



News Release

July 24, 2015

NOTICE OF DECISION

In Order No. 73/15 dated July 24, 2015, the Public Utilities Board (Board) approved a 3.95% increase in Manitoba Hydro consumers' billed rates effective August 1, 2015. This will increase the monthly bill of an average residential customer without electric space heat by about \$3.20 and an average customer with electric space heat by about \$6.11.

Of the 3.95% rate increase, 1.8% will support Manitoba Hydro's ongoing operations. The remaining 2.15% will be added to a deferral account previously established by the Board to fund the Bipole III project. This will help to reduce the significant rate increases that would be required when Bipole III is put into service. The Board concludes that gradual rate increases today will avoid rate shock when Bipole III and other major projects come into service.

Manitoba Hydro is spending about \$20 billion over the coming 10 years. The most significant projects include Bipole III at a cost of \$4.6 billion, the Keeyask generating station at \$6.5 billion, maintenance of existing facilities at \$5.9 billion, and energy efficiency programs at \$0.7 billion. These investments will increase operating costs and require higher electricity rates.

Manitoba Hydro forecasts electricity rates will need to increase by 42% by 2024. These higher rates will have a significant impact on all Manitobans but especially lower-income Manitobans. Manitoba Hydro is therefore directed by the Board to develop a bill affordability program that is harmonized with Manitoba Hydro's other programs supporting lower-income ratepayers.

The Board believes that Manitoba Hydro should increase its energy conservation efforts to assist consumers to reduce their energy consumption and moderate the impact of projected rate increases. The rate increase granted by this Order provides funding for energy-saving programs.

A copy of the Order, which contains additional information, may be reviewed on the Board's website www.pub.gov.mb.ca, or be obtained through the Board's Office.

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