the facilities is brought up to acceptable levels (e.g., targeted level of probability of asset failure due to condition).
  
- 6) Capital Investment – System Reconfiguration: Economically reconfigure the system to perform better over the asset lifecycle at low incremental cost by leveraging investments driven by factors such as system growth or new load connections.

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**MH/COALITION I-19**

**REFERENCE:**

Pre-filed Evidence of Pelino Colaiacovo

**PREAMBLE:**

**QUESTION:**

For each observation, conclusion and recommendation, please identify the name and qualification of each person who worked on each of the observation, conclusion and recommendation, including a list of the previous projects or proceedings which the individual participated in related to the topic and his/her role in the project or proceeding (if not already provided).

**RESPONSE:**

The Report was drafted by Pelino Colaiacovo, Managing Director, Morrison Park Advisors. Other MPA Utilities Team members commented on draft versions of the Report prior to its completion, but were not responsible for any observations, conclusions or recommendations.

Mr. Colaiacovo's Statement of Qualifications and CV is contained in Appendix I of the Report.

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**MH/COALITION I-20**

**REFERENCE:**

Pre-filed Evidence of Pelino Colaiacovo

**PREAMBLE:**

**QUESTION:**

- a) Please provide a copy of MPA's written retainer letter or agreement. Please also provide any instructions received with respect to the retainer.
- b) Did any of MPA's team members meet with members or representatives of the Consumers Coalition? If so, what information was provided? If in written or electronic format, please file.
- c) Page 9 of MPA's report identifies the issues to be addressed in the report.
  - i. How were the issues identified? How did MPA determine that these issues were important to the members or representatives of the Consumers Coalition?
  - ii. Please advise which issues were identified by MPA, which issues were identified by the Public Interest Law Center, and which issues were identified by the Consumers Coalition. If the issues were identified by Consumers Coalition, please indicate whether the issues were identified collectively, or individually (i.e., Consumers Association of Canada (Manitoba Branch), Aboriginal Council of Winnipeg and Harvest Manitoba). If individually, please identify which issues were identified by which member of the Consumers Coalition.
  - iii. Are there issues which were identified that were similar amongst the members or representatives of the Consumer Coalition? If so, which ones. Please explain.
- d) Are there issues which were identified that were different amongst the members or representatives of the Consumers Coalition?

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**RESPONSE:**

- a) Please see the response to PUB/COALITION I-23.
  
- b) MPA met with Coalition legal counsel in the early stages of the GRA process to discuss the scope of work set out in MPA's retainer agreement. A direct meeting between Coalition legal counsel, Coalition member organizations and the Coalition's independent experts and consultants was held after the April 3, 2023 filing of intervener evidence.
  
- c) and d) MPA's assignment was communicated to MPA in meetings with Coalition legal counsel and confirmed in the terms of its retainer agreement. The issues described on page 9 of the MPA report were identified by MPA through the exercise of professional judgment in interpreting its terms of retainer and informed by past participation in matters before the PUB.

As an independent consultant, MPA is not included in internal discussions amongst members of the Coalition nor in discussions between Coalition members and their legal counsel respecting Coalition priorities, interests or concerns.

