

Manitoba Hydro Undertaking #99

Manitoba Hydro to explain why the hydraulic generation allocation from PCOSS-08 to PCOSS-11 appeared initially to be divergent.

The costs shown as the export class' share of Hydraulic Generation in 'Bulk Power - Export Allocation of Generation Costs' (PUB Exhibit 16, page 121) require correction for PCOSS10 and PCOSS11. The costs identified as allocated hydraulic generation for these studies are overstated, as the amounts also include allocated Transmission costs. The corrected amounts are presented below.

		August 2007 PCOSS08	March 2009 PCOSS08	November 2009 PCOSS10 ¹	May 2010 PCOSS11 ²
Includes:	Allocated Generation	\$116 M	\$129M	\$149M	\$133M

As a clarification, the generation pool costs allocated to domestic and export customers in both versions of PCOSS08 also included any thermal costs not directly assigned to the Export class. Therefore the generation costs allocated to Exports in PCOSS08 would include a share of residual thermal generation costs. No thermal generation costs were allocated to Exports in PCOSS10 or PCOSS11.

Note 1: From Appendix 11.2, Allocation Program - Cost of Service Study for fiscal year ending March 31, 2010, pp 39-40

Note 2: From Appendix 59, Allocation Program - Cost of Service Study for fiscal year ending March 31, 2011, pp 39-40