

Needs For and Alternatives To

APPENDIX H

Corporate Strategic Plan 2012-2013

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Corporate Strategic Plan 2012-2013

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Registered to: ISO 14001

Looking like pieces of a puzzle, this photo, courtesy of Mel Marcial (Keeyask Engineering & Construction) shows frazil ice formation at the tailrace channel of Wuskwatim Generating Station. Frazil ice is created when water movement interrupts ice crystal growth and the crystals don't join together to form a sheet.





Introduction

The Corporate Strategic Plan (CSP) reflects Manitoba Hydro's vision, mission and goals. The CSP is reviewed annually by our Executive management team and the Manitoba Hydro-Electric Board and demonstrates our ongoing commitment to maintaining reliable and affordable energy while planning for long-term financial sustainability.

In all the work that we do, safety is our number one priority. A focus on continuous safety improvements has resulted in a steady decline in workplace accident severity and frequency rates, a trend we will strive to continue.

As we expand our capacity to meet the energy requirements within Manitoba and pursue export opportunities, we continue to engage our stakeholders, in particular Aboriginal and rural communities in which we operate. Our planned investments are significant over the next decade, both in new generation development and the modernization of our existing infrastructure. These investments, along with our ongoing operations, will contribute to the growth of the Manitoba economy and will have a lasting positive impact for future generations.

A handwritten signature in black ink, reading "Scott Thomson". The signature is fluid and stylized, with a long horizontal line extending from the end.

Scott A. Thomson, CA
President & CEO



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.
- Practice continuous improvements through ongoing coaching, learning and innovation, focused on the needs and wants of internal and external customers.

Gordon Ross (Community Relations) always has his camera with him. Heading out his front door to work one morning, he stopped to take this shot of the sunrise in Cross Lake.

Goals

Improve safety in the workplace.

Safety

Provide exceptional customer value.

Customer Value

Strengthen working relationships with Aboriginal peoples.

Aboriginal Relations

Maintain financial strength.

Financial Strength

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

Energy Markets

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

Workforce

Protect the environment in everything that we do.

Environment

Promote cost effective energy conservation and innovation.

Energy Conservation & Innovation

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

Corporate Citizen

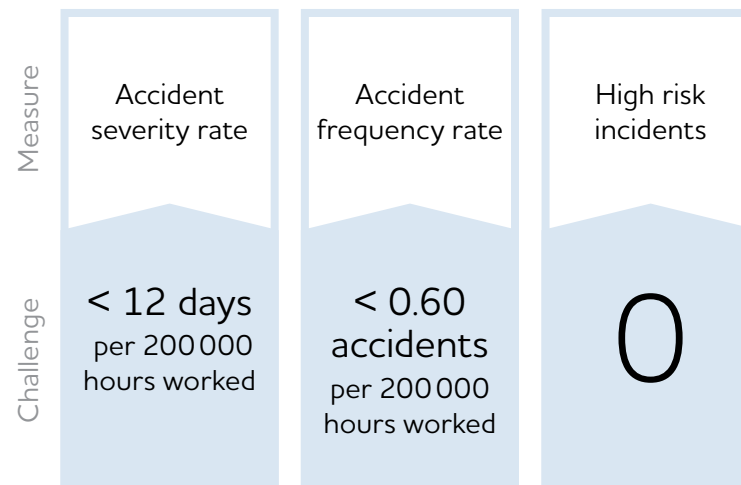
While working in Churchill, Adam Sawchuk (Keeyask Engineering & Construction) took a quick drive down to the coast on a clear -40 degree night and captured the Northern Lights.



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.
- Design and implement safe driving programs that address the need to substantially reduce the number of driving incidents.



