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FAST FACTS

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Bi Pole III: *Winnipeg Free Press* and the Conservative campaign of misinformation

The *Winnipeg Free Press* editorial “Best use of Hydro’s millions” (July 4) obfuscates several straightforward matters on Bipole III. The editorial states that Manitoba Conservatives claim that Bipole III’s west route “wastes” \$3.2 billion (actually \$3.62 billion is the latest claim by Hugh McFadyen on June 28). The editorial says the Conservatives “appear to reach their number . . . by throwing in every conceivable expense, including the kitchen sink.”

What the *Free Press* does not make clear is that the Conservatives don’t arrive at their costs by some innocent procedure of including various questionable expenses.

First, they cite the overall cost of the west route as being \$4.4 billion, asserting that this is based on a Manitoba Hydro estimate, without disclosing the exact source so it is impossible to verify this number. Second, they cite the east route’s cost as being \$800 million and subtract this from \$4.4 billion. They then claim that the resulting figure of \$3.62 billion is the cost of the extra 500 km within the west route – and that this constitutes “waste” and will cost each Manitoba family \$11,748.

This disingenuous argument has no foundation in fact. In the first instance, on March 31, 2011 Manitoba Hydro released a report citing the

overall cost of the west route to be \$3.28 billion, not the unverified Conservative claim of \$4.4 billion. Secondly, in citing the cost of the east route as \$800 million, the Conservatives omitted the \$1.83 billion for the necessary converters, which are required for both routes. This calculated manoeuvre leads to the preposterous claim that the extra 500 km of the west route transmission line would cost \$3.62 billion or \$11,748 per family. What they haven’t said is that this would work out to \$7,240,000 per km, as opposed to the actual cost of \$910,000 per km, which is the identical figure for the east route and the usual cost of a DC transmission line.

On May 30, at a legislature committee meeting, Mr. Brennan, Hydro President and CEO, reported that for the extra 500 km in the west route, over a 60 year period (the lifetime of a line), the actual costs per Manitoba household would be \$13.68 per year. He also stated that since Manitoba households account for only one-third of the total power in the line, this should be divided by three. Although Mr. Brennan did not include line losses, this could be rectified by adding one-third more to Mr. Brennan’s adjusted figure. Overall, on the basis of his figures the annual cost should be about \$6.00 per household – somewhat less than Mr. McFadyen’s figure of \$11,748.



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The editorial's claim that Manitoba Hydro's official estimate was determined by "throwing out every conceivable cost, save the kitchen sink" is unmitigated rubbish. Hydro's overall estimate of \$3.28 billion for the west route consists of \$1.83 billion for two converters, \$1.26 billion for the transmission line, and \$.19 billion for extra apparatus. To determine the cost of the extra 500 km of line on the west route, the \$805 million cost of the east transmission line is subtracted from the \$1.26 billion cost of the west line. The result is \$455 million, and to this should be added the line losses of \$232 million (Hydro's data) – for an overall total of about \$690 million.

For the Conservatives to claim that instead of less than \$700 million, the cost of the extra 500 km of line would be \$3.62 billion is absurd. Yet, for the past several months, this is what has been steadily presented to the Manitoba public. By failing to address these inaccuracies, the *Free Press* editorial continues to advance the Conservative's campaign of misinformation.

The editorial errs further by accusing former premier Gary Doer of a decision "seven years ago to prevent Hydro from negotiating with east-side communities." In actual fact, the Manitoba government and Manitoba Hydro conducted negotiations with First Nations for several years. After some 80 meetings, stakeholders were unable to reach a consensus.

When these meetings came to an impasse because of lack of unanimity in allowing a transmission line to pass through their territories, and because of the possibility of a UNESCO world heritage designation for this area, in 2007, confronted with these seemingly irreconcilable problems, the Province decided to direct Bipole III along the west route.

In its concluding remarks the editorial makes the argument that the money spent on the additional costs of the west route would be better spent on the people on the east side. While concern

for the people on the east side is a welcome progressive move since previous concerns have been focused solely on 'savings', the editorial loses credibility by perpetuating the false argument that this money could be used "to build a road along an east-side corridor".

In actuality, an east side transmission line would veer away as far as possible from the settlements of the First Nations, whereas roads are required to go directly to these settlements. Such roads are now being built. Moreover, no road is necessary for the construction of a transmission line, other than a caterpillar trail to haul the cable and cement for tower pads. In all likelihood, the steel towers would be brought in by helicopter and fastened by guy wires to the cement pads. So although the editorial opens the door slightly on the prospect of monies going to east side people, it drops the ball in lacking a concept on what is really involved. It also fails to note that proponents of the east route have never acknowledged that substantial funds may have to be paid as compensation to First Nations in order for a transmission line to pass through their territory.

There are legitimate advantages and disadvantages that could be put forward in debating the east and west routes, but deliberate distortion of facts is not helpful. As Manitoba's largest newspaper, the *Winnipeg Free Press* should try to ensure that their readers have all the facts so that they can decide for themselves what makes best sense.

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