



BUILDING ON THE SUCCESS STORY

- THE ROAD AHEAD FOR MANITOBA HYDRO -

Lloyd Kuczek

Vice-President, Customer Care & Marketing

Winnipeg

October 11, 2012



Manitoba Hydro 2012

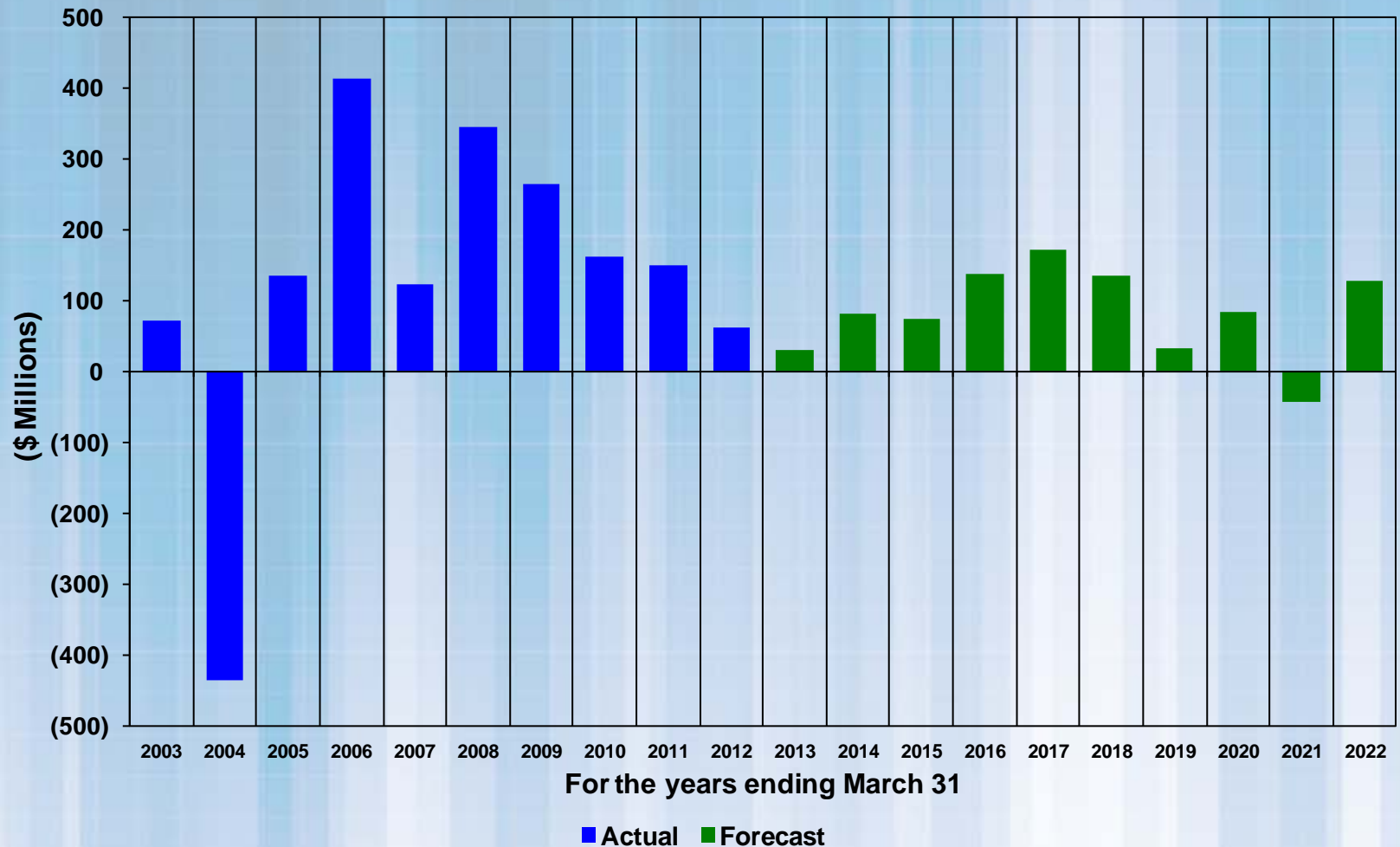
Manitoba Hydro Profile

- **6 471 Employees**
- **542 282 Electricity Customers**
- **267 542 Natural Gas Customers**
- **Exports to Three Wholesale Markets in Canada + Midwest U.S.**
- **Electricity Rates – Lowest in North America**

Manitoba Hydro Profile (Cont'd)

- **As at March 31, 2012**
 - **Asset Value: \$13.8 Billion**
 - **Equity: \$2.5 Billion**
 - **Debt: \$11.3 Billion**
 - **Debt/Equity Ratio: 74/26**
 - **Net Income: \$61 Million**











Net Income (Loss)