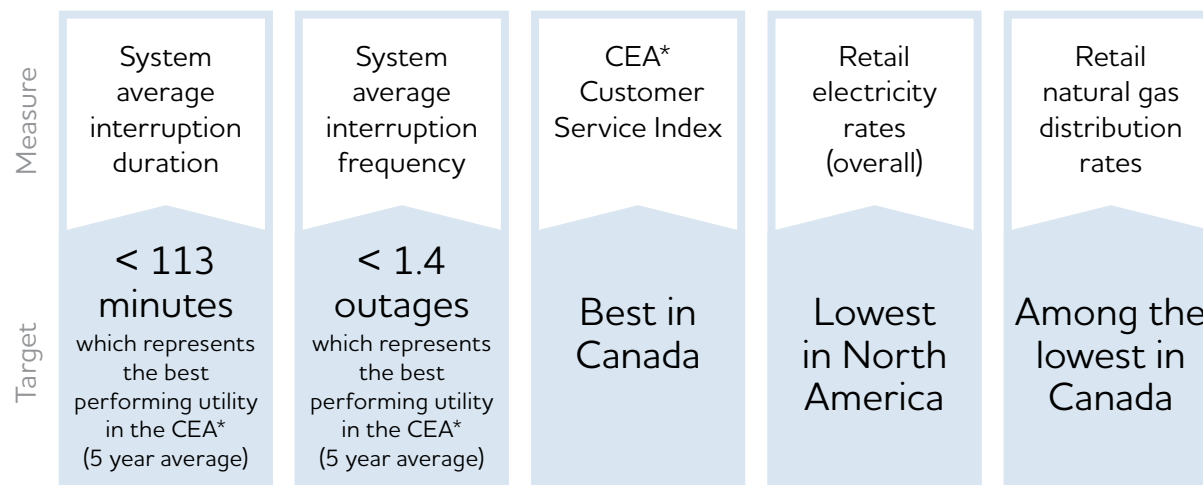
During training, at the Lineman's Rodeo or in the field, Hydro crews know that creating a job plan is imperative. Not only do they include an emergency response plan, but they also identify the major hazards in the job steps and list ways to control or eliminate those hazards.



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.
- Implement distribution automation as part of 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.
- Maintain compliance with applicable North American Electric Reliability Corporation (NERC) reliability standards and foster a culture of reliability excellence.



* Canadian Electricity Association

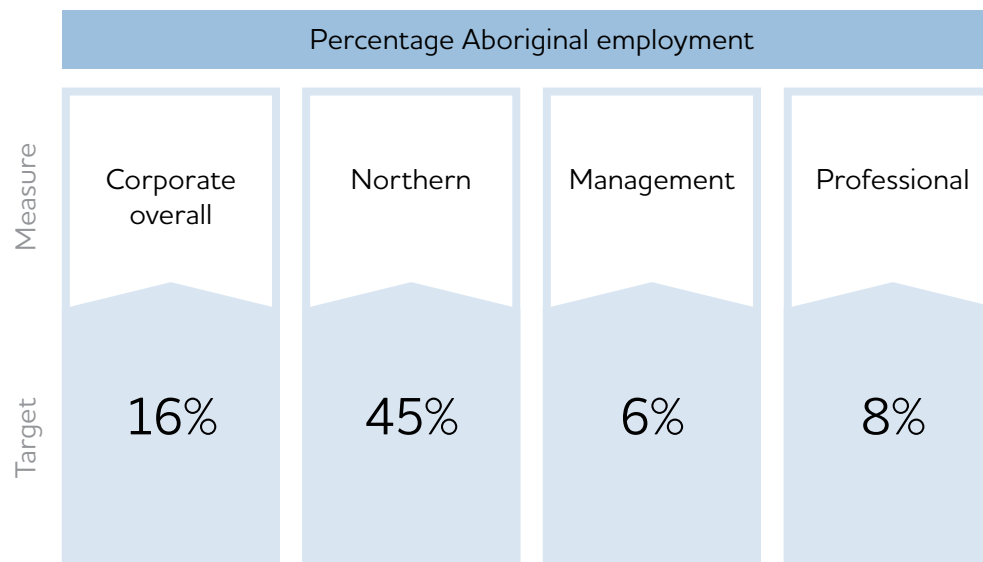
Recently launched technology called Mobile Workforce Management is changing how Customer Service Operations fieldwork activities are administered and dispatched. It will improve workload and workplace distribution, enhance customer safety and satisfaction, advance forecasting and planning as well as increasing productivity.



