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May 31, 2023

THE PUBLIC UTILITIES BOARD OF MANITOBA
400-330 Portage Avenue
Winnipeg, Manitoba
R3C 0C4

ATTENTION: Dr. D. Christle, Board Secretary and Executive Director

Dear Dr. Christle:

RE: MANITOBA HYDRO'S 2023/24 & 2024/25 GENERAL RATE APPLICATION – UNDERTAKING 22

Please find enclosed Manitoba Hydro's undertaking 22.

Should you have any questions with respect to the foregoing, please do not hesitate to contact the writer at 204-360-3257.

Yours truly,
MANITOBA HYDRO LEGAL SERVICES

Per:

A handwritten signature in blue ink, appearing to read 'B. Czarnecki', written over a horizontal line.

Brent Czarnecki
Senior Counsel

2023/24 & 2024/25 GENERAL RATE APPLICATION

Manitoba Hydro Undertaking #22

MH to update the table in MFR 18 with the Spring 2023 consensus forecast of Manitoba CPI.

Response:

Figure 1 below has been updated for actual MB CPI for the 2022/23 fiscal year according to Statistics Canada and Manitoba Hydro’s Spring 2023 consensus forecast of Manitoba CPI for 2023/24 and 2024/25.

Figure 1. Historical Rate Increases

Year	% Rate Increase Requested	% Approved Final/Interim	MB CPI (fiscal)	Fiscal Yr Revenue Increases	Annual Increase in Revenue (\$millions)	Cumulative % Increase	Cumulative MB CPI	Cumulative Additional Revenue from Rate Increases	% of Total Revenue from Domestic (Actual) ⁷	Actual Electric Operations Debt to Equity Ratio
1999/00	0%	-	2.2%	\$0.00	\$0.00	0.00%	2.20%	\$0.0	66%	83:17
2000/01	0%	-	2.5%	\$0.00	\$0.00	0.00%	4.76%	\$0.0	62%	80:20
2001/02 ¹	-	-1.92% Nov 1/01	2.1%	(\$6.00)	(\$14.40)	-1.92%	6.95%	-\$14.4	57%	78:22
2002/03	0%	-	2.3%	\$0.00	\$0.00	-1.92%	9.41%	-\$14.4	65%	81:19
2003/04	0% Apr 1/03	-0.72% Apr 1/03	0.9%	(\$6.50)	(\$6.50)	-2.63%	10.40%	-\$20.9	72%	87:13
2004/05	3% Apr 1/04	5% Aug 1/04	2.7%	\$32.30	\$45.90	2.24%	13.38%	\$25.0	63%	85:15
2005/06	2.5% Apr 1/05	2.25% Apr 1/05	2.4%	\$21.80	\$21.80	4.54%	16.10%	\$46.8	55%	81:19
2006/07	2.25% Feb 1/07	2.25% Mar 1/07	2.0%	\$1.9 est	\$23.10	6.90%	18.42%	\$69.9	66%	80:20
2007/08	0% Apr 1/07	-	1.9%	\$0.00	\$0.00	6.90%	20.67%	\$69.9	66%	73:27
2008/09	2.9% Apr 1/08	5.0% Jul 1/08	2.2%	\$39.3 est	\$52.40	12.24%	23.33%	\$122.3	68%	77:23
2009/10 ²	3.9% Apr 1/09	2.86% Apr 1/09	0.6%	\$32.80	\$32.80	15.45%	24.07%	\$155.1	75%	72:28
2010/11 ³	2.9% Apr 1/10	2.84% Apr 1/10	1.0%	\$32.90	\$32.90	18.73%	25.31%	\$188.0	77%	72:28
2011/12	2.9% Apr 1/11	2.0% Apr 1/11	2.8%	\$24.40	\$24.40	21.10%	28.82%	\$212.4	78%	74:26
2012/13	3.5% Apr 1/12	2.0% Apr 1/12	1.6%	\$25.80	\$25.80	23.53%	30.88%	\$238.2	80%	75:25
2012/13	2.5% Sep 1/12	2.4% Sep 1/12	1.6%	\$19.40	\$31.00	26.49%	30.88%	\$269.2	0%	75:25
2013/14	3.5% Apr 1/13	3.5% May 1/13	2.4%	\$43.40	\$47.60	30.92%	34.02%	\$316.8	78%	77:23
2014/15	3.95% Apr 1/14	2.75% May 1/14	1.5%	\$35.60	\$38.70	34.52%	36.03%	\$355.5	79%	83:17
2015/16	3.95% Apr 1/15	3.95% Aug 1/15	1.3%	\$40.10	\$57.40	39.83%	37.80%	\$412.9	77%	84:16
2016/17	3.95% Apr 1/16	3.36% Aug 1/16	1.4%	\$36.30	\$52.30	44.53%	39.73%	\$465.2	76%	85:15
2017/18	7.9% Aug 1/17	3.36% Aug 1/17	1.7%	\$37.30	\$52.40	49.39%	42.10%	\$517.6	77%	85:15
2018/19	7.9% Apr 1/18	3.6% Jun 1/18	2.4%	\$49.55	\$58.23	54.76%	45.51%	\$575.8	80%	87:13
2019/20 ⁴	3.5% Jun 1/19	2.3% Jun 1/19	2.3%	\$32.90	\$39.10	58.32%	48.86%	\$614.9	78%	87:13
2020/21 ⁵	-	2.9% Dec 1/20	0.3%	\$20.49	\$49.96	62.91%	49.31%	\$664.9	74%	86:14
2021/22	5% Jan 1/22	3.6% Jan 1/22	4.6%	\$19.60	\$63.64	68.78%	56.18%	\$728.5	76%	87:13
2022/23	0%	-	7.8%	\$0.00	\$0.00	68.78%	68.36%	\$728.5	59%	85:15
2023/24 ⁶	2.0% Sep 1/23	-	3.5%	\$23.51	\$36.65	72.15%	74.25%	\$765.2	62%	83:17
2024/25 ⁵	2.0% Apr 1/24	-	2.2%	\$37.51	\$37.51	75.60%	78.08%	\$802.7	67%	82:18

1. This was the result of Uniform Rates Legislation, not a request made by Manitoba Hydro.
2. The PUB approved interim rate increases of 2.9% for all customer classes, except Area & Roadway Lightning, resulting in a revenue increases of 2.86% in 2009/10.
3. The PUB approved interim rate increases of 2.9% for all customer classes, except Area & Roadway Lightning, resulting in a revenue increases of 2.84% in 2010/11.
4. The PUB approved a rate increase of 2.5% with select rate classes receiving lower or zero increases such that the overall revenue increase was 2.3% in 2019/20.
5. This was the result of a legislated increase in the *The Budget Implementation and Tax Statutes Amendment Act, 2020 (BITSA)*
6. Proposed
7. Total domestic revenues as a percentage of total revenues from energy sales

In addition to the updated data in Figure 1, a summary of Manitoba CPI based on data from Statistics Canada is provided below for further information. The graph below contains the monthly year-to-year change in Manitoba CPI for the last 20 years (2003/04-2022/23). The average annual change in Manitoba CPI between 2002/03 and 2020/21 was 1.75% compared to 6.20% over the two-year period 2021/22-2022/23.

