



THE CORPORATE STRATEGIC PLAN 2011/12
MANITOBA HYDRO'S VISION OF THE FUTURE



INTRODUCTION



The Corporate Strategic Plan (CSP) is the principal means for setting out Manitoba Hydro's goals and strategies as the corporation strives to achieve its vision to be the best utility in North America.

The CSP is reviewed and updated each year to provide a focus for corporate priorities in an ever-changing and uncertain business environment. The 2011/12 CSP reaffirms Manitoba Hydro's longstanding commitments to customers, employees and stakeholders, and sets clear direction across the corporation.

The utility sector in North America is complex and evolving and faces many challenges as the world economy continues to rebound. The 2011/12 CSP reflects this uncertain business environment and positions Manitoba Hydro to meet the challenges ahead. The CSP lays out the high level strategies to address uncertainty around many aspects of Manitoba Hydro's business including economic conditions affecting customers and markets, climate change, technological innovation, growing infrastructure requirements and industry regulatory change. It also emphasizes the importance of relationships with our many stakeholders and Manitoba Hydro's commitments around safety, reliability and the environment.

Manitoba Hydro has a proven history of serving Manitoba's energy needs. As we move forward to implement the 2011/12 CSP, Manitoba Hydro's skilled and dedicated employees will continue to be a critical underpinning of our success.

Bob Brennan, FCA
President and Chief Executive Officer

A handwritten signature in black ink, appearing to read "Bob Brennan". The signature is fluid and cursive, written in a professional style. It is positioned to the right of the printed name and title.



VISION

To be the best utility in North America with respect to safety, rates, reliability, customer satisfaction and environmental leadership; and to always be considerate of the needs of customers, employees, and stakeholders.

MISSION

To provide for the continuance of a supply of energy to meet the needs of the province and to promote economy and efficiency in the development, generation, transmission, distribution, supply and end-use of energy.

OPERATING PRINCIPLES

- Work together for the success of the organization as a whole, recognizing that all our activities are interrelated.
- Establish long-term cooperative relationships with all employees, customers, suppliers and other stakeholders, aimed at achieving our shared Vision.
- Create a working environment that removes barriers to effective performance and which fosters mutual respect, trust and open communication.
- Promote a safety focused culture in which all employees support and demonstrate safe work behaviours.
- Provide opportunities for all employees to develop their full potential, recognizing people's inherent desire to do their best.
- Measure outcomes, develop an understanding of the causes of variation from planned performance and take appropriate action.
- Practise continuous improvements through ongoing coaching, learning and innovation, focused on the needs and wants of internal and external customers.

GOALS

- Improve safety in the workplace.
- Provide exceptional customer value.
- Strengthen working relationships with Aboriginal peoples.
- Maintain financial strength.
- Extend and protect access to North American energy markets and profitable export sales.
- Attract, develop and retain a highly skilled and motivated workforce that reflects the demographics of Manitoba.
- Protect the environment in everything that we do.
- Promote cost effective energy, conservation and innovation.
- Be recognized as an outstanding corporate citizen and a supporter of economic development in Manitoba.

SAFETY

Improve safety in the workplace

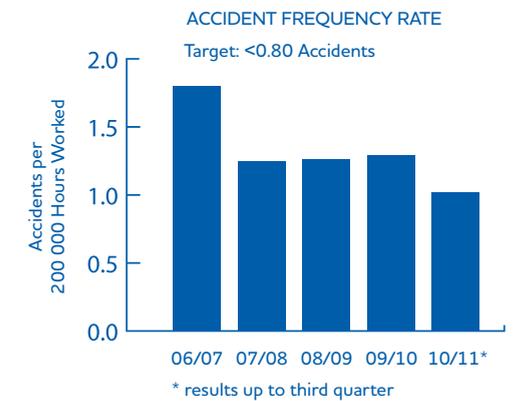
STRATEGIES

Instill safety culture in all corporate activities

Reinforce management, supervisory and worker accountability for a safe and healthy workplace

Implement safety reporting protocols that incorporate thorough investigation and timely communication of all safety-related incidents

MEASURE	TARGETS
Accident severity rate	<16 days per 200 000 hours worked
Accident frequency rate	<0.80 accidents per 200 000 hours worked
High risk incidents	0



EXCEPTIONAL CUSTOMER VALUE

Provide exceptional customer value

STRATEGIES

Maintain high system reliability, reasonable rates and excellent customer service

Continue to assist customers in making informed decisions regarding the use of natural gas and electricity