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**MH/COALITION I-21**

**REFERENCE:**

Pre-filed Evidence of Darren Rainkie

**PREAMBLE:**

**QUESTION:**

- a) Please provide a copy of Mr. Rainkie's written retainer letter or agreement. Please also provide any instructions received with respect to the retainer.
- b) Did Mr. Rainkie meet with members or representatives of the Consumers Coalition? If so, what information was provided to Mr. Rainkie? If in written or electronic format, please file.
- c) The cover page of Mr. Rainkie's evidence states that it is prepared on behalf of The Consumers Coalition.
  - i. How did Mr. Rainkie determine what issues were important to the members or representatives of the Consumers Coalition or for residential customer class?
  - ii. Please advise whether issues identified in the evidence were identified by Mr. Rainkie, the Public Interest Law Center, and which issues were identified by the Consumers Coalition. If the issues were identified by the Consumers Coalition, please indicate whether the issues were identified collectively, or individually (i.e., Consumers Association of Canada (Manitoba Branch), Aboriginal Council of Winnipeg and Harvest Manitoba). If individually, please identify which issues were identified by which member of the Consumers Coalition.
  - iii. Are there issues which were identified that were similar amongst the members or representatives of the Consumer Coalition? If so, which ones. Please explain.
  - iv. Are there issues which were identified that were different amongst the members or representatives of the Consumers Coalition?

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**RESPONSE:**

- a) Mr. Rainkie's retainer agreement is attached as MH/COALITION I-21(a) Attachment 1.
  
- b) On April 18, 2023, Mr. Rainkie participated in a meeting with representatives of the Consumers Coalition member organizations and Consumers Coalition legal counsel to provide high-level summaries of Manitoba Hydro's application, potential issues to be explored, and the contents of his evidence. Mr. Rainkie did not meet with representatives of the Coalition member organizations prior to the filing of intervener evidence.
  
- c) The issues addressed in Mr. Rainkie's report are a reflection of his exercise of professional judgment in the interpretation of the terms of his retainer.

Please see the response to MH/Consumers Coalition 1-1 c) (iii).



Writer's direct line: 204-985-8533  
Email: [bywil@legalaids.mb.ca](mailto:bywil@legalaids.mb.ca)

January 30, 2023

Darren Rainkie  
39 Edenwood Place  
Winnipeg, MB R3X 0E5

*Sent via email: [darrenrainkie@gmail.com](mailto:darrenrainkie@gmail.com)*

Dear Mr. Rainkie:

**Re: Manitoba Hydro 2023/24 & 2024/25 General Rate Application**

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I am writing on behalf of the Manitoba Branch of the Consumers' Association of Canada (CAC Manitoba), the Aboriginal Council of Winnipeg, and Harvest Manitoba to retain you and Ms. Kelly Derksen for services in support of their joint intervention as the "Consumers Coalition" in the Manitoba Hydro 2023/24 & 2024/25 General Rate Application (GRA) before the Manitoba Public Utilities Board (PUB).

**Background**

Manitoba Hydro filed a GRA on November 15, 2022 seeking confirmation of the January 1, 2022 3.6% interim rate increase and 3.5% rate increases effective September 1, 2023 and April 1, 2024. Following the government of Manitoba's announcement of reductions to Manitoba Hydro's water rental and debt guarantee fees, the corporation reduced its requested rate increases for 2023 and 2024 to 2.0%.

Our clients have long represented the interests of Manitoba Hydro's residential customer class in regulatory proceedings before the PUB. Their application to intervene in this proceeding was approved in the Board's December 8, 2022 Procedural Order.

The Consumers Coalition intends to vigorously test all evidence put forward by Manitoba Hydro in support of its rate application.



## Scope of Work

Recognizing the specific areas of expertise held by the Consumers' Coalition's additional consultants, we retain you and Ms. Kelly Derksen on behalf of the Consumers Coalition to draw on your extensive experience and expertise pertaining to Manitoba Hydro and its regulatory history to provide general critical analysis of Manitoba Hydro's application and its justifications for the proposed rate changes. In addition, your contributions will have particular focus on the following issues and materials:

- Manitoba Hydro's rate requests and other approvals sought in Tab 1 of the Application;
- Manitoba Hydro's short, medium, and long term financial circumstances, including critical review of the Integrated Financial Forecast (IFF) scenario, assessment of its reliability, and support for the proposed and alternate rate paths;
- Role of and changes to financial targets and financial target methodologies in current IFF and as compared to past IFFs;
- Enterprise planning, risk management and corporate strategic planning;
- Load forecasts and energy demand and supply assumptions
- Operating, Maintenance and Administration costs and cost control measures;
- Aspects of Manitoba Hydro's debt management strategy including floating rate debt and sinking fund policy changes;
- Export revenues;
- Cost of Service, rate design and rates; and
- The Corporation's Minimum Filing Requirements respecting the issues listed here.

