

MANITOBA) Order No. 79/14
)
THE PUBLIC UTILITIES BOARD ACT) July 15, 2014

Before : Régis Gosselin, B és Arts, M.B.A., C.G.A., Chair
Marilyn Kapitany, B.Sc. (Hons), M.Sc., Member
Larry Soldier, Member

**INTERIM ORDER IN RESPECT OF MANITOBA HYDRO'S APPLICATION
FOR NEW LIGHT EMITTING DIODE (LED) RATES FOR THE AREA AND
ROADWAY LIGHTING CLASS - EFFECTIVE AUGUST 1, 2014**

Background

On March 7, 2014, Manitoba Hydro filed with The Public Utilities Board (Board) an Application for an interim rate increase of 3.95% to all Manitoba Hydro customer classes, to be effective April 1, 2014. In Board Order 49/14, the Board denied Manitoba Hydro's Application, but did approve an interim May 1, 2014 rate increase of 2.0% plus a further 0.75% interim increase to flow into the existing Deferral Account established in Board Order 43/13 to assist with the payment of in-service costs of the Bipole III transmission project.

Light Emitting Diode (LED) Rates

On March 28, 2014 Manitoba Hydro amended its above referenced Application to request Board approval, on an interim basis, to implement new Light Emitting Diode (LED) rates for the Area and Roadway Lighting class. Currently, Manitoba Hydro does not have separate rates in place for LED roadway lighting fixtures. In Board Order 49/14, the Board postponed to Manitoba Hydro's next General Rate Application (then planned for the fall of 2014), further consideration and review of new LED rates for the Area and Roadway Lighting class.

Review and Vary Order 49/14 for Consideration of LED Rates

By way of letter dated June 23, 2014, (which the Board interprets as Manitoba Hydro's request to Review and Vary Order 49/14), Manitoba Hydro repeated its request for new LED rates for the Area and Roadway Lighting Class.

Manitoba Hydro indicates that the new proposed LED rates would apply to all LED installations, including new installations and also those related to the replacement of existing High Pressure Sodium (HPS) fixtures. In 2013, Manitoba Hydro began conducting pilot replacements with 44 HPS roadway lights being converted to LED on nine streets in Winnipeg and Thompson, which resulted in total annual energy savings of over 9,000 kWh. The pilot projects enabled Manitoba Hydro to monitor product performance from various manufacturers, the light output and customer feedback. No reported negative performance issues or negative public feedback has been received by Manitoba Hydro.

In addition to the cost savings and efficiencies that will result for Manitoba Hydro, the LED lighting will also assist municipalities in Manitoba, (such as the City of Winnipeg and the members of the Association of Manitoba Municipalities), in meeting their efficiency mandates. The conversion of existing HPS roadway lights to LED will be launched by Manitoba Hydro in the summer of 2014, and occur over a seven year period. The LED roadway lighting fixtures purportedly consume approximately 40 per cent less electricity compared to HPS lighting.

The new LED rates are required by Manitoba Hydro to promote its new efficiency program and accurately and appropriately charge customers for the services provided under the Area and Roadway Lighting rate schedule.

Manitoba Hydro also advises that in its pursuit of its 2014-2017 Power Smart Plan energy efficiency targets, LED roadway lighting is expected to achieve 35 GWh in electricity savings, and 5 MW in winter peak demand by 2020/21.

No Intervener to Manitoba Hydro's April 1, 2014 Interim Rate Application opposed the approval of LED rates.

Board Findings

Having reviewed the information from Manitoba Hydro, the Board is prepared to vary Order 49/14 and will approve, effective August 1, 2014 and on an interim basis, LED rates for the Area and Roadway Lighting class.

The LED interim rates that are approved, and attached to this Order, have been calculated by determining the annual kilowatt hour savings expected to be achieved by converting from HPS to LED, and then determining the monthly cost savings using the Area and Roadway Lighting energy charge from Manitoba Hydro's 2013 prospective Cost of Service Study - updated to reflect actual rate increases for September 1, 2013, May 1, 2013 and the approved May 1, 2014 rates. The monthly cost savings were then deducted from the approved HPS rates effective May 1, 2014, to determine the interim approved LED rates.

IT IS THEREFORE ORDERED THAT:

- 1) Order 49/14 be varied so as to approve, on an interim basis and effective August 1, 2014, LED rates for the Area and Roadway Lighting class as attached as Schedule "A" to this Order.
- 2) This Order shall remain interim, until finalized or varied by further Order of the Board.

Board decisions may be appealed in accordance with the provisions of Section 58 of *The Public Utilities Board Act*, or reviewed in accordance with Section 36 of the Board's Rules of Practice and Procedure.

THE PUBLIC UTILITIES BOARD

"Régis Gosselin, B ès Arts, MBA, CGA"
Chair

"Hollis M. Singh"

Secretary

Certified a true copy of Order No. 79/14
issued by the Public Utilities Board

Secretary

SCHEDULE A

AREA AND ROADWAY LIGHTING

OUTDOOR LIGHTING

LEGEND

I Incandescent

F Fluorescent

CF Compact Fluorescent

LED Light Emitting Diode

MH Metal Halide

MV Mercury Vapour

HPS High Pressure Sodium Vapour

Q Quartz

Exclusive Pole: A corporate-owned pole for the primary purpose of supporting outdoor lighting devices.

Shared Pole: A pole of the primary purpose of supporting electrical circuits other than outdoor lighting.

AREA AND ROADWAY LIGHTING

(Incandescent and Mercury Vapour are NOT available for new installations)

OUTDOOR LIGHTING RATE - *TARIFF NO. 2014-80*:

Watts	Rate Per Month	
	Shared	Exclusive
200 F	-	\$ 9.93
20 CF	-	\$ 2.13
100 I	\$ 4.57	\$ 9.93
150 I	-	\$ 9.93
300 I	-	\$ 14.16
500 I	\$ 11.96	\$ 19.51
400 MH	-	\$ 23.77
175 MV	\$ 8.84	\$ 14.16
250 MV	\$ 10.12	\$ 16.03
400 MV	\$ 13.88	\$ 19.17
70 HPS	\$ 7.60	\$ 12.48
70 HPS 24 hours	-	\$ 14.03
100 HPS	\$ 7.89	\$ 13.16
150 HPS	\$ 9.67	\$ 14.86
250 HPS	\$ 12.32	\$ 17.13
400 HPS	\$ 14.14	\$ 23.77
400 HPS 2/100'	-	\$ 36.75
400 HPS 4/100'	-	\$ 26.99
750 HPS	\$ 21.91	\$ 34.76
1 000 HPS	-	\$ 40.32
1 000 HPS 1/60'	-	\$ 41.25
1 000 HPS 2/100'	-	\$ 49.44
1 000 HPS 4/100'	-	\$ 42.40
10 LED	-	\$ 1.99
60 LED	\$ 6.87	\$ 11.75
60 LED 24 hours	-	\$ 13.30
80 LED	\$ 6.88	\$ 12.15
110 LED	\$ 8.25	\$ 13.44
180 LED	\$ 10.07	\$ 14.88
280 LED	\$ 10.62	\$ 20.25
280 LED 2/100'	-	\$ 33.23
280 LED 4/100'	-	\$ 23.47

Applicability: The Area and Roadway rate is available throughout the Province of Manitoba and applies to area and roadway lighting installed by agreement for public authorities.