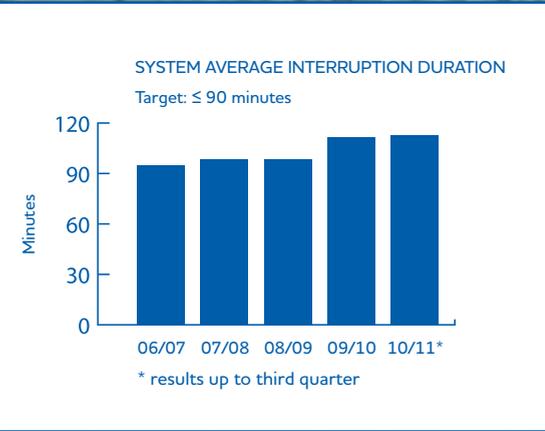
Continue to evaluate the full range of options to meet Manitoba load and reliability requirements

Develop a cost effective "Smart Grid" strategy

Explore opportunities for natural gas supply and storage

Evaluate the impacts of low gas prices for a potentially sustained period

MEASURE	TARGETS
System average interruption duration	≤ 90 minutes
System average interruption frequency	≤ 1.3 per year
Canadian Electricity Association (CEA) Customer Service Index	Best in Canada
Retail electricity rates	Lowest in North America
Retail natural gas distribution rates	Among the lowest in North America



ABORIGINAL RELATIONS

Strengthen working relationships with Aboriginal peoples

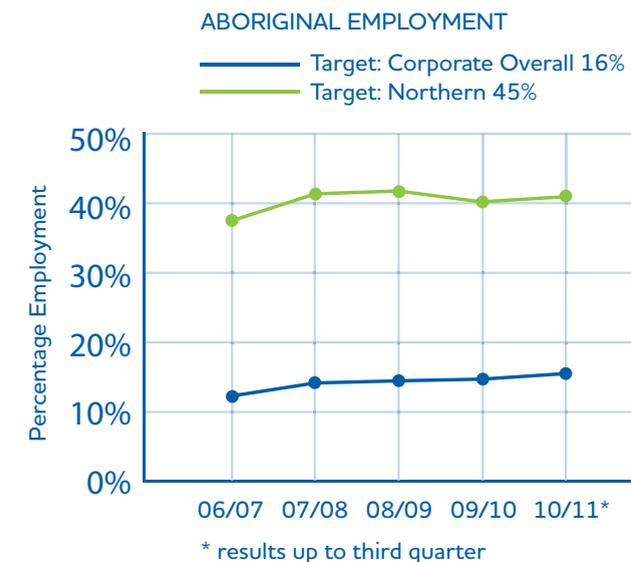
STRATEGIES

Continue to address the effects of Manitoba Hydro's operations on Aboriginal communities

Develop and maintain business relationships with Aboriginal companies

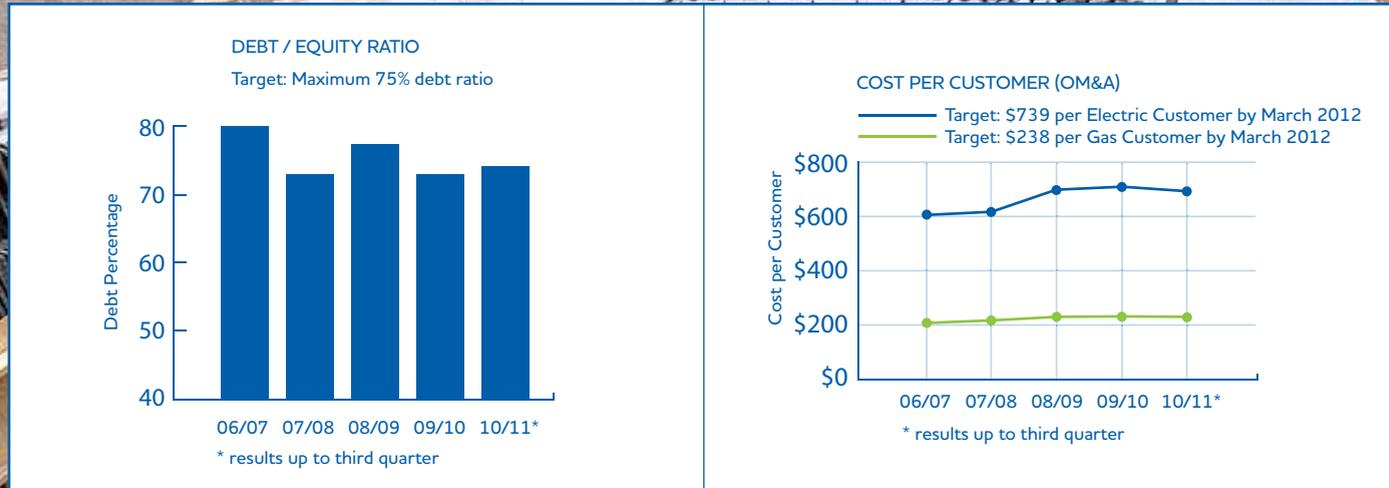
Continue initiatives to recruit, develop and retain Aboriginal employees

