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September 30, 2016

Mr. D. Christle
Secretary and Executive Director
Public Utilities Board
400-330 Portage Avenue
Winnipeg, Manitoba
R3C 0C4

Dear Mr. Christle:

**RE: DIRECTIVE 5 OF ORDER 73/15 - UPDATE ON BILL AFFORDABILITY
COLLABORATIVE PROCESS**

In Order 73/15, the Public Utilities Board of Manitoba ("PUB") provided Directive 5, which stated:

"Manitoba Hydro shall lead a collaborative process to develop a bill affordability program harmonized with Manitoba Hydro's other programs supporting low income rate-payers..."

In September 2015, a Bill Affordability Working Group ("the Working Group") was established to carry out the activities contemplated for this collaborative process, to consider and define energy poverty in Manitoba, as well as identify, consider and evaluate a potential portfolio of measures to help address energy poverty. This could include improvements to existing Manitoba Hydro Affordable Energy Programs and/or new initiatives. The members included in the Working Group, Research Sub-committee and Engagement Sub-committee are provided in Attachment 1 to this letter, including the Attendance List for each meeting held by these groups from April 15 to September 1, 2016.

On November 13, 2015, in accordance with the PUB's directive, Manitoba Hydro filed with the PUB a Terms of Reference ("TOR") for the collaborative process.. By letter of December 4, 2015, the PUB provided comments on the TOR and indicated that it expects the final report resulting from the collaborative process would be filed no later than November 2016.

The following is an update on the progress of the Working Group, including a summary of the activities undertaken to date and the expected timelines for completion of the final report.

An RFP was issued in mid-December, 2015 to obtain proposals from qualified parties for process facilitation services. In February 2016, First Person Strategies ("FPS"), a communications and engagement consulting firm, was engaged to facilitate this collaborative process. The responsibilities of the facilitator include facilitating working group meetings, assisting the working group to develop a

work plan, and preparing the final report summarizing the findings and recommendations flowing from this process.

The Working Group determined that an Engagement Sub-committee and Research Sub-committee should be formed to review and provide recommendations to the Working Group. The purpose of the Engagement Sub-committee is to focus on public outreach, creating awareness with stakeholders and the public about how they can share their views and participate in the collaborative process. The purpose of the Research Sub-committee is to provide input on research considerations related to energy poverty and bill affordability in Manitoba.

In May 2016, select Working Group members delivered presentations on bill affordability issues, the assistance currently available to address bill affordability and the desired outcomes of the collaborative process. Presentations were delivered by Manitoba Hydro, the Social Planning Council of Winnipeg, Winnipeg Harvest, Employment & Income Assistance, the Green Action Centre, the Consumers Association of Canada (Manitoba), and the Manitoba Metis Federation.

In June, a Bill Affordability public website was created in order to engage the public in the collaborative process. The public is able to provide comments on the topic of bill affordability on the website, as well as sign-up for email updates on the progress of the Collaborative Process. The website is being promoted by Working Group members through their networks, and a link to the website was also included in written communications sent to customers asked to participate in the Telephone Survey (discussed below).

In April 2016, Prairie Research Associates (“PRA”) was retained to provide research support as part of the process, working alongside the Research Sub-committee. PRA developed a research methodology which has been accepted by the Working Group, which includes defining energy poverty, developing criteria to evaluate the various components of a bill affordability program, performing jurisdictional analysis, and conducting field research surrounding bill affordability in Manitoba. The field research will include the following:

1. **Key Informant Interviews** - The Key Informant Interviews will include representatives from utilities and regulatory commissions in other jurisdictions, government agencies, First Nations groups, and other stakeholders. The purpose of Key Informant Interviews is to better understand both the challenges and issues related to energy affordability, as well as the energy affordability programs that are currently available in other jurisdictions. In addition, the interviews will gather stakeholder perspectives on potential energy affordability options for implementation in the Manitoba context. The Key Informant Interviews are currently in progress.
2. **Telephone Survey** - The purpose of the Survey is to gain insight into customers struggling to pay their energy bill, the reasons why, their level of income and what measures they currently take to manage energy costs. This information will assist in understanding bill affordability issues for Manitoba Hydro customers and will link Manitoba Hydro’s customer data to customer’s income levels for the representative sample of customers. The Telephone Survey

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commenced in August and is expected to conclude in September, with approximately 1,100 participants across Manitoba. The results of the Survey are expected to be available in October.

