

**Order No. 11/26**

**Practice Direction**

**FILING REQUIREMENTS FOR MAJOR FACILITY REVIEWS UNDER  
SECTIONS 16 AND 16.0.1 OF *THE MANITOBA HYDRO ACT***

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**January 21, 2026**

**BEFORE:** Robert Gabor, K.C., Chair Marilyn  
Kapitany, B.Sc.(Hon), M.Sc., Vice-Chair  
Jim Hrichishen, B.A. (Hon.), M.A, Member  
Kim Sharman, Member  
Kurt Simonsen, BSc., M.N.R.M., Member

### **PURPOSE OF THIS PRACTICE DIRECTION**

This practice direction sets out the board's filing requirements for major facility reviews under sections 16 of *The Manitoba Hydro Act*. Section 16 of the Act requires the Public Utilities Board to review and provide recommendations to the Lieutenant Governor in Council on plans by Manitoba Hydro to develop a major new facility for generating or transmitting power or to enter into a major power purchase or export contract.

This practice direction only applies to major new facilities for generating or transmitting power, but not to the review of power purchase agreements or export contracts.

This Practice Direction may be amended by Order of the Board.

## Definitions

1 The following definitions apply in this practice direction:

**“ACE recommended practice”** means a recommended practice published by the Association for the Advancement of Cost Engineering.

**“ACE cost estimate classification system”** means a cost estimate classification system published by the Association for the Advancement of Cost Engineering.

**“Act”** means *The Manitoba Hydro Act*, C.C.S.M. c. H190.

**“basis of estimate”** means a basis of estimate as described in ACE recommended practice No. 34R-05.

**“board”** means The Public Utilities Board.

**“facility”** means a major new facility for generating or transmitting power as described in clause 16(5)(a) of the Act.

**“filing”** means a package of materials filed by Manitoba Hydro with the board for the purpose of conducting a review under subsection 16(6) or section 16.0.1 of the Act, as the case may be.

**“major new facility for generating or transmitting power”** means

- (a) a new power generating station with a peak capacity of at least 200 megawatts of power, or
- (b) a new transmission line for transmitting electricity at a voltage higher than 230 kV,

that will require an investment by Manitoba Hydro of \$200,000,000 or more.

**“schedule basis”** means a schedule basis as described in ACE recommended practice No. 38R-06.

## Application

2 This practice direction applies to the public review by the regulator of a major new facility for generating or transmitting power.

**Description of the facility**

- 3 A filing in respect of a proposed facility must include the following documentation to describe the facility and its anticipated effects:
- (a) a description of the nature, location and technical parameters of the facility, including the following, as applicable:
    - (i) the nameplate capacity, accredited capacity and projected energy output,
    - (ii) the range of projected operating conditions;
    - (iii) the projected service life;
    - (iv) the efficiency of the facility, including fuel consumption, efficiency percentage, heat rate, line losses and other relevant parameters;
  - (b) a map that shows the location of the proposed facility and its ancillary and related infrastructure, and an explanation for why the location was selected;
  - (c) an outline of the planned construction and operating schedule that includes key milestones, a critical path document such as a Gantt chart, and the anticipated in-service date;
  - (d) an estimate of the amount of labour required to complete the facility, expressed in person-years;
  - (e) a description of the procurement process used to construct the facility, including
    - (i) the types of contracts and contractual arrangements to be used, and
    - (ii) a listing of any key contracts anticipated to be tendered or entered into by Manitoba Hydro;
  - (f) an analysis of the material risks related to the construction of the facility that includes the following:
    - (i) a description of each material risk,
    - (ii) the economic and cost impacts, schedule impact, or any other relevant impact, if the risk materializes,
    - (iii) a risk assessment matrix that considers the severity and probability of each risk, and
    - (iv) the proposed risk mitigation strategy;

- (v) if the corporation is concurrently undertaking the construction or major refurbishment of more than one generating station or transmission line, an assessment of the compound risks of executing multiple projects at the same time.
- (g) a high-level summary of the anticipated environmental effects of the projects;
- (h) a list of the federal, provincial, and municipal approvals required for the facility, with an update on their status and anticipated timelines;
- (i) a description of the status of any land rights required for the facility;
- (j) details of any partnerships, equity sharing arrangements, benefit agreements, project labour agreements, and arrangements with stakeholders which Manitoba Hydro has executed or proposes to execute in the course of developing the facility;
- (k) a description of the management responsibilities and internal reporting and accountability structure for the budget and timing of the project.

#### **Need for the facility**

- 4 A filing in respect of a proposed facility must include the following documentation to support the need for the facility:
- (a) one or more studies identifying the need for the project;
  - (b) one or more studies identifying the technical, economic, and financial feasibility of the project;
  - (c) an explanation of how the facility aligns with Manitoba Hydro's current integrated resource plan, load forecast, and planning criteria;
  - (d) a description of the material assumptions made in analyzing the project and the sources of data considered.

