



News Release

July 29, 2011

NOTICE OF DECISION

By Order 99/11, arising out of the Public Utilities Board's (PUB) public hearing of Manitoba Hydro's (MH) General Rate Application, PUB denies MH's request for finalization of outstanding interim rate increases and MH's further request for a 0.9 % rate increase as of August 1, 2011.

In the first of two orders to arise out of the recently concluded hearing, PUB reviewed MH's proposed generation and transmission development plan. This development plan is being advanced by MH to take advantage of new export power sale opportunities and to meet future domestic load requirements.

As a result of its review, the Board has raised concerns there are significant risks that export sales revenues may not be adequate to cover capital costs for new generation and transmission facilities. This may result in domestic rate payers subsidizing MH's export sales.

To more thoroughly understand potential risks to MH and MH rate payers, the PUB has issued a subpoena for MH's export contracts. MH indicates an intention to seek to quash PUB's subpoena at the Manitoba Court of Appeal.

PUB recommends the consideration of alternative development plans, prior to MH committing further significant sums related to its present plan. As well, PUB recommends that Government reaffirm its intention to hold a "Needs For and Alternatives To" (NFAAT) in the near future.

A copy of this Order, Order 99/11, and past Orders concerning MH and electricity rates 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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