

**CAC/MSOS/MH I-66****Subject: Proposed Rates and Customer Impacts****Reference: Tab 10 and related Appendices**

- c) Please provide a schedule that for each customer class compares the proposed 2010/2011 energy rate with the marginal cost of supply for the class. Please provide in a format similar to that used in CAC/MSOS / MH I – 51 a) from the 2008 GRA.

**ANSWER:**

Forecast marginal cost to serve a domestic customer, using Manitoba Hydro established methodology and averaged over the year is 7.79 cents per kW.h. This includes all generation costs and all capital costs associated with transmission and distribution.

2009/10 average marginal cost per kW.h is made up of the following components:

Generation	6.47 ¢
Transmission	0.82 ¢
Distribution	0.50 ¢

By comparison the average revenue (¢/kW.h) calculated using the proposed interim rates effective April 1, 2010 are:

Residential	7.03
GSS	6.66
GSM	5.10
GSL 0 - 30kV	4.53
GSL 30 - 100 kV	3.89
GSL > 100kV	3.53