Strengthen working relationships with Aboriginal peoples

Strategies

- Ensure impacted Aboriginal communities have a workable management framework.
- 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.



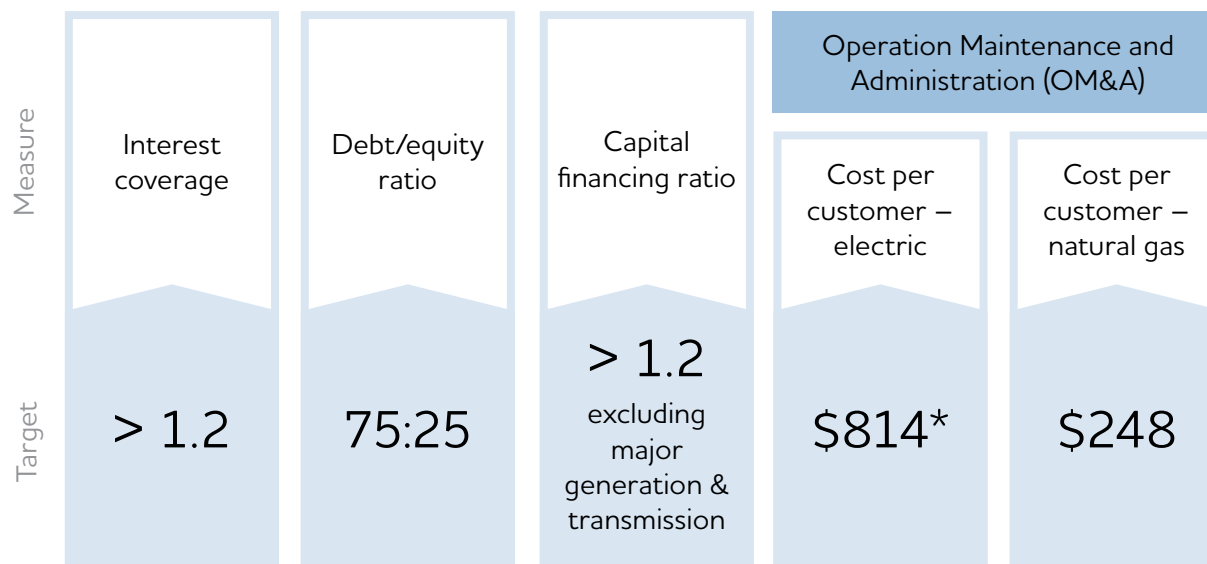
Left to right, Joe Halcrow and Joseph McKay (both Boat Patrol) patrol the waterways along the Nelson River for safety hazards. They remove debris and look for boaters in need of assistance; as well, they help to transport thousands of sturgeon eggs destined for the Grand Rapids Fish Hatchery to help build the sturgeon population in Manitoba.



Maintain financial strength

Strategies

- Ensure that the achievement of financial targets is considered in all major corporate decisions.
- Continue to implement asset investment planning projects.
- Implement and track sustainable initiatives to ensure that OM&A costs are fully justified.
- Demonstrate to stakeholders that regular reasonable rate increases are necessary for future price stability.
- Obtain and renew the licenses 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.



* Reflects accounting changes in 2012/13.

Tim Loewen (Civil Engineering) took this shot inside the de-watered draft tube of Unit 6 at Kelsey Generating Station. As part of the re-running project, concrete is being placed to improve flow.



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.