MEASURE	TARGETS
Percentage of impacted Aboriginal communities with a workable management framework	100%
Percentage Aboriginal employment	
- Corporate overall	16%
- Northern	45%
- Management	6%
- Professional	8%



FINANCIAL STRENGTH

Maintain financial strength



STRATEGIES

Ensure that the achievement of financial targets is considered in all major corporate decisions

Implement a corporate-wide process for prioritizing capital requirements

Implement and track sustainable initiatives to ensure that growth in OM&A costs is fully justified

Demonstrate to stakeholders that regular reasonable rate increases are necessary for future price stability

Obtain and renew the licences that Manitoba Hydro requires to sustain its business

Explore opportunities to further optimize the benefits of the natural gas and electricity systems

Pursue opportunities to address increasing workloads associated with regulation and changing industry standards

MEASURE	TARGETS
Interest coverage	> 1.2
Debt/equity ratio	Maximum 75% debt ratio
Capital financing ratio	> 1.2 excluding major generation & transmission
Operation Maintenance and Administration (OM&A) Cost per customer – electric	\$739 per customer (March 2012)
OM&A Cost per customer – natural gas	\$238 per customer (March 2012)

ENERGY MARKETS & INTERCONNECTIONS

Extend and protect access to North American energy markets and profitable export sales

STRATEGIES

Pursue a balanced portfolio of export sales

Protect transmission rights and expand transmission capacity to support access for exports and imports

Participate in national and international forums to facilitate exports

Promote new hydro and transmission as part of the solution to climate change

Participate in the development of regulatory and industry frameworks for electricity, including renewable energy standards

Advance in-service dates of new hydro facilities, where economic, to take advantage of export opportunities

Ensure that plans are robust enough to withstand a range of alternative scenarios

WORKFORCE

Attract, develop and retain a highly skilled and motivated workforce that reflects the demographics of Manitoba



STRATEGIES

Continue to promote Manitoba Hydro as an employer of choice

Provide a work environment that allows employees to have a balanced approach to family, work and community

Continue to implement programs to enhance employee technical, leadership and business skills

Implement solutions to address current and future skill shortages

MEASURE	TARGETS
Percentage of non-entry positions filled by external applicants	Range 8% - 12%
Percentage of designated group members in Manitoba Hydro workforce	
Women	26%
Women in management	20%
Women professionals	35%
Persons with a disability	6%
Visible minorities	6%
Aboriginal	16%