3. **Consumer Research** – Depending upon the outcome of the initial research, specific targeted research may be required to gather customer feedback on potential affordability options. This research may take the form of additional survey questions, focus groups or similar research methods.

The PUB had directed that the collaborative process should conclude in November 2016 with the preparation of a final report on the findings and recommendations from the process. The Working Group now expects to complete the final report on the findings and recommendations flowing from this process in December 2016. The final report will include details of the research conducted and a discussion of the options identified to address bill affordability in Manitoba. As Attachment 2 to this letter, please find the work plan (critical path), which has been adopted by the working group, scheduled for the remainder of the collaborative process.

Should you have any questions with respect to the forgoing, please do not hesitate to contact the writer at 204-360-3633 or Greg Barnlund at 204-360-5243.

Yours truly,

MANITOBA HYDRO LAW DIVISION

Per:



For ODETTE FERNANDES
Legal Counsel

Att.

The Working Group has met 7 times between April 2, 2016 and September 1, 2016 (on April 1, April 12, May 5, May 6, June 8, June 29 and September 1) with attendance as follows:

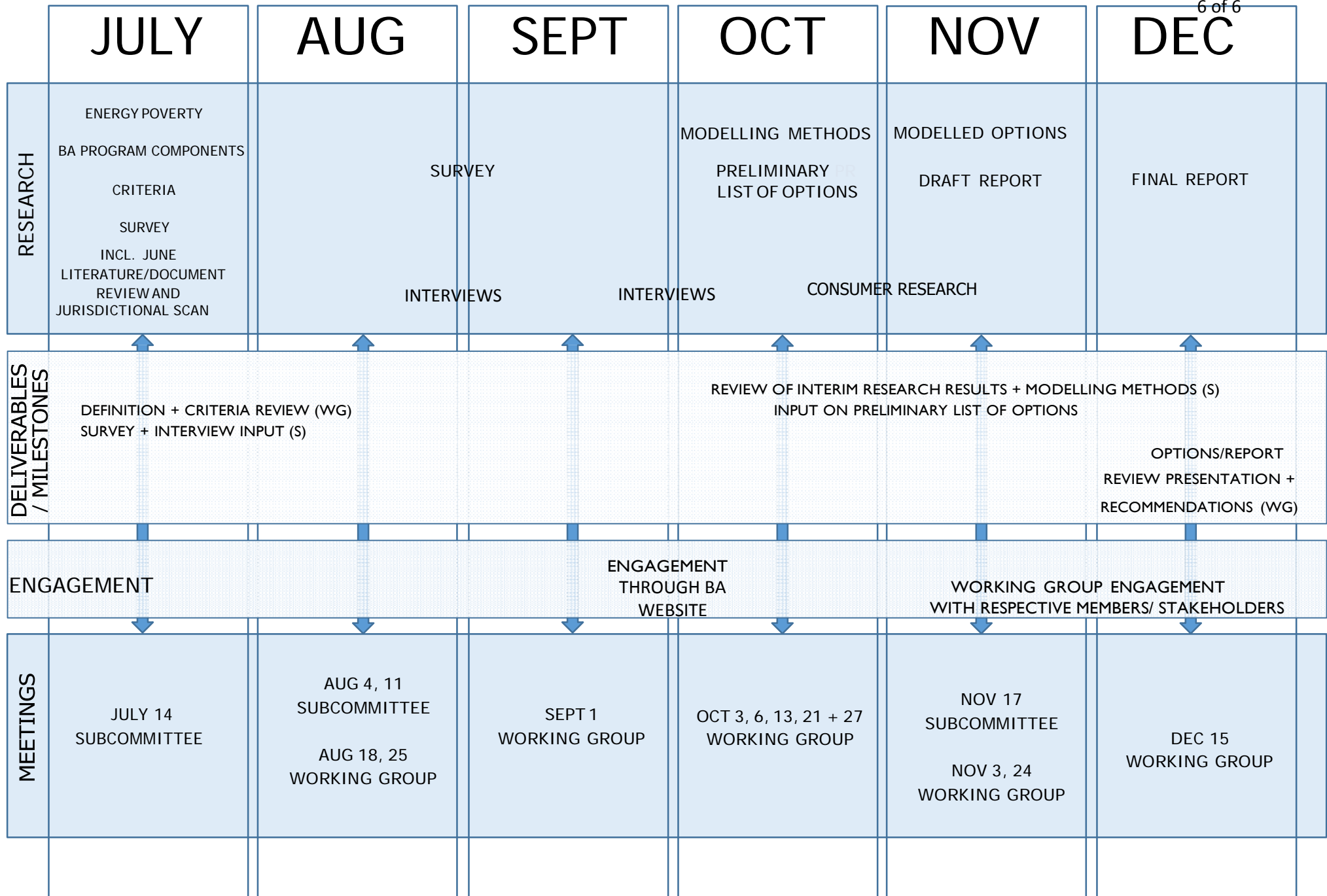
Working Group Member	Number of Meetings Attended	Notes
Green Action Centre	7	
Consumers Association of Canada	7	
Manitoba Metis Federation	6	Did not attend Sept. 1 meeting
Manitoba Keewatinowi Okimakanak	0	Written comments and RSVP were received in response to the April 1 and June 8 meetings; no formal withdrawal from the process; meeting RSVPs not otherwise provided; alternate has not been identified to date
Winnipeg Harvest	6	Did not attend Sept. 1 meeting
Social Planning Council of Winnipeg	5	Did not attend April 12 and June 29 meetings
Employment & Income Assistance (EIA)	5	EIA has attended all meetings, except for Sept. 1, since joining the Working Group on April 12
Southern Chiefs Organization	5	Did not attend April 1 and June 29 meetings
Manitoba Housing	2	Manitoba Housing has attended all meetings since joining the Working Group June 29, 2016
MIPUG (Intergroup)	2	Representative from Intergroup notified the Facilitator (First Person Strategies) after the April 12 Working Group meeting that they would no longer regularly attend meetings, but would continue to review Working Group correspondence/updates and respond as needed
Indigenous & Northern Affairs	0	INAC withdrew from participating on April 5
Manitoba Hydro	7	
Public Utilities Board Staff	7	
Other attendees (ad hoc basis)	Number of Meetings Attended	Notes
Prairie Research Associates (PRA)	5	PRA has attended all meetings since joining Working Group on April 12

