



The PUB Post – Winter Newsletter, January 2026

Where electricity, natural gas, and services like basic automobile insurance operate as monopolies, regulation acts as a substitute for competition, ensuring checks and balances that the market would otherwise provide.

Manitoba's major utilities (Manitoba Hydro (including Centra Gas), Manitoba Public Insurance, and Efficiency Manitoba) are Crown corporations, accountable to the provincial government through *The Crown Corporations Governance and Accountability Act*. Even though Crown corporations are government-owned, they must still be accountable. The role of the PUB is to balance the interests of ratepayers with the financial health of the utilities.

Manitobans rely on these monopolies for essential services. Utilities like Manitoba Hydro undertake massive projects such as building generating stations and transmission lines to deliver electricity to consumers, while others like Manitoba Public Insurance undertake costly projects such as its information technology project.

In Manitoba, regulation of monopoly entities is not just about setting rates — it's about ensuring **publicly owned corporations remain transparent, financially responsible, and focused on serving Manitobans' interests.**



Manitoba Hydro Update

Interim Rate Decision Issued Ahead of 2026 Final Order

On December 30, 2025, the PUB approved a 4% interim increase to stabilize Manitoba Hydro's finances during drought conditions, with ratepayer affordability, energy poverty, cost-of-service, and customer-class issues to be addressed in the upcoming final order.

Effective January 1, 2026, the increase applies to all customer classes and all rate components, except for rates in Manitoba Hydro's Diesel Zone (four remote communities that are not connected to the electrical grid and receive electricity from diesel-fired generators). An interim order is only granted on an urgent basis for a temporary period, and the PUB may adjust this increase in its final rate order in Manitoba Hydro's Fiscal 2026-2028 General Rate Application, to be released in the first quarter of 2026.

The urgency in this instance is triggered by drought. Water inflows into Manitoba Hydro's watershed are currently near the 2nd-lowest level in 112 years. When Manitoba Hydro filed its application, it projected a \$218 million

profit for the 2025/26 fiscal year. Under its most recent drought projection, which was filed in December 2025 as part of the hearing, the utility now expects a loss of \$409 million — a swing of more than \$625 million.

The PUB's mandate is to balance the interests of ratepayers against the financial health of the utility. In doing so, the PUB finds this deterioration justifies an interim rate increase equal to the 4% legislated maximum annual rate increase set out in *The Manitoba Hydro Act* to protect Manitoba Hydro's financial health.

Manitoba Hydro filed a three-year [general rate application](#) in March 2025, which requested three consecutive years of 3.5% increases. The interim rate increase approved in the PUB's interim order is higher than what the utility requested for the 2025/26 fiscal year, but the PUB is of the view the increase is necessary, on an urgent basis, to protect the financial health of Manitoba Hydro in light of the current drought.

The public hearing concluded on December 22, 2025, and raised many other issues, including the appropriateness of Manitoba Hydro's planned expenditures, the need for continued differentiation of rate increases for different customer classes, and various cost of service and rate design matters. None of these issues are addressed in this interim order. The PUB will address the remainder of the hearing issues— and establish final 2025/26 electricity rates — in a subsequent order to be released in 2026.

Manitobans can read more about the interim rates and the reasons behind them in [Order 161/25](#).



MPI Update

On October 14, 2025, the PUB began its public hearing for the Manitoba Public Insurance (MPI) [2026 General Rate Application](#) (GRA). In the 2026 GRA, MPI asked the PUB to approve a 2.07% rate increase for the universal compulsory insurance (Basic) vehicle insurance rates and premiums, and requested the rates be effective April 1, 2026, through March 31, 2027.

After considering the positions of the hearing participants and a thorough review of the evidence, in [Order 156/25](#) the PUB rejected MPI's request for a 2.07% rate increase and ordered an overall 1.77% rate increase to Basic premiums for the 2026/27 insurance year, effective April 1, 2026.

Rates paid by individual ratepayers are determined by their driving record and actual claims experience, the kind of vehicle (make, model and year) registered, the purpose for which the vehicle is driven, and the territory in which the ratepayer resides. As a result, the actual rate increase will differ from ratepayer to ratepayer.