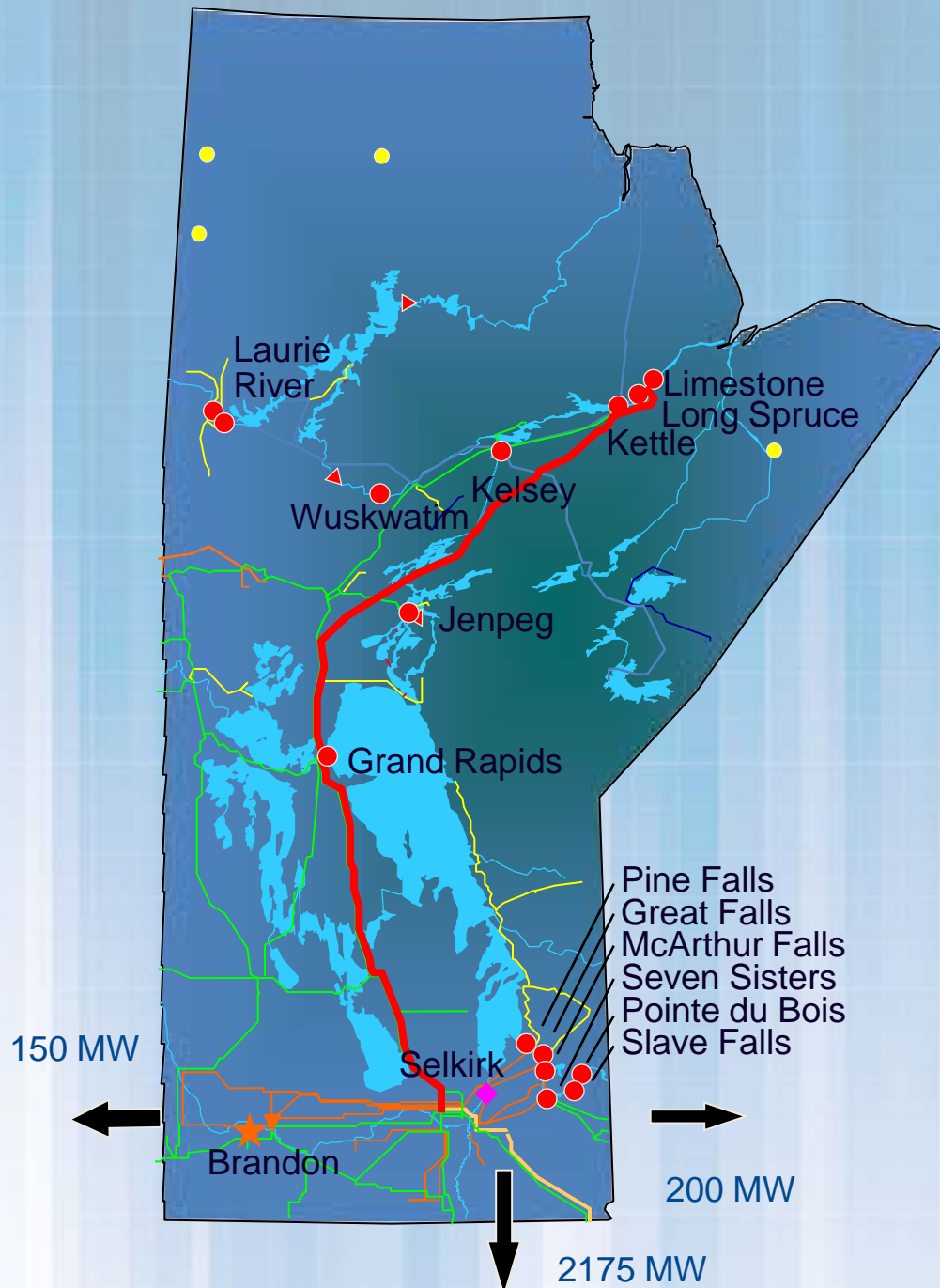


Generating Stations and Interconnections

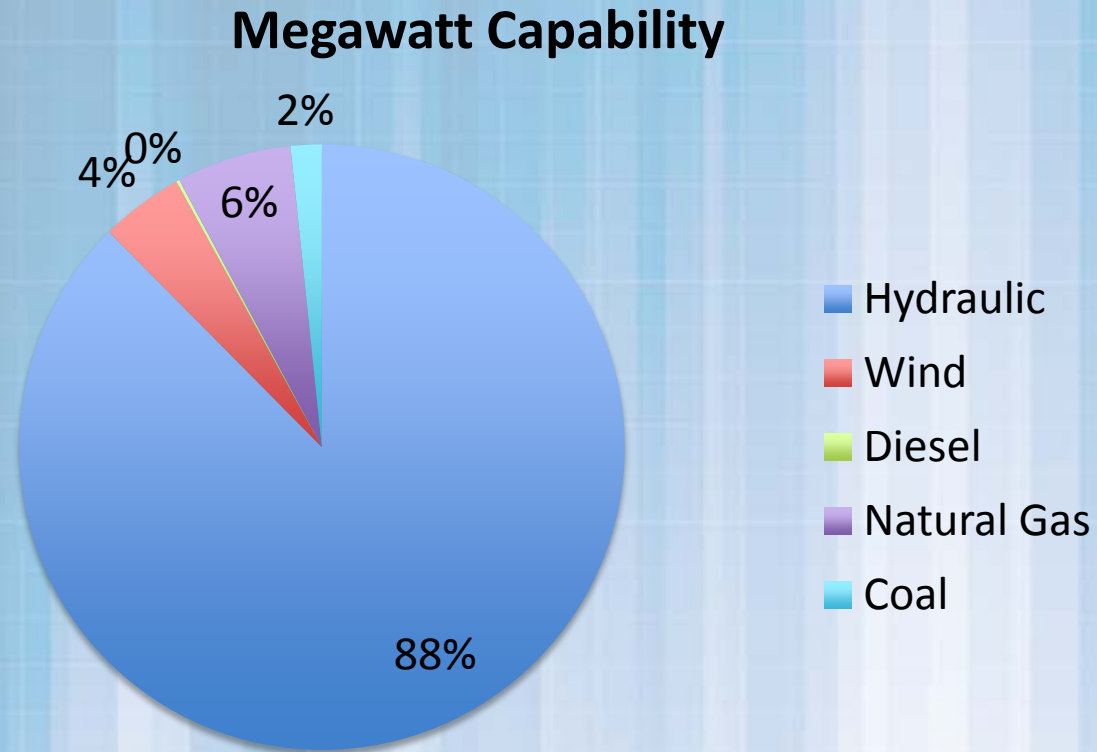
2011/12 – Energy

80%	Nelson R.
9%	Wpg. R.
7%	Sask. R.
3%	Wind
1%	Thermal & Imports

-  HVDC
-  Other Transmission
-  Other Transmission
-  Other Transmission
-  Selkirk -Natural Gas
-  Brandon – Coal
-  Brandon – Gas Comb. Turbine
-  Control Structures
-  Diesel Sites
-  Hydraulic G.S.'s