#### **Cost estimate**

- 5(1) A filing in respect of a proposed facility must include a cost estimate that
- (a) complies with the AACE cost estimate classification system applicable to the type of facility being proposed;
  - (b) uses the terminology in the latest revision of *AACE 10S-90: Cost Engineering Terminology*;

- (c) lists any AACE recommended practices used in the preparation of the estimate;
  - (d) is stated in nominal as well as real dollars;
  - (e) identifies the stated confidence level; and
  - (f) has a Class 3 or class 4 degree of project definition as defined in the applicable AACE recommended practice.
- 5(2) The cost estimate should include the following information:
- (a) the basis of estimate and schedule basis;
  - (b) the costs incurred to prepare the budget and filing;
  - (c) a description of the methods used to prepare the estimate;
  - (d) the maturity level of the project definition deliverable at the time of the estimate;
  - (e) an identification and justification of all assumptions, exclusions, inflation and discount factors;
  - (f) sources of any benchmarks;
  - (g) lessons learned from relevant past projects;
  - (h) a list of external consulting firms used in the development of the filing, including their roles and contributions to developing the project need justification, cost estimates, and risk assessments;
  - (i) a description of any approval stage gates, including steps required for a final investment decision to be made and any off-ramps that could lead to the suspension or termination of the project.
- 5(3) The cost estimate should separately identify each of the following:
- (a) any funds spent in previous years attributable to the project;
  - (b) all direct and indirect costs, using an appropriate breakdown structure based on the nature, size and complexity of the project, by fiscal year until completion;
  - (c) the escalation amount, including inflation, and a justification for that amount;
  - (d) interest during construction or allowance for funds used during construction;

- (e) any management or other reserve or contingency;
  - (f) legal, regulatory, and other project costs, including costs associated with environmental assessments, Indigenous consultation, and public consultation;
  - (g) if applicable, the amounts and sources of any contributions in aid of construction, grants, or other credits related to the project.
- 5(4) If any costs related to the facility are not included in the estimate, the filing must set out why those costs were excluded and, if applicable, explain why they cannot be quantified.
- 5(5) If a probabilistic analysis, such as a Monte Carlo analysis, was used to establish the contingency included in the cost estimate, the filing should include
- (a) the base estimate;
  - (b) a P50 estimate;
  - (c) a P90 estimate; and
  - (d) a description of how the probabilistic analysis was conducted.

**Alternatives**

- 6(1) A filing in respect of a proposed facility must include the following documentation regarding the alternatives to the facility:
- (a) a description of the feasible alternatives considered to the preferred alternative, and an analysis of those alternatives;
  - (b) a comparison of the costs, benefits, and associated risks of the project with those of feasible alternatives, including quantification of the benefits and risks, or, for benefits and risks that cannot be quantified, an explanation of why they cannot be quantified and a proposal of how they should be assessed;
  - (c) a schedule calculating the net present values of the incremental cost and benefit cash flows attributed to the project and feasible alternatives, including a justification for the length of analysis period and discount rate chosen;
  - (d) a comparison of the relative environmental effects of the preferred option and the alternatives.

- 6(2) If an analysis of alternatives was conducted as part of a different process (such as an integrated resource plan), the filing may cross-reference the relevant documents from that process.

### **Revenue requirement and rate impacts**

- 7(1) A filing in respect of a proposed facility must include an analysis of the revenue requirement and the potential rate impacts on Manitoba ratepayers of the facility and the alternatives considered, reflecting the full lifecycle costs.
- 7(2) If Manitoba Hydro anticipates a portion of the revenue requirement related to the facility to be offset by export sales, grants, or other revenue, the analysis must set out the revenue assumptions made and include supporting assumptions, forecasts, and analysis.

### **Consistency with government policies**

- 8 The filing must explain how the proposed facility is consistent with, or will advance, government objectives expressed in federal and provincial policy documents, including any energy policy, throne speech, mandate letter, or directive relevant to the project.

### **Public engagement**

- 9(1) If Manitoba Hydro conducted any public engagement in respect of the facility, the filing must include the following:
- (a) a list who was consulted;
  - (b) a description of the consultation process;
  - (c) a description of the documents or other information provided as part of the consultation process;
  - (d) a description of any issues or concerns raised during the consultation process and how Manitoba Hydro proposes to address those issues or concerns;
  - (e) a description of any outstanding issues or concerns that have not yet been addressed or that cannot be addressed;
  - (f) a description of any future public consultation processes contemplated to take place after the filing.

- 9(2) If Manitoba Hydro did not conduct public consultation in respect of the facility, the filing must include reasons why Manitoba Hydro did not consider public consultation to be necessary or practicable.

THE PUBLIC UTILITIES BOARD

"Robert Gabor, K.C."

Chair

"Rachel McMillin, B.Sc., MPA"

Secretary

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issued by The Public Utilities Board



Secretary