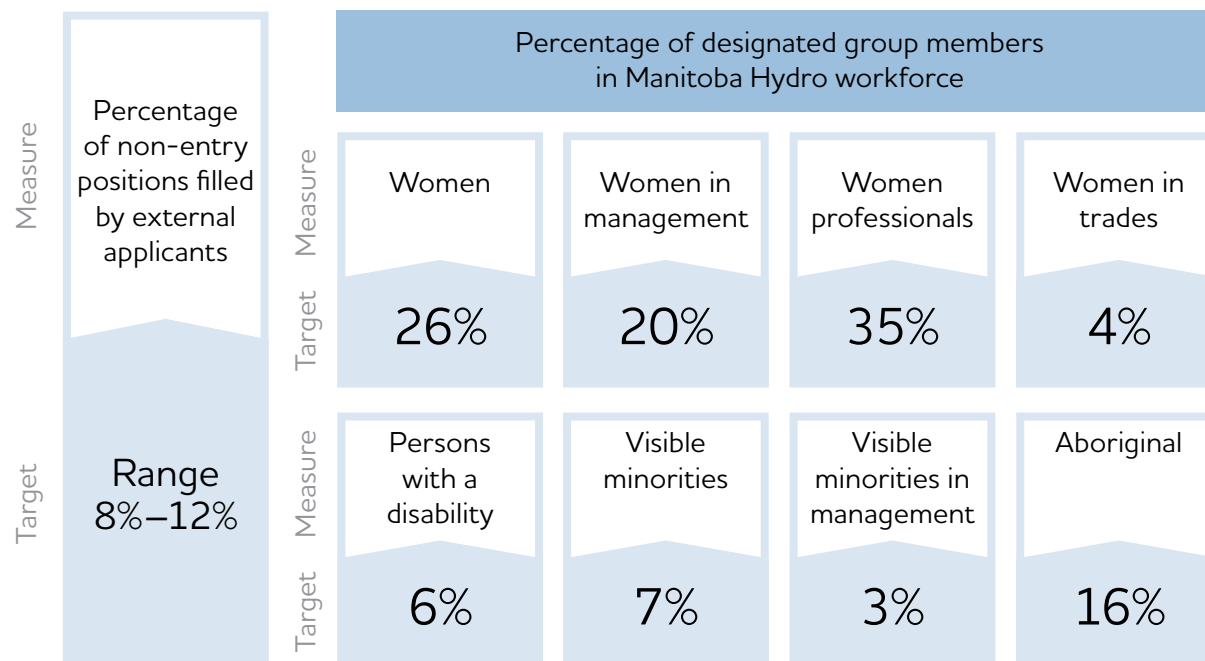
Transmission interconnections provide greater access to the U.S. market where our customers are looking for cleaner energy. As well, the province benefits from enhanced reliability and access to additional energy when drought impacts Manitoba hydraulic generation.



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.



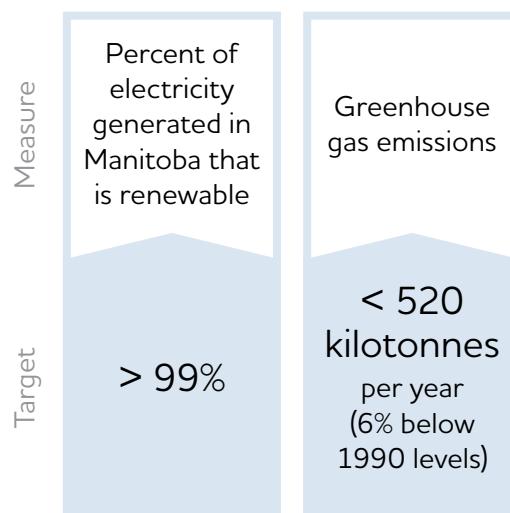
Carole Kouessi (Electrical Engineering) is a new immigrant and is part of the Engineer-in-Training program at Manitoba Hydro. She appreciates that employees are able to broaden their skills and competencies with a variety of internal and external training as well as through rotational training programs.



Protect the environment in everything that we do

Strategies

- Instill a culture of environmental awareness and the interaction between the corporation's activities and the environment.
- 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.
- 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.