Manitoba Hydro Generation









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Powering OUTLOOK



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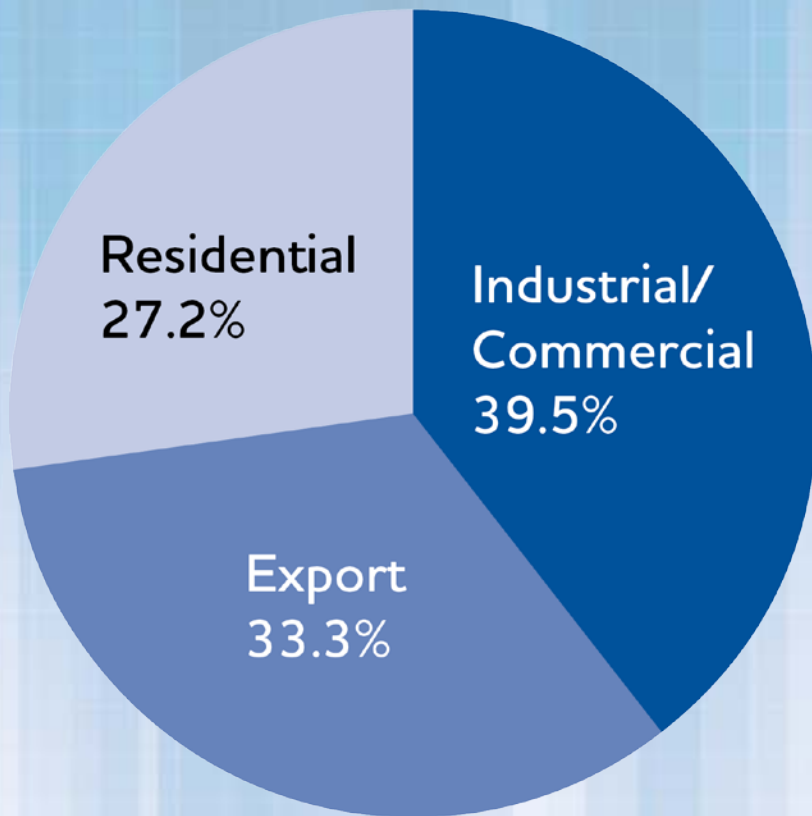


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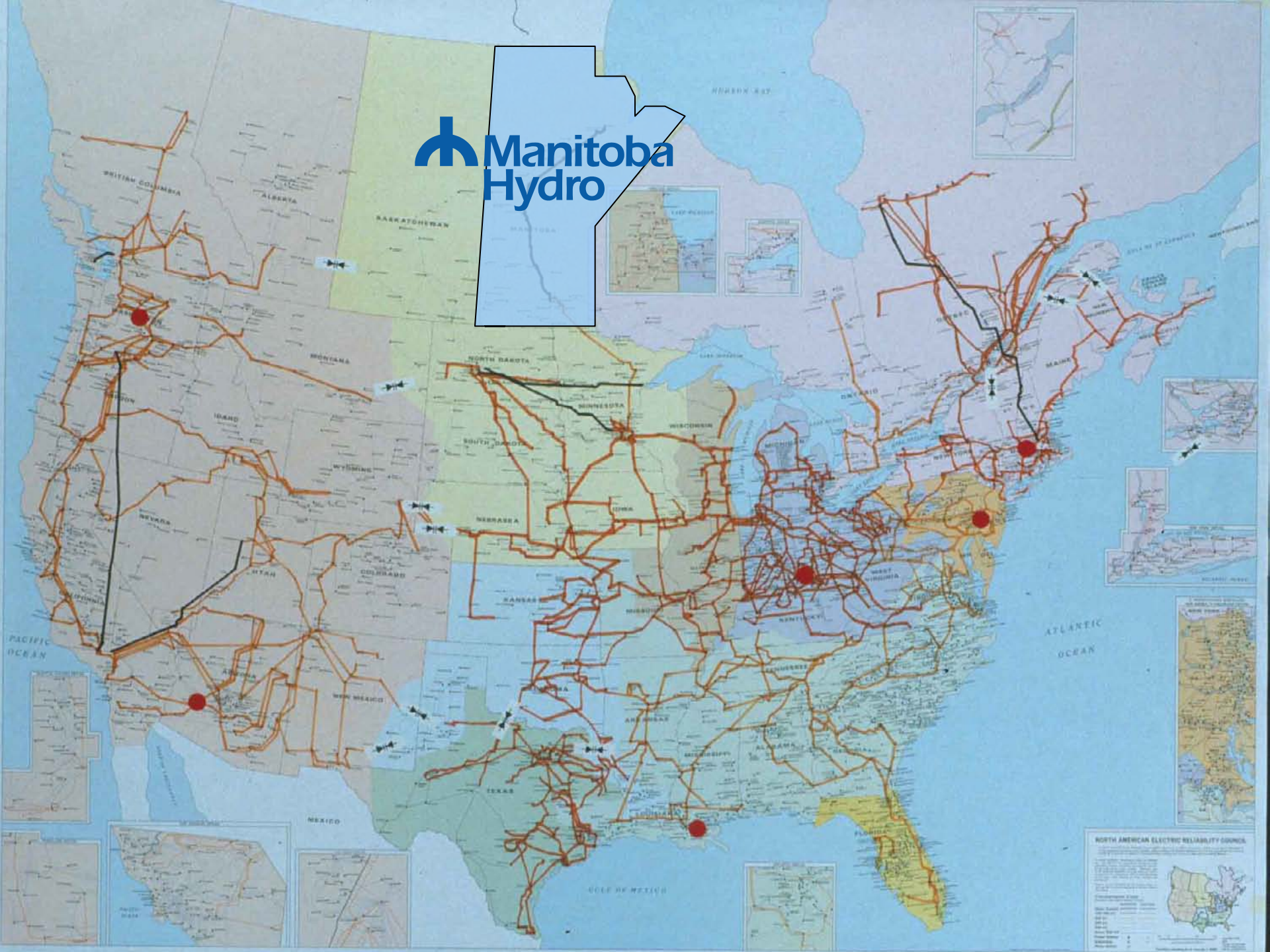
Revenue Sources - Electricity 2002/03 - 2011/12

