

M A N I T O B A)	Order No. 27/05
)	
THE PUBLIC UTILITIES BOARD ACT)	
)	
THE MANITOBA HYDRO ACT)	
)	
THE CROWN CORPORATIONS PUBLIC)	
REVIEW AND ACCOUNTABILITY ACT)	February 17, 2005

BEFORE: Graham F. J. Lane, C.A., Chairman
Robert F. Mayer, Q.C., Vice Chair
Dr. K. Avery Kinew, Member

**MANITOBA HYDRO -
LIMITED USE OF BILLING DEMAND RATE OPTION
AND THE WINTER MINIMUM DEMAND PROVISION**

In Order Nos. 154/03 and 01/04, The Public Utilities Board (the Board) requested that Manitoba Hydro file reports related to the Limited Use of Billing Demand Rate Option (LUBD) and the Winter Minimum Demand Provision (WMDP). These reports were filed on August 24, 2004 together with Applications requesting ex parte approval to make the LUBD a permanent rate offering with some minimum changes to the Terms and Conditions. Manitoba Hydro also requested that the winter ratchet be retained at its current level of 70% until a review of other pricing options is completed and reviewed in conjunction with the next General Rate Application.

The receipt of these reports was acknowledged by the Board in a letter dated November 18, 2004. The Board noting that there are ongoing studies of other pricing options that may affect, in part or in whole, these service offerings advised Manitoba Hydro that it will await the receipt of these studies before considering further Manitoba Hydro Applications related thereto.

The Board also advised Manitoba Hydro that it was prepared to approve the minimum changes to the Terms and Conditions related to LUBD on an interim ex parte basis and requested that Manitoba Hydro file these Terms and Conditions for its approval.

On January 11, 2005, Manitoba Hydro filed these Terms and Conditions for the LUBD Option to the Board for approval and having reviewed these, the Board will approve same.

In the Board's view the change is minimal as it only offers Manitoba Hydro customers increased flexibility to opt out and into the LUBD Option. The Board accepted Manitoba Hydro's conclusion that "the limited number of customers on this rate has minimal financial impact on Manitoba Hydro or other ratepayers which appears to be more than offset by the much lower coincidence peak of these customers to the system peak".

Accordingly, the Board will deal with this matter on an interim ex parte basis.

IT IS THEREFORE ORDERED THAT:

1. Terms and Conditions of the LUBD Rate Option dated January, 2005 be and is hereby approved by the Board on an interim ex parte basis.
2. This interim ex parte Order shall be in full force and effect until confirmed or otherwise dealt with by a further Order of the Board.

THE PUBLIC UTILITIES BOARD

"GRAHAM F. J. LANE, C.A."
Chairman

"G. O. BARRON"
Secretary

Certified a true copy of
Order No. 27/05 issued by The
Public Utilities Board

Secretary