

NEEDS FOR AND ALTERNATIVES TO (NFAT)

Manitoba Hydro Undertaking #31

Manitoba Hydro to provide provision of DSM plan evaluations from the perspective of the Manitoba Hydro impact, with the utility costs, incentive, and lost revenue included.

Response:

Table 1 – Incremental Economics – Manitoba Hydro View

	Manitoba Hydro View – Plans 1, 5 and 14 Base, Levels 1, 2, 3 DSM Without Pipeline Load Level 2, 3 DSM With Pipeline Load Includes Manitoba Hydro costs only and impact of lost domestic revenue Incremental NPV (millions of 2014\$) Relative to Base DSM for each plan		
DSM Level	All Gas	Plan 5 K19/Gas/750MW	Plan 14 K19/C/750MW
Base DSM	0	0	0
Level 1 DSM	426	388	176
Level 2 DSM	723	756	393
Level 3 DSM	375	372	-6
Level 2 DSM With pipeline	15	-23	-220
Level 3 DSM With pipeline	-343	-359	-383

The Manitoba Hydro View includes as a cost to Manitoba Hydro those costs to administer the DSM programs as well as any incentives to the customers to bring the programs into effect and lost domestic revenue. In order to approximate the lost revenue from Manitoba Domestic ratepayers in this analysis, a proxy revenue reduction was determined by applying a constant customer electricity rate to the load reduction for each level of DSM. This is intended to provide an approximation of the amount that Manitoba Hydro’s domestic revenues are decreased assuming that domestic rates are unaffected by the load reduction measures.

As a financial evaluation is not immediately available, this evaluation is being provided to assist in understanding the impacts on Manitoba Hydro overall net revenues.