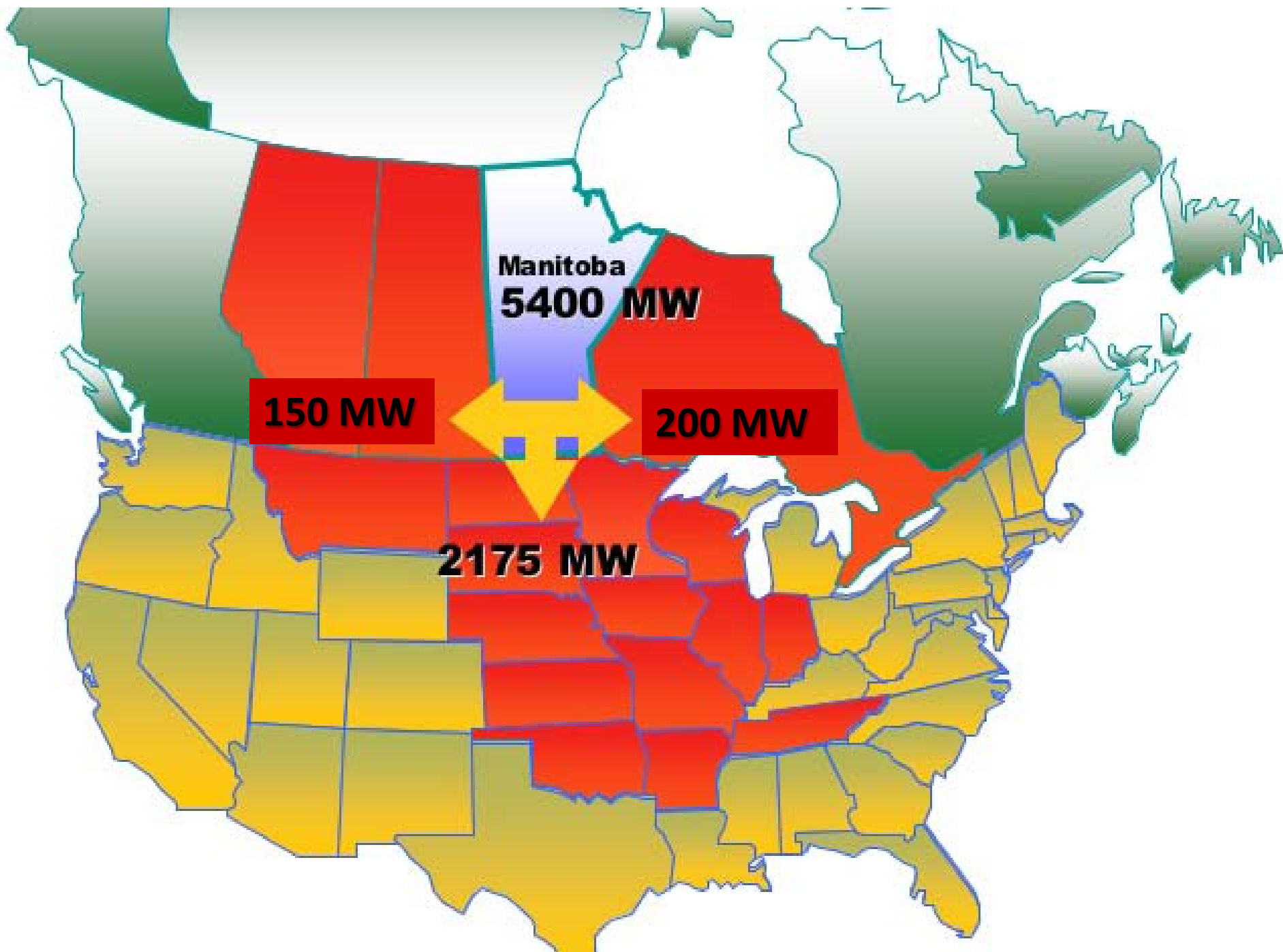


Industrial/Commercial \$6.2 billion

Export \$5.2 billion

Residential \$4.3 billion





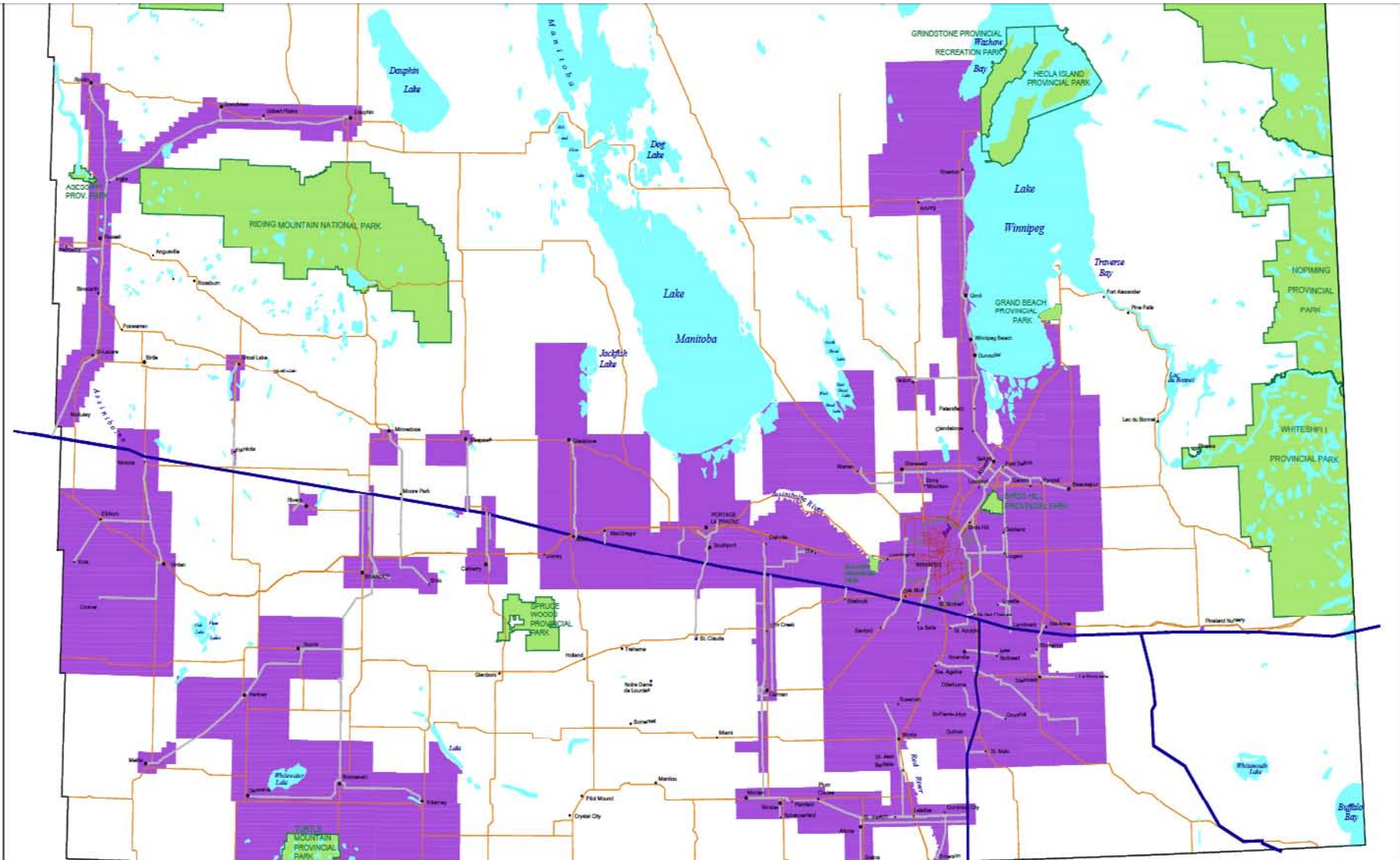
**Manitoba
5400 MW**

150 MW

200 MW

2175 MW

Gas Distribution



THE POWER SMART PORTFOLIO

October 1 - November 30, 2010

Switch and save instantly!

Switch your old incandescent light bulbs to compact fluorescent light bulbs (CFLs) and reduce your energy bills today.

\$1 OFF each ENERGY STAR qualified standard spiral CFL bulb.

\$3 OFF each ENERGY STAR qualified specialty CFL bulb.

Specialty CFLs include bulbs that can be used with tri-lights, dimmer switches, recessed and outdoor fixtures.

Price already reduced courtesy of Manitoba Hydro.

FREE energy efficiency upgrades for your small business

Book your energy assessment today, contact:

Power Smart Shops
Phone: 360-5161
Email: powersmartshops@hydro.mb.ca
hydro.mb.ca/psfb

POWER SMART FOR BUSINESS

Switch on the savings with T8 lighting.

Switch to T8 lighting to:

- save energy;
- reduce costs;
- enjoy a quiet, flicker-free work environment.

T8 lighting incentives are still available.

For more information, contact:
Commercial Lighting Program
Phone: 360-3676 in Winnipeg or 1-888-MBHYDRO (1-888-624-9376)
Email: powersmartforbusiness@hydro.mb.ca/psfb

How to renovate from top to bottom!

Planning to improve your hotel? Manitoba Hydro's Power Smart programs offer advice and financial assistance to help you install these hotel energy-saving measures:

- T8 lighting for offices and meeting rooms
- Compact fluorescent lighting in hallway and lobbies
- LED exit lights
- Parking lot controllers
- Energy efficient windows