It is our understanding that while you and Ms. Derksen work collaboratively, she will be primarily responsible for issues related to load forecasts, energy demand and supply assumptions, export revenues, cost of service, and rate design and rates, and that you will be primarily responsible for the remaining issues.

Further, we note that while export revenues is listed above, the PUB or an Intervener may still retain an expert to address this issue. We would ask that you include a general inquiry with respect to export revenues in your scope of work for the time being, recognizing that this may not require your attention later in the process if an individual with specific expertise becomes involved.

There are additional issues which are also within your experience and expertise and as such will be within the scope of your work. However, we note that your work in these areas may overlap with that of other Consumers Coalition consultants or other Interveners. These issues include:

- Manitoba Hydro's debt management strategy;
- Credit rating agency reports;





- Regulatory deferral accounts and asset depreciation;
- Financial targets;
- Asset management; and
- Capital plans.

Due to the potential for duplication, we request that while working on issues relating to these subjects you maintain close communication between your team and us as legal counsel and other consultants as applicable. The purpose of this coordination will be to ensure that we maximize use of complementary skill sets while minimizing duplication of efforts. This will become particularly important later in the process after the completion of first round information requests.

### **Your Tasks**

In relation to the topics identified above, you and Ms. Kelly Derksen will be required to provide the following:

- Draft First Round Information Requests on both Phase 1 and Phase 2 of Manitoba Hydro's Application;
- Draft Second Round Information Requests following review of Manitoba Hydro's responses to First Round Information Requests;
- Preparation of a case theory memo identifying and explaining your views on priority issues for the Consumers Coalition;
- Preparation of independent expert evidence and appearance at the hearing as an independent expert witness; and
- Support for legal counsel and our clients in preparing for and participating in the hearing, including through participation in briefing meetings and preparation of briefing notes upon request.

Any amendments to the tasks or scope of work described above must be agreed to in writing.

Please also note that deadlines for the above tasks will be determined by agreement on an ongoing basis. However, we direct your attention to the approved hearing timetable found at Appendix A to PUB Order 130/22 for detailed information about the PUB's deadlines.

### **Duty to the Public Utilities Board**

Is it your duty to provide evidence that:

- is fair, objective and non-partisan;
- is related only to matters that are within your area of expertise; and
- to provide such additional assistance as the Public Utilities Board may reasonably require to determine an issue.



## Financial Terms

We estimate that the work described above will require no more than 620 hours of your time at a rate of \$267.00 per hour for a total value of \$166,040.00. This amount cannot be exceeded without written authorization. In the event you anticipate being unable to complete the work described above within this time estimate, we ask that you please bring this to our attention with as much notice as possible.

We propose to pay 25% of the total estimated value of this agreement on receipt of a signed copy of this retainer agreement. We propose to pay an additional 25% following the filing of independent expert evidence. Following the conclusion of the hearing, we propose to pay the difference between all amounts paid to date and 75% of the total value of this agreement. All remaining amounts will then be payable contingent on a successful application for final costs by the Consumers Coalition.

## Invoices and Reporting

We will require invoices accompanied by detailed time sheets itemizing the date, a brief description of the task, and the number of hours spent (rounded to one decimal place) for each task undertaken. As you may know, PILC is GST exempt (#R107863847).

## Conclusion

If you find the terms of this retainer acceptable, please sign and return to my attention one copy of this letter. We recommend that you also retain a copy for your own records.

Thank you,



Byron Williams  
Director

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I accept the terms of this retainer this      day of \_\_\_\_\_, 2023.