The PUB Order noted additional factors that will increase costs to rate payers such as:

- An increase to the Basic deductible from \$750 to \$1,000 for most vehicles. MPI's decision to increase the Basic deductible will require ratepayers to now pay more through the Extension line of business for the same level of coverage that was provided previously by Basic.
- The addition of rate groups 42-45 under the Canadian Loss Experience Automobile Rating (CLEAR) system used to establish

premiums for passenger vehicles and light truck vehicles. MPI's request to expand the number of rate groups will require ratepayers who own vehicles that move into the new groups to pay an increased premium.

Project Nova (IT System Modernization)

Order 156/25 also expressed the PUB's ongoing concern that MPI does not have a clear IT plan that is financially grounded and measurable, that will provide direction for the modernization of MPI's IT systems. In 2018 MPI initiated Project Nova to modernize its IT systems, and the PUB has been expressing its concerns since the 2020 GRA (when it was projected to cost \$108.6 million) over project scope expansion, inadequate governance, unclear delivery, accountability, and escalating costs. MPI subsequently announced the cancellation of Project Nova in 2025 (when the total cost was estimated at \$435.7 million) and integrated it into the 5-Year Rolling IT Roadmap.

In this Order, the PUB determined that the cancellation of Project Nova is the result of failures in strategic planning, program governance, and execution oversight within MPI. Despite spending more than half a decade and tens of millions of dollars, the Corporation not only failed to modernize its legacy systems it now finds itself in a position where technology risk and technology debt have increased.

Traumatic Brain Injuries (TBI)

In the MPI 2025 GRA, the PUB commented on information received from presenters regarding the treatment of claims involving TBI. In [Order 2/25](#), the PUB recommended "*The Government of Manitoba appoint an independent external expert who is a doctor and research clinician practising at a recognized institute that focuses on brain injuries, such as the Ontario Brain Institute, to prepare a report that sets out current scientific knowledge and proven medical best practices and best practicable*

technology to diagnose, assess and manage brain injuries and compare them to the current practices and procedures of Manitoba Public Insurance (MPI).”

At the 2026 GRA hearing, MPI indicated it received direction from the Government in June 2025 to begin the work of retaining an expert on TBI as outlined in the PUB’s recommendation. While preparing the request for proposals (RFP), MPI determined that it would likely require two types of experts: an expert in medical care in terms of diagnosing and proper care for individuals who have suffered TBIs; and an expert in insurance benefits and what they should be. As of the date of the hearing, the RFP remained in draft.

In Order 156/25 (pages 133-134), the PUB directed MPI in the 2027 GRA to provide an update on the progress of the report.

Recommendations about Extension Insurance

Recommendations are an important tool for the PUB. Recommendations made to government, or a utility, are not directives or binding, they are merely advice based on evidence presented at the hearing.

In Order 156/25, the PUB again recommended that the Government of Manitoba make legislative changes to grant the PUB authority to oversee the rates set for MPI’s competitive line of business (Extension insurance). It did so, noting that Extension insurance is controlled by the MPI Board of Directors which increased the rate by 10.32% in the 2024/25 rate year and a decision that it would increase Extension rates by 2% in future years. MPI has a “de facto” monopoly for extension coverage as MPI ratepayers use MPI for 96% of all extension coverage that is purchased. The Basic and Extension lines of business are operationally integrated, and coverage selection is made through MPI’s single Autopac Online System used by insurance brokers. MPI’s sole discretion to set Extension premiums may affect Basic rates as there is nothing requiring MPI to transfer excess funds to the basic reserve to reduce Basic rates, making public automobile insurance partially unregulated.

Energy Integrated Resource Plans:

What are they and why are they important?



An Integrated Resource Plan (IRP) is a strategic planning document used to forecast and plan for future energy needs in a reliable, cost-effective, and environmentally sustainable way. It considers a mix of energy sources, demand forecasts, infrastructure investments, and policy objectives.

In 2023, Manitoba Hydro released its first IRP roadmap. The IRP forecasted that: Manitoba's electricity demand could more than double within 20 years; the province is experiencing a shift towards low or no-carbon energy resources; and that strategic use of existing natural gas infrastructure is an integral component of Manitoba's energy transition.