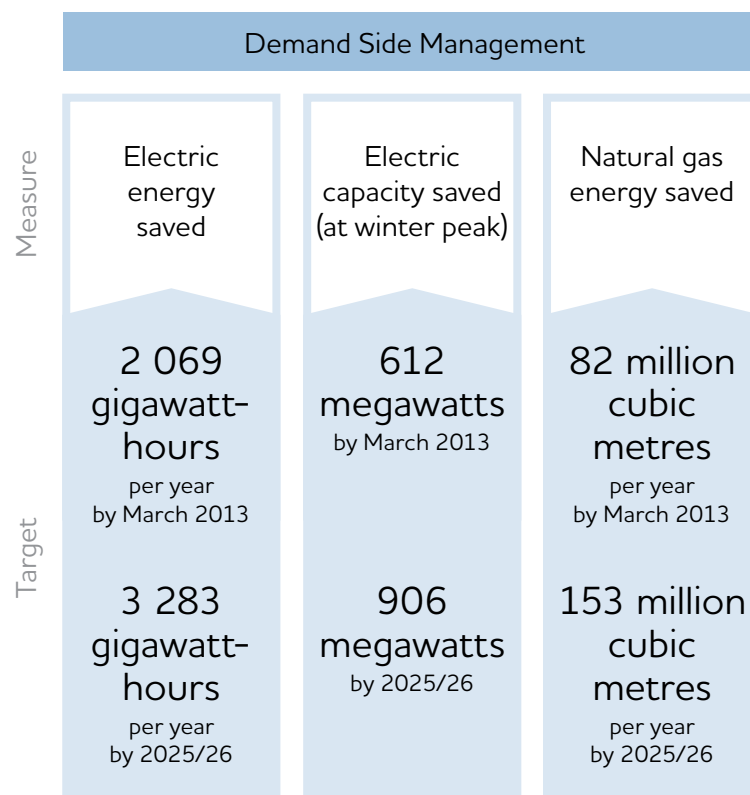
In planning our projects, Manitoba Hydro examines and mitigates impacts on surrounding habitat.



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.



The Power Smart Refrigerator Retirement Program aims to remove 35,000 old, inefficient fridges from homes over 2.5 years. This will reduce energy consumption by approximately 30 gigawatt hours — equivalent to the amount of electricity required to power the Town of Neepawa for a year.

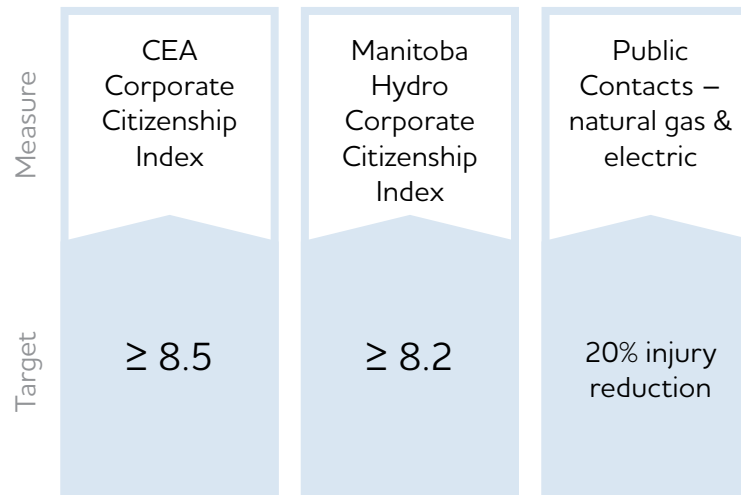
* Manitoba Hydro is a licensee of the Trademark and Official Mark.



Be recognized as an outstanding corporate citizen and a driver 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.



Well-loved Louie the Lightning Bug puts smiles on children's faces at Manitoba Hydro sponsored community events around the province. Games and activities featuring Louie help teach children about energy and safety.