



News Release

July 29, 2008

By Order 116/08, following the earlier release of Order 90/08, which among other directives, established an across-the-board rate increase of 5% effective July 1, 2008 for most of Manitoba Hydro (MH, Hydro or Corporation) customers, the Public Utilities Board (Board) now provides the rationale and background supporting Order 90/08 and various additional directives in respect of Hydro's:

- Integrated Financial Forecasts;
- Capital Expenditure Forecasts;
- Load Forecast and Power Resource Plan;
- Export Program;
- International Financial Reporting Standards Implementation;
- Benchmarking Study of Key Performance Metrics;
- Asset Condition Assessment Study;
- Terms of Reference for a Review of MH's Capital Program;
- Quantified Risk Analysis;
- Demand Side Management (DSM) ("Power Smart" program enhancements);
- Green House Gas Reduction Strategy;
- Low-Income Programs, including a Bill Assistance Program;
- Cost of Service Study (COSS) Revisions;
- Rate Design Revisions;
- MH Diesel Rate Zone; and
- Energy Intensive Industry Rate Proposal.

While no rates change as a result of this Order, it is intended to lead to the provision of additional information that will guide the Board's future actions with respect to both Hydro's rates and rate design. Among the matters considered in the Order, the Board directs Hydro to quantify its risks in an effort to determine the appropriateness of the current financial stability targets; expresses concern with the information available currently to the Board related to certain matters concerning export sales and marginal costs; notes the likely presence of approximately 100,000 low-income households and seeks further actions by the Corporation to address the varied problems of low-income households exacerbated by rising energy costs; directs Hydro to increase its efforts to conserve domestic energy through more aggressive DSM measures (so as, in part, to provide the Corporation with a higher level of supply security to meet future demand requirements); suggests to government that it consider establishing a separate entity to manage Hydro's DSM and low-income initiatives; and proposes that Hydro provide the Board with draft terms of reference for a regulatory review of the impact on consumer rates that MH's planned Capital program may have.

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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