



January 18, 2016

NOTICE OF A PUBLIC REVIEW OF THE COST OF SERVICE STUDY METHODOLOGY UTILIZED BY MANITOBA HYDRO and OTHER RELATED MATTERS

On December 4, 2015 Manitoba Hydro filed an Application with the Manitoba Public Utilities Board (PUB) for review and consideration of Manitoba Hydro's Cost of Service Study Methodology.

A Cost of Service Study (COSS) is used by Manitoba Hydro to determine the cost responsibilities of Manitoba Hydro's customer classes and is a tool used to assist the PUB in determining whether domestic rates for all customer classes are fair and reasonable.

This COSS is independent of Manitoba Hydro's recent Application to the PUB for an April 1, 2016 Interim rate increase.

In addition to reviewing Manitoba Hydro's Cost of Service Study methodology, the PUB also intends to review:

- Manitoba Hydro's policies and plans on rate rebalancing that may arise from the outcome of the COSS review;
- Rate design matters such as adjustments to the Basic Monthly Charge, energy charge and demand charges;
- Rate design considerations for such matters as Industrial Time of Use Rates and Residential Conservation Rates;
- Manitoba Hydro's Terms and Conditions of Service including Service Extension Policies;

Interveners from prior PUB hearings have expressed an interest in participating in the PUB's public review of Manitoba Hydro's COSS and related matters.

Any other individuals or organizations wishing to participate in the Board's review of Manitoba Hydro's Cost of Service Study should contact the Board by Friday, February 5, 2016.

Information on Manitoba Hydro's Cost of Service Study can be found on the Board's website at <http://www.pub.gov.mb.ca/appl-current.html>

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