**[original signed by Darren Rainkie February 16, 2023]**

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Darren Rainkie



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**MH/COALITION I-22**

**REFERENCE:**

Pre-filed Evidence of Darren Rainkie

**PREAMBLE:**

**QUESTION:**

For each conclusion and recommendation listed and as more fully developed in the body of the report, please identify if there were other contributors to the report of Mr. Rainkie. If so, please identify those individuals, their qualifications and what portions of the report were contributed to.

**RESPONSE:**

There were no contributors to the conclusions and recommendations to the report other than Mr. Rainkie.

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**MH/COALITION I-23**

**REFERENCE:**

Pre-filed Evidence of Darren Rainkie

**PREAMBLE:**

On page 9 Mr. Rainkie states:

“a single 1.2% to 1.5% rate increase on April 1, 2024 and similar indicative annual rate increases in the forecast period, together with active cost containment on the part of MH - represent a more appropriate balancing of the interest of customers with the financial health of MH. This range of rate increase is most consistent with MH’s status as a Government Business Enterprise (GBE) with a Provincial debt guarantee and the preliminary and uncertain nature of significant expenditures on Strategy 2040 and related initiatives.”

**QUESTION:**

Aside from the results, of Mr. Rainkie analytical perspective #2, please provide the evidence to support the statement that the rate increases noted in the preamble are “most consistent with MH’s status as a Government Business Enterprise (GBE) with a Provincial debt guarantee.”

**RESPONSE:**

In addition to the result of Mr. Rainkie’s analytical perspective #2, Figure 6 (page 47) of Mr. Rainkie’s evidence demonstrates that MH’s Equity ratio is projected to be 34% by 2041/42 and is improving by 2% per year at that point – thus leading to Mr. Rainkie’s observations in Section 5.5 of his report (pages 46 to 48) that with the MH 2% proposed rate path:

- MH’s capital structure is approaching that of a regulated investor owned utility (IOU) of between 35% and 40%. This capital structure is required for an IOU, as it must issue debt on a stand-alone basis. This contrasts with MH’s status as Government Business

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Enterprise (GBE) with a provincial guarantee of its debt, which does not borrow debt on the basis of its stand-alone financial metrics – but rather through the Province of Manitoba;

- If customers pay for MH’s attainment of an Equity ratio similar to an IOU through higher rate increases, then one of the benefits to customers of MH’s status as a GBE is not being achieved; and
- MH’s capital structure is significantly exceeding the 30% debt ratio target (2039/40) in the new legislative framework to become operative on April 1, 2025, by 4% in 2041/42 (and growing 2% per year). The proposed MH 2% rate path thus will exceed the target prescribed by the Province of Manitoba for rate-setting processes beginning in 2025, and casts doubt whether this rate path represents an appropriate balancing between customers interests and the financial health of MH.

In Section 5.6 (pages 48 to 53) of Mr. Rainkie’s evidence, the PUB policy guidance from Order 59/18 is analyzed, including the PUB findings that the debt to equity ratio is a questionable metric for a vertically integrated monopoly crown utility with a debt guarantee from a Provincial government. This analysis leads to Mr. Rainkie’s observation on page 53 of his evidence that the MH 2% proposed rate path places primary reliance on goal seeking to attain a 30% debt ratio by 2039/40, and does not align well with the PUB policy determinations in Order 59/18, which explicitly consider MH’s status as a GBE with a provincial debt guarantee.

All of the foregoing analysis and observations in Mr. Rainkie’s report, including the expectation of active cost control by MH and a less risk adverse debt management strategy, is relied upon as evidence that a single 1.2% to 1.5% rate increase on April 1, 2024 and similar indicative annual rate increases in the forecast period is most consistent with MH’s status as a Government Business Enterprise (GBE) with a Provincial debt guarantee.

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**MH/COALITION I-24**

**REFERENCE:**

Pre-filed Evidence of Darren Rainkie

**PREAMBLE:**

On page 48 Mr. Rainkie states:

“MH is projected to attain a debt to equity ratio which is approaching the allowed range of IOU’s of 65:35 to 60:40<sup>35</sup>.”