Renovating to Power Smart standards will add to your bottom line by helping you improve guestroom comfort, reduce maintenance costs and protect your investment against climate change impact on the environment.

Call Manitoba Hydro at 474-4747

Before you renovate, investigate.

ACT NOW

Up to \$5,000 in federal

POWER SMART FOR BUSINESS

Fry, steam, and SAVE with ENERGY STAR steamers and fryers.

Upgrade your steamers and fryers to receive:

- \$1,250 per ENERGY STAR qualified fryer; and
- save up to \$500 a year on your energy bill.
- \$2,500 per ENERGY STAR qualified steamer; and
- save up to \$2,500 a year on energy and water bills.

The building next door just went Power Smart. Now it's your turn.

Power Smart for Business offers financial incentives to help your business save.

Stop drafts and save.

Don't let your indoor air escape through your electrical outlets. Place insulators behind cover plates to stop drafts.

Order your FREE Water & Energy Saver Kit today.

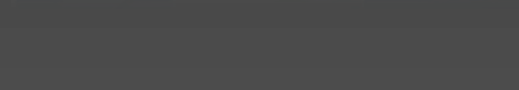
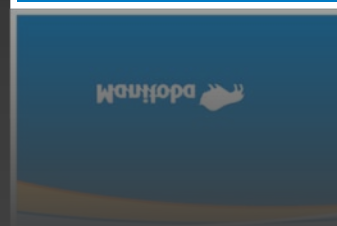
Call 1-877-ECO-FITT or visit ecofitt.ca/mbhydro

Manitoba Hydro is a division of the Testmark and Official Mark.

POWER SMART RESULTS

Canadian Energy
Efficiency Alliance
Report Card

Led or tied for 1st
8 consecutive years



Economic Impact of Manitoba Hydro

Operations

- 16 580 Person-Years of Employment Annually
- \$1.4 Billion of Manitoba's Gross Domestic Product

Employment Impact of New Generation and Transmission Projects

- Keeyask G.S. – 9 170 Person-Years of Direct and Indirect Employment
- Bipole III Transmission – 8 782 Person-Years of Direct and Indirect Employment

Manitoba Hydro

2013 - 2033

Where Do We Go From Here?

Continue to Meet Our Customer Needs – How?