An IRP is important for Manitoba because an IRP:

- helps to ensure a reliable energy supply by balancing electricity generation with future demand and preventing shortages or excess capacity.
- fosters cost-effective planning by evaluating different energy generation options to minimize costs to consumers and utilities.
- promotes sustainability by integrating renewable energy sources, energy efficiency measures, and emission reduction goals.
- encourages grid resilience by helping utilities plan for climate risks, energy storage, and smart grid technologies,
- aligns with national and provincial energy policies, emissions targets, and environmental regulations, ensuring regulatory and policy compliance.
- involves all Manitobans (including government, businesses, and the public) in long-term energy planning through stakeholder engagement.

Manitoba Hydro received [a new mandate](#) following the October 2023 General Election. The new mandate includes, among many other things, instructions to move Manitoba into a clean energy future. Some of the highlights included:

- developing a plan to align with government's clean energy targets of a net-zero energy grid by 2035, and a roadmap to a carbon-neutral economy by 2050.
- examining options for increasing low-carbon energy generation and storage, including wind and solar, to grow Manitoba's electrical supply to meet energy transition and clean grid requirements without the need for new natural gas plants.
- exploring next steps toward a hydrogen industry, including a strategy to generate hydrogen during off-peak to use during peak hours.

Manitoba Hydro is currently developing a new IRP ([2025 IRP](#)) which takes into account the mandate, and is expected to be released later this year. The IRP will set out the path for future energy in Manitoba, including the projected volume and sources of new energy. Under legislation the IRP is submitted to Cabinet, which may then refer it to the PUB to review and provide a report with recommendations.

The PUB is looking forward receiving directions from the provincial government to proceed with a public hearing with stakeholder involvement that will result in a report to government with recommendations by the end of 2026.

Continuing Education



The PUB employs an innovation and continuous improvement philosophy to enhance its decision-making and its responsiveness to stakeholders.

In September 2025, the PUB hosted the 2025 CAMPUT AGM which brought together regulators from across the country to attend educational sessions which provide opportunities for board chairs and commissioners (known as board members in Manitoba) to present information and engage in discussions about the challenges they face in their respective jurisdictions.

The PUB led two sessions at the AGM, which highlighted the often complicated and unique challenges faced by regulators.

The first session led by the PUB featured a guest speaker from the Public Interest Law Centre alongside a member of the Assembly of Manitoba Chiefs Youth Council. Together, they told the story of the history of hydroelectric development in Northern Manitoba, exploring the benefits, the harms, and Manitoba’s uncertain energy future.



The second session led by the PUB featured the Honourable Gary Doer, former Premier of Manitoba and former Canadian Ambassador to the USA, whose presentation was focussed on recent energy events and the impact on the Canadian energy industry.

Audience members were also entertained by stories told by the Hon. Mr. Doer related to his previously held positions.

The 2025 AGM was a very successful conference and rated by attendees as one of the top education programs for any mid-year conference. The PUB led sessions were described as “powerful”, “memorable” and “entertaining”.

This spring, members of the PUB will attend [CAMPUT 2026](#), the annual conference for Canada's energy and utility regulators.

This event brings together regional, national, and international participants, offering a first-rate education program. The annual conference highlights current issues facing the energy sector and best practices to help navigate a constantly evolving landscape.

The 2026 conference will be guided by the theme "*Bridging the Divide: Bold Strategies for a Resilient Energy Future*", exploring how regulators and stakeholders can unite across regional, technical, and institutional divides to strengthen Canada's energy future. Sessions will focus on information gaps, AI dreams, provincial energy synergies, energy security, and competitive pathways to a resilient energy future.

More information on the PUB's commitment to its ongoing education will be available in future PUB newsletters.

In other news



PUB staff December 2025. Missing is Judicial Hearing Assistant, Christie Dweh.

With mixed emotions we announce the retirement of Dr. Darren Christle as the Executive Secretary and Board Secretary to the Public Utilities Board of Manitoba. Darren served with distinction in that position for the past 11 years during his illustrious career of 33 years in the Manitoba public service.

Prior to joining the PUB in 2014, Darren held a series of positions in Manitoba Transportation including serving as Acting Deputy Minister of Transportation Policy in 2014, Executive Director of the Motor Carrier Division from 2007-2014, and Director of Transportation Safety & Regulation from 1997-2007.

While at the PUB Darren achieved the distinction of receiving his PhD and winning the gold medal in his year.

Throughout his years at the PUB Darren has been a wonderful colleague and a great leader. Darren's immediate future will be focussed on spending more time with his darling wife and beautiful granddaughter, Nessa. We wish Darren and his wife Kim all the health and happiness that life can bring.