**QUESTION:**

Please provide Figure 64 and Figure 65 from the Concentric Energy Advisors Inc. Cost of Capital Estimation Evidence presented in the January 2022 BCUC Generic Cost of Capital Proceeding that is referenced to support the statements made on page 48.

**RESPONSE:**

Please see below.

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Figure 64:

**Figure 64: Comparison of Authorized Equity Returns**

<b>Operating Utility</b>	<b>Equity Return</b>	<b>Equity Ratio</b>	<b>Weighted ROE</b>
FortisBC Energy Inc. (existing)	8.75%	38.50%	3.37%
FortisBC Energy Inc. (proposed)	10.1%	45.00%	4.55%
ATCO Gas	8.50%	37.00%	3.15%
Enbridge Gas <sup>224</sup>	8.66%	36.00%	3.12%
Energir <sup>225</sup>	8.90%	38.50%	3.43%
Canadian Gas Average	8.69%	37.17%	3.23%
Canadian Gas Median	8.66%	37.00%	3.15%
U.S. Gas LDC Average	9.48%	52.0%	4.93%
U.S. Gas Proxy Group Average	9.45%	53.4%	5.05%

Figure 65:

**Figure 65: Comparison of Authorized Equity Returns**

<b>Operating Utility</b>	<b>Equity Return</b>	<b>Equity Ratio</b>	<b>Weighted ROE</b>
FortisBC Inc. (existing)	9.15%	40.00%	3.66%
FortisBC Inc. (proposed)	10.0%	40.00%	4.00%
ATCO Electric	8.50%	37.00%	3.15%
Nova Scotia Power	9.00%	37.50%	3.38%
Hydro One Ltd.	8.66%	40.00%	3.34%
Newfoundland Power	8.50%	45.00%	3.83%
FortisAlberta	8.50%	37.00%	3.15%
Maritime Electric	9.35%	40.00%	3.74%
Canadian Electric Average	8.75%	39.42%	3.45%
Canadian Electric Median	8.50%	38.75%	3.36%
U.S. Electric Average	9.50%	49.64%	4.72%
U.S. Electric Proxy Group Average	9.59%	49.76%	4.77%

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**MH/COALITION I-25**

**REFERENCE:**

Pre-filed Evidence of Darren Rainkie

**PREAMBLE:**

On page 58 Mr. Rainkie states:

“Over the 5-year period between 2014/15 and 2019/20, O&A expenditures decreased by \$26 million or 4.8% (cumulative inflation during that period was approximately 9.4%<sup>42</sup>).”

**QUESTION:**

Please provide the calculation for the cumulative inflation of 9.4% for the 5-year period stated in the preamble above.

**RESPONSE:**

Mr. Rainkie used the Manitoba CPI data contained in the response to IR Coalition/MH 13 b as indicative of cumulative CPI for the five years from 2015/16 to 2019/20 (1.3%, 1.4%, 1.7%, 2.4% and 2.3%, respectively). His calculation of cumulative CPI of 9.4% over that five year period is as follows:

$$1.013 * 1.014 * 1.017 * 1.024 * 1.023 = 1.094 \text{ or } 9.4\%$$



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**MH/COALITION I-26**

**REFERENCE:**

Pre-filed Evidence of Darren Rainkie

**PREAMBLE:**

On page 62 Mr. Rainkie states:

“Total O&A is forecast to increase \$77 million or 15.0% from the **3-year period** from **2019/20 actual** to the **2022/23 forecast**, a cumulative average growth rate of 5.9% per year.<sup>49</sup>”

**QUESTION:**

Please provide the calculation for the cumulative average growth rate of 5.9% per year, for the 3-year period stated in the preamble above.

**RESPONSE:**

Mr. Rainkie inadvertently used the 5.9% average growth rate in MH O&A for the 3-year period from 2021/22 to 2024/25 from the table in the response to IR Coalition/MH I – 67 g.

