



News Release

July 10, 2009

By Order 112/09, the Public Utilities Board (PUB) responds to Manitoba Hydro's (MH) application for approval of a new Energy Intensive Industrial Rate (EIIR). Following a public hearing held by PUB (over eight days in December 2008 and January 2009), and after a thorough review of filings and submissions by MH and Interveners, PUB:

1. accepts that a second-tier and higher rate is required for certain (to be defined) large new or expanded industrial electricity consumption during peak hours, one more reflective of marginal cost, but rejects MH's specific EIIR proposal;
2. requires that MH file with PUB a Stakeholder Consultation Plan, towards devising a revised EIIR proposal to apply to all non-government General Service Large >30 kV customers; and
3. directs that MH develop and file with PUB a new Service Extension Policy, one that provides for industry capital contributions toward generation and transmission costs for large load additions.

PUB finds that while some aspects of MH's EIIR proposal have merit, other aspects are not fully satisfactory, and therefore PUB provides MH the parameters for a new EIIR proposal (to be developed by MH in consultation with Stakeholders). That new proposal will have all non-government General Service Large (GSL) customers (served at 30 kV and greater) potentially subject to an EIIR, but only for on-peak energy load growth that is above to-be-developed baseline loads. Finally, for the determination of customers' baselines, PUB preserves the date of March 31, 2008 for the calculation of energy baselines for an EIIR.

PUB's directions, when implemented, should promote energy efficiency and conservation in Manitoba while saving MH and its general consumers harmless from the risk of lower MH revenues and higher MH rates brought about as a result of very large increases in peak-period energy loads by large industry.

A copy of this Order, and past Orders containing related information, may either be reviewed on the Board's website www.pub.gov.mb.ca, or obtained from the Board's Office.

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