The Research Subcommittee has met 7 times between April 2, 2016 and September 1, 2016 (April 5, April 12, May 2, May 27, June 16, July 14, August 11), with attendance as follows:

Research Subcommittee Member	Number of Meetings Attended	Notes
Green Action Centre	7	
Social Planning Council of Manitoba	5	Did not attend the April 5 and April 12 meetings
Manitoba Hydro	7	
Other attendees (ad hoc basis)	Number of Meetings Attended	Notes
Prairie Research Associates	4	PRA has attended all meetings since joining Working Group on April 12
Winnipeg Harvest	1	
Southern Chiefs Organization	1	
Manitoba Metis Federation	1	
Public Utilities Board Staff	1	

The Engagement Subcommittee has met 8 times between April 2, 2016 and September 1, 2016 (April 5, April 12, April 19, June 8, June 16, July 5, July 14, September 1), with attendance as follows:

Engagement Subcommittee Member	Number of Meetings Attended	Notes
Consumer Association of Canada	8	
Manitoba Metis Federation	7	Did not attend the Sept 1 meeting
Employment & Income Assistance	5	EIA has attended all meetings, except for Sept. 1, since joining the subcommittee on April 19
Manitoba Hydro	8	
Other attendees (ad hoc basis)	Number of Meetings Attended	Notes
Prairie Research Associates (PRA)	3	
Winnipeg Harvest	1	
Southern Chiefs Organization	1	
Manitoba Metis Federation	1	
Public Utilities Board Staff	1	



WG = Working Group

S = Research Subcommittee or Engagement Subcommittee

BA= Bill Affordability