



News Release

March 30, 2009

By Order No. 32/09, following a review of filings and submissions by Manitoba Hydro (Hydro) and Interveners, the Public Utilities Board (Board) varies and reduces a rate increase conditionally slated to take effect April 1, 2009 for all Manitoba Hydro customers, except for Area and Roadway Lighting customers, whose rates will not change.

In this Order, the Board approves a 2.9% average rate increase, rather than the previously indicated 4% increase, for all customer classes, again except for Area and Roadway Lighting customers, whose rates will not change.

Hydro sought implementation of a 4% increase as of April 1, 2009, and some Interveners sought no increase at all, or, at most a 2% increase. In approving a 2.9% increase, the Board seeks to balance the "risk based" need for a larger rate increase to further strengthen Hydro's financial position (risk of drought, higher interest rates, lower than forecast export pricing, the implications of the upcoming adoption of required new accounting standards and the potential for further currency fluctuations, etc.) with the reality of a world-wide recession and its impact on consumers and industry.

Even with the April 1 rate increase, Manitobans will continue to benefit from some of, if not the lowest electricity rates in North America. The Order contains a number of other directions related to Hydro's risks and plans, and also reiterates the Board's previous direction that a low-income bill assistance plan be developed.

As to the rate increase, the Board's perspective is that it is prudent that known risks be addressed now, and through the provision of additional revenue, which will better ensure adequate financial reserves in and ahead of unsettled times.

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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