

MANITOBA HYDRO**2012/13 & 2013/14 ELECTRIC GENERAL RATE APPLICATION****UNDERTAKING PROVIDED BY: L. MORRISON****Manitoba Hydro Undertaking #3**

Identify the approximate capital contributions that Manitoba Hydro requests from developers when extending service into new developments/ subdivision (use Winnipeg developments as an example).

Response:

For urban residential subdivisions, Manitoba Hydro provides an Extension Allowance (i.e. corporate investment) equal to a maximum of \$1845 per standard service (home heated by other than electricity) and \$4,300 per home heated with electricity. The electric heat Allowance does not apply if gas service is available to the subdivision. Customer preferred facilities, such as underground distribution and preferred service delivery points are not eligible for application of any Allowance.

Using a Winnipeg subdivision development as an example (e.g. 10 lots, 15 metres width): the cost to serve each lot= $\$3,038 \times 10 = \$30,380$. The Maximum Extension Allowance = $\$1,845 \times 10 = \$18,450$.

If all lots are connected within the applicable period the maximum refund to the customer is equivalent to the \$1,845 per lot or as follows:

Total received from customer	\$30,380
Residential Allowance at connection (1,845 * 10)	<u>\$18,450</u>
Net Developer Contribution	\$11,930