

To Members of the Manitoba Legislative Assembly

October 7, 2010

Ladies and Gentlemen

I am writing to you as a concerned citizen and a former Chairman and Chief Executive Officer of Manitoba Hydro (1972-1979)

When I was appointed in November of 1972 by the Schreyer administration, I accepted the appointment on the basis that it was a non-political appointment. See Winnipeg Tribune Nov.6, 1972 and Winnipeg Free Press November 9, 1972. It was also reported in the Victoria Times on November 9, 1972. I had been an engineer with Manitoba Hydro from November 1956, when I was appointed Systems Planning Engineer, with the requirement that I organize a Planning Department and do planning for the future generation requirements of the Provincial Utility Manitoba Hydro.

My career with Manitoba Hydro was exciting. The vast resources of the Nelson River were the challenge. We entered into an agreement with the Government of Canada, where they would build a transmission line from the Kettle Rapids site on the Nelson River, if Manitoba Hydro developed that site, controlled Lake Winnipeg, and diverted the Churchill River into the Nelson River to augment the volume of water, which would make the Nelson River sites more attractive. Since that time Manitoba Hydro has acquired the ownership of the transmission system.

With the development of the Nelson, and the rapidly increasing load, the province became very vulnerable to a failure of that transmission system. I personally negotiated with the Northern States Power Co. of Minneapolis (now EXCEL) to build a 500 kV transmission line from their system to the Manitoba system. Time proved this to be a wise decision, because in 1997 a wind shear took out 19 towers on Manitoba's DC transmission line, isolating the Nelson River Plants from supplying the southern load of the province of Manitoba. The 500 kV line, which was exporting surplus power to the US, immediately reversed its flow and supported the Manitoba system. The Manitoba Hydro customers did not experience any outage, or notice the change, which occurred in the night, however several of the larger industrial customers were requested to reduce load so that the domestic and essential loads would not be affected.

I mention this history to emphasize the importance of the Nelson Transmission System and to show that backup is essential to us as customers, relying as we do, on the Nelson River for more than 80% of our power requirements.

This is the reason that Manitoba Hydro is embarking on a new line to currently improve the reliability of the system and to handle the added generation that will be built in the future, not only to supply Manitoba Hydro customers, but also to supply the lucrative US Market and keep our rates low. Eventually an additional high voltage line will be justified to interconnect the Manitoba Hydro System with the US Network.

When the agreement with Canada was signed in 1966, the Government of Canada assigned the responsibility for building the line to AECL, who in turn engaged Teshmont Consultants to build the line. Manitoba Hydro had a voice in the decisions.

The consultants looked at a route down the east side of Lake Winnipeg and a route between the lakes. The recommendation was for the Interlake route, because of the slightly higher costs relating to the amortized cost of maintenance of the line on the east side as opposed to the amortized cost of maintenance of the Interlake line. The route

called for a right-of-way parallel to the railway before heading south. However the towns along the railway saw this as a way to extract some money from the Government of Canada for right of way close to their town sites. AECL decided that they would build the line some miles south of the railway to avoid these unnecessary costs. This put the line into territory similar to that found on the east side of Lake Winnipeg. The design had progressed, and the in service date required to supply Manitoba Hydro's firm 1970 load did not lend itself to a change of route.

You can see from this brief historic review, that the line route could very easily have been constructed on the east side of Lake Winnipeg. However, it wasn't, and that leads to the present controversy, of east vs. west, or down Lake Winnipeg, as Professor John Ryan had advocated.

There have been many cost figures bandied around and I do not know of the accuracy of these. I do know that there is a finite cost per mile and that the west route is much longer than the east route and hence it will cost more. I also know that you cannot transmit power over a transmission line without any losses. These represent a cost to the utility and will inevitably result in less power being received at the southern end than would be received if the line was shorter, such as down the east side of Lake Winnipeg, not just for one year, but forever.

If I was asked to select a route for the line, I would do my utmost to have it routed down the shortest route possible, that is the east side. It could also provide many tangible benefits while protecting the boreal forest. Benefits, such as access to the isolated communities on the east side of Lake Winnipeg, and also access to the as yet undiscovered mineral and other resources on the vast territory east of Lake Winnipeg. It would also, in my humble opinion, provide the reliability that is so important to the power supply to the citizens of Manitoba, particularly when more than 80% of the kilowatt-hours come from the Nelson River.

It is my firm belief that the decision should be made on the basis of efficiencies and benefits to future generations rather than the ego needs of the current generation.

The Manitoba Hydro Act requires that the Hydro Board provide power at the lowest cost to the consumer, that is the citizens of this Province. Up to the present time they have been fulfilling this mandate very effectively.

The Government has overruled the Act, without passing the necessary legislation, to impose the longer, more expensive route on the utility and its customers.

Respectfully submitted,

L.A. Bateman O.M. P.Eng.

cc. Leader of the Government Premier Greg Selinger
Leader of the Official Opposition, Hugh McFadyen
Leader of the Manitoba Liberal Party, Jon Gerard
Manitoba Hydro President and CEO, Bob Brennan
Winnipeg Free Press Comment Editor, Gerald Flood