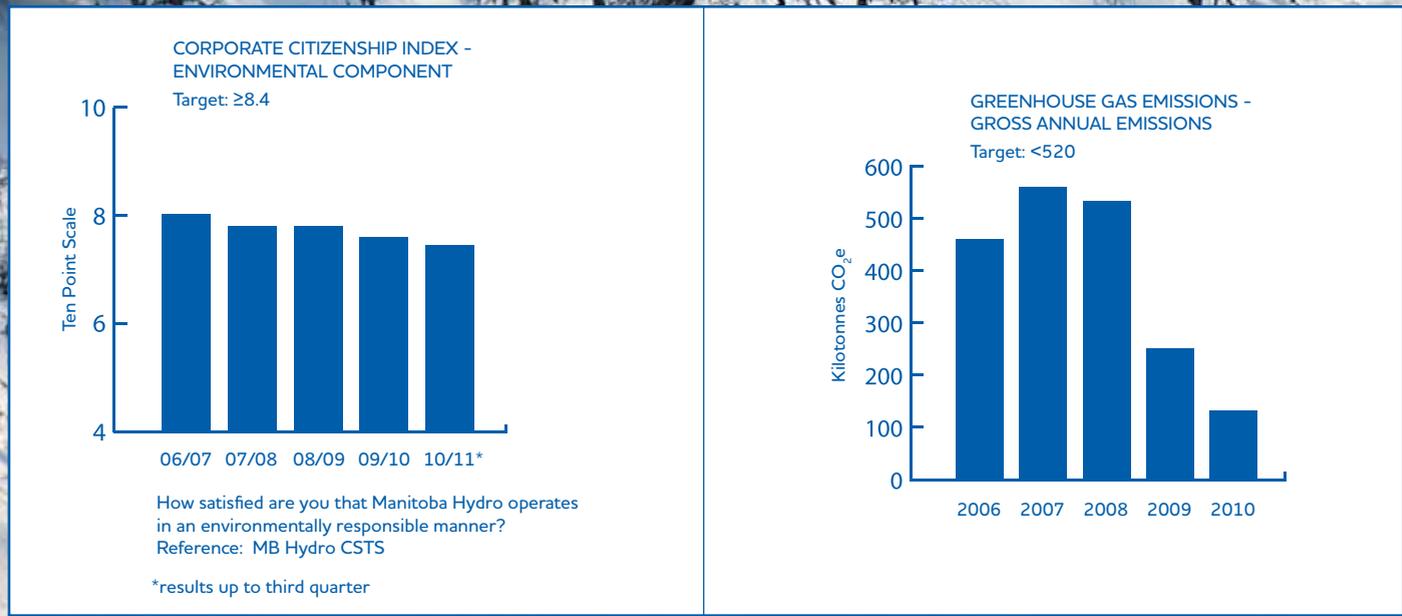
ENVIRONMENT

Protect the environment in everything that we do



STRATEGIES

- Prevent or mitigate adverse environmental impacts of Manitoba Hydro's activities
- Conduct or support environmental research, monitoring and educational programs relevant to sustainable development and Manitoba Hydro's operations
- Maintain and improve Manitoba Hydro's Environmental Management System including ISO 14001 registration
- Participate in the development of evolving environmental regulations and climate change policies
- Promote employee understanding of the potential interaction of their job and the corporation's activities with the environment
- Enhance public understanding of how Manitoba Hydro's hydroelectricity exports displace greenhouse gas emissions in other regions
- Expand green procurement, green fleet and other potential opportunities
- Communicate Manitoba Hydro's positive contribution to environmental protection and improvement



MEASURE	TARGETS
Percent of electricity generated in Manitoba that is renewable	>99%
Environmental component of CEA Customer Service Index	≥ 8.5
Corporate Citizenship Index – environmental component	≥ 8.4
Greenhouse gas emissions	<520 kilotonnes/yr (6% below 1990 levels)
Maintain EMS ISO 14001 registration	Registration maintained

ENERGY CONSERVATION & INNOVATION

Promote cost effective energy conservation and innovation

STRATEGIES

Aggressively develop, implement and promote Power Smart* programs

Use rate design and targeted price signals to encourage energy efficiency

Leverage information technology and R&D to support cost effective innovation

Encourage economically viable emerging energy options

MEASURE	TARGETS
Demand Side Management (DSM) - electric energy saved	1 939 gigawatt-hours (GWh) per year by March 2012
	3 408 GWh per year by 2024/25
DSM - electric capacity saved (at winter peak)	575 megawatts (MW) by March 2012
	918 MW by 2024/25
DSM - natural gas energy saved	61 million cubic metres per year by March 2012
	149 million cubic metres per year by 2024/25

*Manitoba Hydro is a licensee of the Trademark and Official Mark.



CORPORATE CITIZEN

Be recognized as an outstanding corporate citizen and a supporter of economic development in Manitoba

STRATEGIES

Effectively communicate the benefits Manitoba Hydro delivers to Manitobans

Support staff participation in community activities

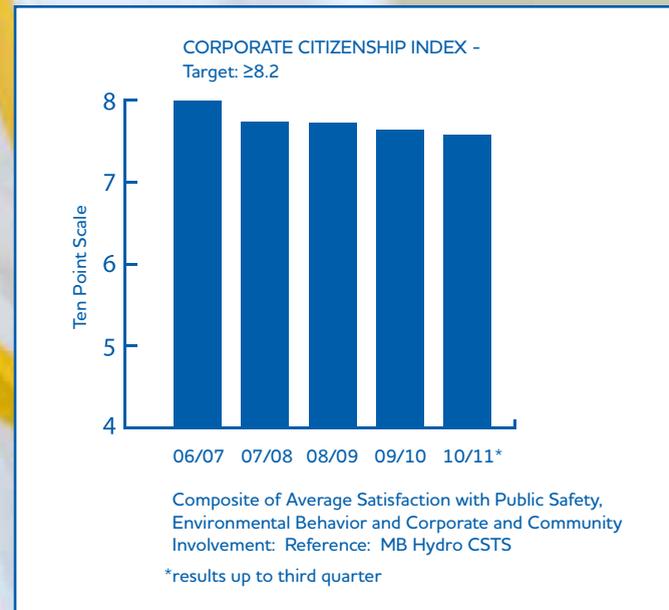
Deliver effective public education and safety programs

Take proactive steps to enhance external communications and image

Facilitate economic development opportunities for Manitoba

Broaden employee knowledge to create ambassadors for Manitoba Hydro

Engage with stakeholders, including the public at large, to understand their interests



MEASURE	TARGETS
CEA Public Attitude Index	≥ 8.5
Manitoba Hydro Corporate Citizenship Index	≥ 8.2
Public Contacts – natural gas & electric	20% injury reduction
Economic Development Agency satisfaction	100% satisfied



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