



## News Release

May 6, 2014

### NOTICE OF DECISION

In Order 49/14 dated May 6, 2014, the Public Utilities Board (Board) approved a 2.75% rate increase to Manitoba Hydro customers effective May 1, 2014, denying Hydro's higher rate request because the Board has not finished its review of Hydro's proposed development plans.

In its decision, the Board approved a 2% increase to approximate the annual rate of inflation. The Board also included an additional 0.75% increase to flow into an existing Deferral Account established in April 2013 to assist with the payment of in-service costs for the Bipole III Transmission project.

The major reasons for this interim rate increase are as follows:

- Reduced revenues from export sales;
- Higher operating costs related to the Wuskwatim Generating Station;
- Higher Operation, Maintenance & Administration costs;
- Funding of capital expenditures undertaken to support the reliability of electrical service; and
- Manitoba Hydro's financial and credit rating integrity over the longer term.

The Board notes that Manitoba Hydro's Interim Application for a 3.95% rate increase is consistent with Manitoba Hydro's Preferred Development Plan that involves the construction of both Keeyask and Conawapa Generating Stations. This Preferred Development Plan is currently under review by the Board in the Needs For and Alternatives To (NFAT) Review process. The issues and decisions that result from the NFAT Review will have impacts on the rates set in future General Rate Applications. Manitoba Hydro's next General Rate Application is expected in the Fall of 2014.

A copy of the Order, which contains additional information, may be reviewed on the Board's website [www.pub.gov.mb.ca](http://www.pub.gov.mb.ca), or be obtained through the Board's Office.

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