- ✓ New Generation Required**
- ✓ Power Smart Solutions**
- ✓ Rebuild Electrical Grid**
- ✓ Adjust to Reduced Export Revenue**

\$20 Billion Investment in New Generation and Infrastructure

Preferred Development Plan

New Hydro Plus Exports



KEEYASK 695MW



CONAWAPA 1485MW

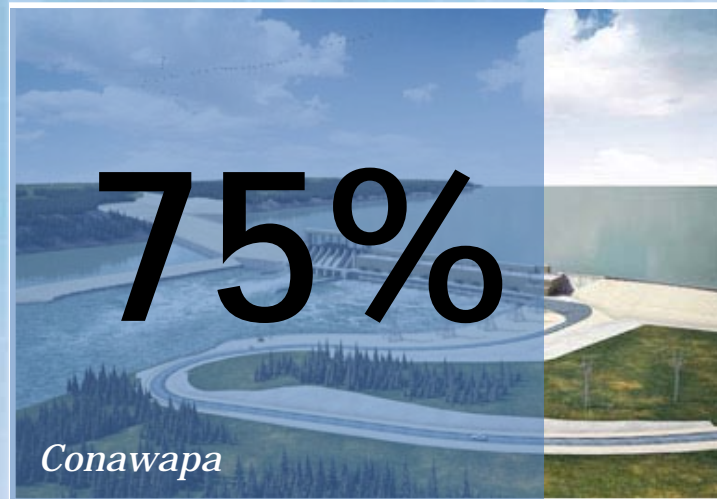
Demand Side Management Solutions

Power Smart – Future Action

- Power Smart Plan - 15 year \$560 million investment:
 - 1 944 GW.h (electricity)
 - 99 million cubic metres (natural gas)
- Including savings to date - \$1 Billion invested
 - 3 283 GW.h (electricity)
 - 153 million cubic metres (natural gas)

Power Smart Going Forward

Cumulative (1991 – 2025):



3 283 GW.h of Conserved Electricity

Investment in Existing Infrastructure

Canada-wide Issue

**\$350 Billion Required Over the
Next 20 Years**



1 000 000

**Need to Replace 117 000
Over 20 Years for \$400 Million**



A large, multi-story concrete dam with a long crest and a massive spillway structure on the right side. The dam is situated in a valley with some vegetation.

POINTE DU BOIS - 1911

A dam with a prominent spillway structure on the left side, featuring a series of vertical supports. The dam is surrounded by a lush, green landscape with trees and a river.

GREAT FALLS - 1928

A dam with a long, low spillway structure. The dam is situated in a valley with a river flowing through it. The surrounding area appears to be a mix of natural and developed land.

SEVEN SISTERS - 1931

A dam with a long, low spillway structure. The dam is situated in a valley with a river flowing through it. The surrounding area appears to be a mix of natural and developed land.