The growth rate in MH’s O&A for the 3-year period from 2019/20 to 2022/23 is 4.8% per year based on calculating the 3<sup>rd</sup> root of the 15.0% increase in MH’s O&A costs over that time frame ( $1.048 * 1.048 * 1.048 = 1.151$  or 15%).

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**MH/COALITION I-27**

**REFERENCE:**

Pre-filed Evidence of Darren Rainkie

**PREAMBLE:**

On page 64 Mr. Rainkie states:

“While cumulative inflation over the last 5-year period is forecast by MH to total approximately 12.9%<sup>63</sup>, the majority of MH’s O&A costs relate to wages and salaries that are escalating at much lower annual rates than other types of cost that make up Manitoba CPI.”

**QUESTION:**

Please confirm the reference source for the determination of the 12.9% cumulative inflation for the 5-year period referenced in the preamble above. Additionally, please provide the calculation for the cumulative inflation of 12.9% and which 5-year time period is being referenced.

**RESPONSE:**

Mr. Rainkie used the Manitoba CPI data contained in the response to IR Coalition/MH 13 b (2020/21 and 2021/22) and MFR 19 (2022/23 to 2024/25) as indicative of cumulative CPI for the five years from 2020/21 to 2024/25 (0.3%, 4.6%, 3.3%, 2.3% and 2.1%). His calculation of cumulative CPI of 12.9% over that five year period is as follows, which inadvertently used 2024/25 and 2025/26 instead of 2023/24 and 2024/25:

$$1.003 * 1.046 * 1.033 * 1.021 * 1.020 = 1.129 \text{ or } 12.9\%$$

The calculation should be as follows:

$$1.003 * 1.046 * 1.033 * 1.023 * 1.021 = 1.132 \text{ or } 13.2\%$$

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**MH/COALITION I-28**

**REFERENCE:**

Pre-filed Evidence of Darren Rainkie, Appendix A

**PREAMBLE:**

**QUESTION:**

Please confirm that since 2017, Mr. Rainkie has not worked for or provided consulting services to any vertically integrated electric utility?

**RESPONSE:**

Confirmed. However, as outlined on pages 4 and 5 of his CV (Appendix A of the Evidence), has extensive experience reviewing the rate filings of such utilities during and prior to the time period specified in the request. Mr. Rainkie has provided (1) independent expert evidence and testimony to the Nova Scotia Utility and Review Board with respect to Nova Scotia Power Inc., (2) regulatory consulting services to the BCOAPO ET AL intervenor group with respect to FortisBC Inc. in connection with a British Columbia Utilities Commission proceeding, (3) regulatory consulting services to a industrial intervenor with respect to the New Brunswick Power Corporation in connection with a New Brunswick Energy & Utilities Board proceeding and (4) regulatory consulting services to legal counsel for an intervenor with respect to Northwest Territories Power Corporation in connection with a Northwest Territories Public Utilities Board proceeding.

In addition, Mr. Rainkie has been involved in Manitoba Hydro rate proceedings for 30 years going back to the 1994 MH GRA when he was an advisor to the PUB, through his employment in senior positions with Manitoba Hydro from 1999 to 2017 and more recently, as an independent expert retained by the Consumers Coalition in connection with MH regulatory applications and associated proceedings, from 2018 to present.

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**MH/COALITION I-29**

**REFERENCE:**

Pre-filed Evidence of Darren Rainkie, Appendix A

**PREAMBLE:**

**QUESTION:**

Please provide a link to expert evidence filed or testimony delivered by Mr. Rainkie in other jurisdictions, aside from Public Utilities Board of Manitoba proceedings (which Manitoba Hydro is already aware of).

**RESPONSE:**

Please see the response to MH/Coalition I-4 which provides links to publicly-available evidence filed jointly by Mr. Rainkie and Ms. Derksen in other jurisdictions.