

Manitoba Hydro Undertaking #42

Manitoba Hydro to compare the average revenue per kW.h received by Manitoba Hydro from domestic customers versus extraprovincial customers net of water rentals, and fuel and power purchased allocated to both classes of customers.

Allocating the combined cost of water rentals, fuel, and power purchases to both the extraprovincial and domestic customers results in a cost assignment of 0.7 cents per kW.h for each class.

The estimated net bulk power revenue for all classes is as follows:

Estimated Average Bulk Power Revenue Net of Apportioned Combined Cost of Water Rentals, Fuel, and Power Purchases			
Customer	Bulk Power Revenue¹ (¢/kW.h)	Water Rentals, Fuel, and Power Purchased² (¢/kW.h)	Net Bulk Power Revenue (¢/kW.h)
Extraprovincial ³	4.4	0.7	3.7
Residential	3.4	0.7	2.7
GSS ND	4.1	0.7	3.3
GSS D	4.0	0.7	3.2
GSM	3.7	0.7	3.0
GSL 0-30	3.3	0.7	2.6
GSL 30-100	3.4	0.7	2.7
GSL >100	3.6	0.7	2.9

Assigning the entire cost of fuel and power purchased to the extraprovincial customers, with water rentals apportioned between the remaining hydraulically sourced extraprovincial sales and all domestic consumption, results in an allocation of 1.5¢/kW.h for extraprovincial customers and 0.4¢/kW.h to domestic customers.

The estimated net bulk power revenue for all classes is as follows:

Estimated Average Bulk Power Revenue Net of Apportioned Water Rentals with All Fuel and Power Purchased Assigned Against Extraprovincial Sales			
Customer	Bulk Power Revenue¹ (¢/kW.h)	Apportioned Water Rentals, Fuel and Power Purchased² to Exports (¢/kW.h)	Net Bulk Power Revenue (¢/kW.h)
Extraprovincial ³	4.4	1.5	2.8
Residential	3.4	0.4	3.0
GSS ND	4.1	0.4	3.7
GSS D	4.0	0.4	3.6
GSM	3.7	0.4	3.4
GSL 0-30	3.3	0.4	2.9
GSL 30-100	3.4	0.4	3.0
GSL >100	3.6	0.4	3.2

Notes:

- 1) The average revenue for domestic customers is based on proposed April 1, 2011 rates. The portion of average revenue related to bulk power for domestic classes has been estimated using the proportion of Generation and Transmission costs to total costs for each class as determined in the PCOSS11 (pg 17).
- 2) Purchased Power costs include Dependable and Short Term Opportunity Purchases only. Other import costs such as System Merchant Purchases are excluded from the calculation of average cost per kW.h.
- 3) Forecast extraprovincial revenue includes Dependable and Short Term Opportunity Sales only. Other export revenue such as System Merchant Sales, Ancillary Service Markets, and Congestion Management Settlement credits are excluded from the calculation of average revenue per kW.h.