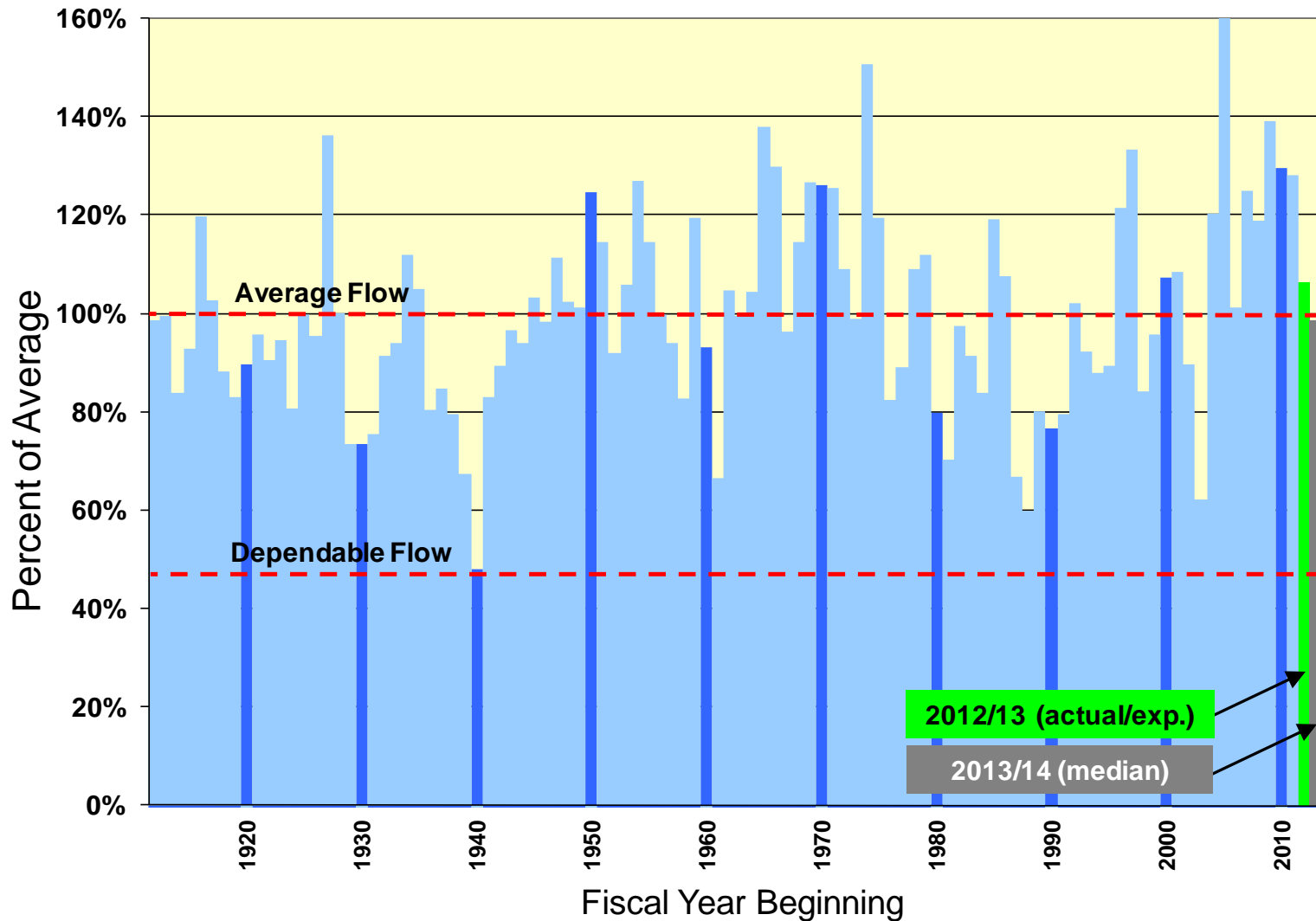
SLAVE FALLS - 1931



Exports

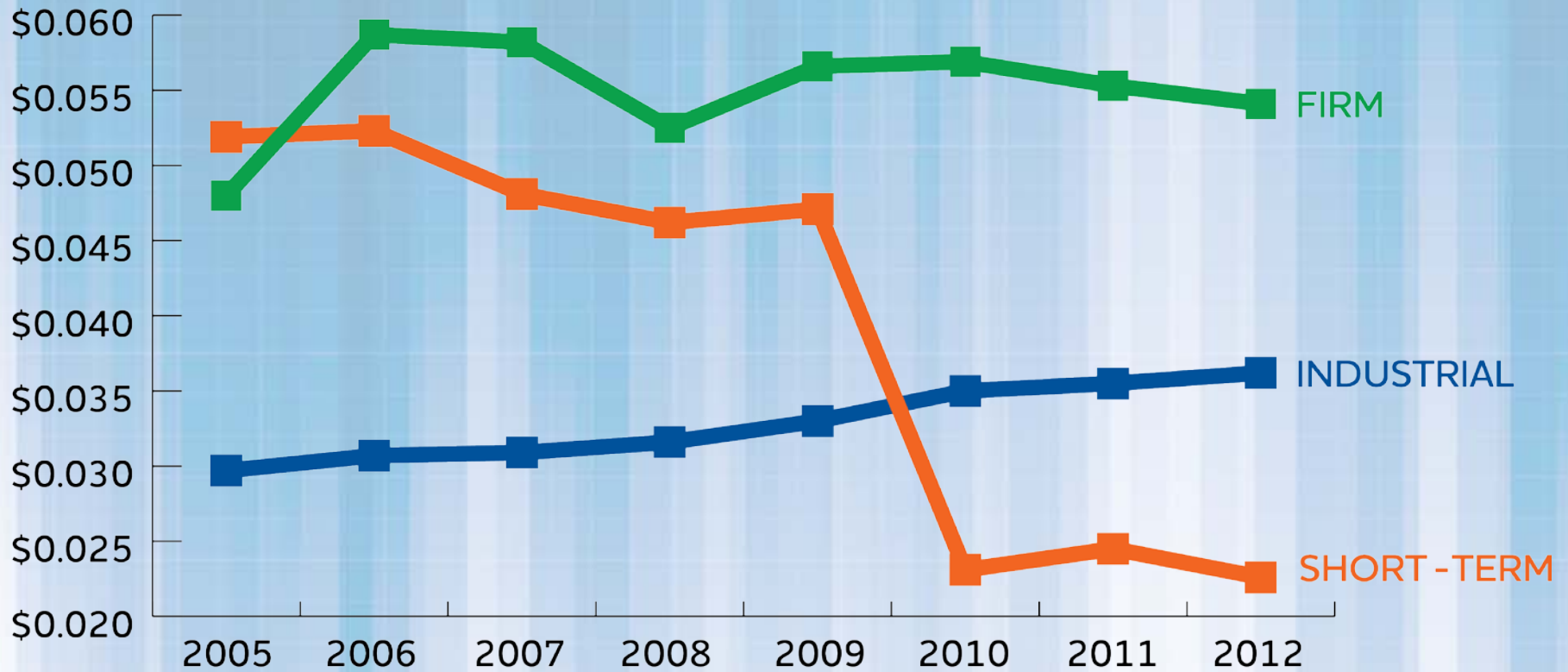
Variability of Water Supply

System Inflows



Firm & Short-Term Export Sales vs. Manitoba Industrial Customers

(Average Rate per Kilowatt Hour)



Rate Increases

- **Moderate**
- **Predictable**

Rate Increases

Ontario

“Over the next five years, residential Electricity prices are expected to rise by 46%”

Ontario government news release November 18, 2010

BC Hydro

“Rate to increase 17% over 3 years.”

CBC BC, May 23, 2012

SaskPower

Seeking 4.9% increase for 2013.

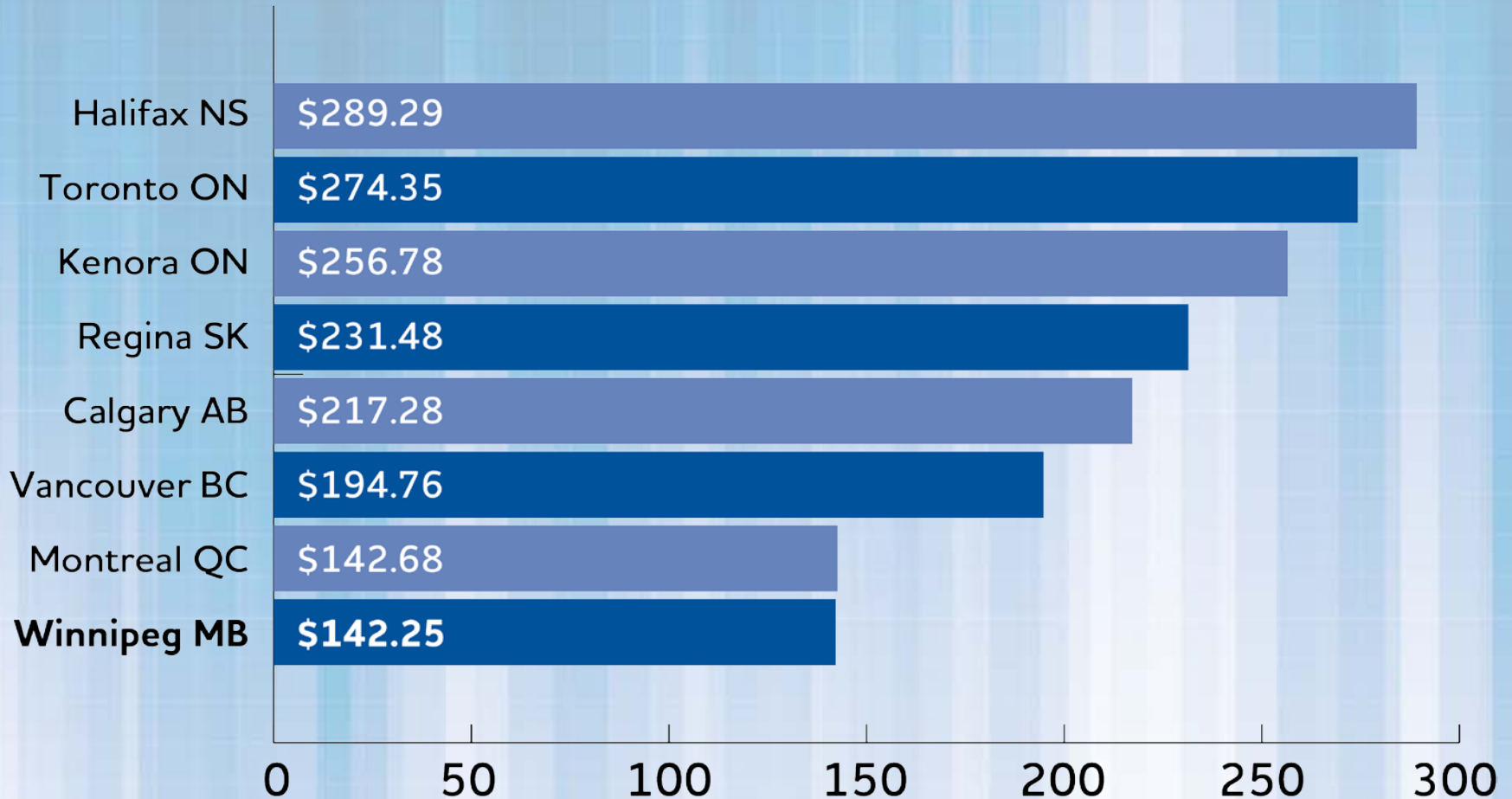
4.5% increase 2010

8.5% increase 2009

SaskPower 2013 Rate Application; Saskatchewan Rate Panel Review website

Residential Service Rate Comparisons

One month bill (May 2012) for 2000 kWh

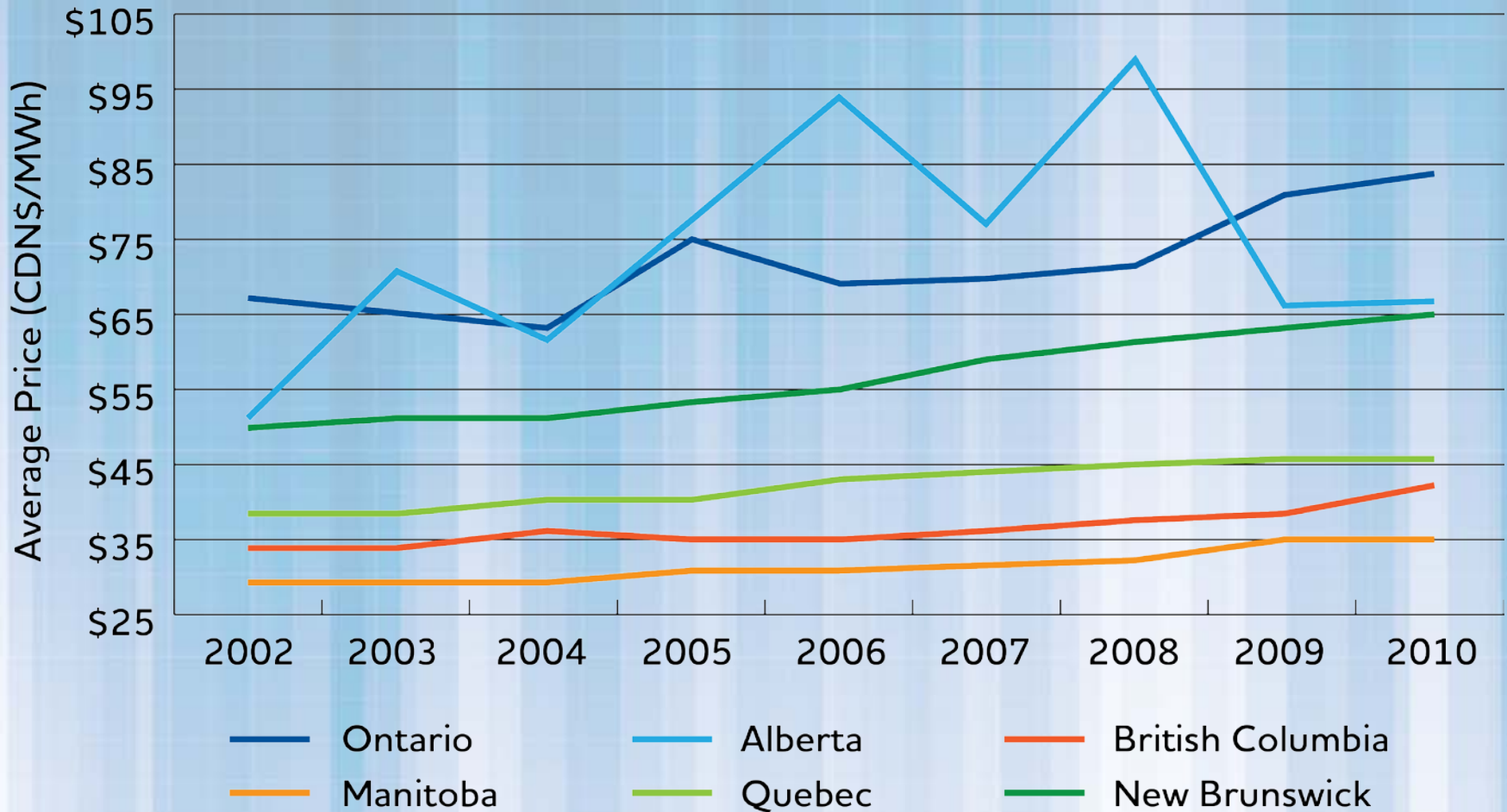


General Service Rate Comparisons

One month bill (May 2012) for 5000 kWh



Industrial Rates in Canada



Controlling Costs

Questions?