

A PUB SPOTLIGHT ON ELECTRICITY REGULATION



The PUB regulates public utilities to protect the interests of Manitobans where competitive market forces do not exist. Electricity is a complex regulatory portfolio that includes all electricity generated, distributed and/or exported by Manitoba's largest Crown corporation, Manitoba Hydro (Hydro). Hydro has a monopoly (they have no competition) and provides services to approximately 555,760 electricity customers throughout the province.

IN THE PAST

The first reported generation and transmission of hydroelectric power in Manitoba occurred in 1900. Three entrepreneurs: Judge Walker (from Winnipeg), George Paterson, and E. L. Christie (both from Brandon) reportedly built a log dam with two five-hundred horsepower turbines to stir the water into electrical energy, which they sent over almost ten miles of transmission line to the City of Brandon. Their site was located on the Minnedosa River, about a half-mile north of its junction with the Assiniboine River.

By the time the first World War began, "some 50 towns and municipalities" were generating power locally and the role of the government was to give legislative approval to companies seeking franchises, along with developing the scope of terms and conditions of incorporation for these companies. Over time, the government's role slowly changed to participating in commercial sale of power to communities. In 1910, a delegation of appointed representatives from Manitoba municipalities lobbied "to safeguard the interests of the public, the government should provide for public ownership of electric power and ensure its supply at reduced costs".



DID YOU KNOW that [Hugh A. Robson](#) was instrumental in introducing public hydroelectric power to Manitobans? Robson was a judge on the Court of Kings Bench, who resigned his position to serve as the first (and sole) appointed commissioner of the Public Utilities Commission in 1912.

Robson served Manitobans in many different roles throughout his lifetime: lawyer, commissioner, MLA, judge in the Court of Appeal, and as Chief Justice of Manitoba from 1944 until his passing in 1945.

The University of Manitoba's "Robson Hall Faculty of Law" honours Robson's service to Manitobans and his dedication to the legal community.

In 1912, the province of Manitoba established the Public Utilities Commission and announced the province's first Power Policy. Two days after the City of Winnipeg passed a bylaw to bring its power utility under the jurisdiction of the Commission, the sole commissioner, Hugh A Robson was appointed and given the responsibility of determining if the province should undertake "the development of publicly-owned power within the province, with a view to securing for all sections of the province, rural as well as urban, the benefits and convenience enjoyed by the citizens of Winnipeg as the result of the expenditure of public money for power developments and distribution". Robson's report was dated February 3, 1914, but implementing its recommendations was delayed by the outbreak of WWI.

In March 1919, *The Electrical Power Transmission Act* established the Manitoba Power System as a department under the Minister of Public Works and the Manitoba Power Commission, which was to be the government entity responsible for generating and distributing power.

From 1920-1961 approximately 523 communities were connected to the provincial power grid and in 1961 the Manitoba Power Commission merged with the Manitoba Hydro Electric Board to form Manitoba Hydro. As industry and legislation evolved, a number of energy companies throughout the province merged and, fast forward to 2002, Manitoba Hydro became the sole supplier of electricity in Manitoba.

As all things change over time so too did the Public Utilities Commission. The Commission is now the Public Utilities Board (PUB), board members replaced commissioners, and changes in legislation have reshaped the PUB's regulatory portfolios.

TODAY

The 2023 PUB has one full-time and ten part-time board members. It serves Manitobans as an independent, quasi-judicial administrative tribunal (similar to a court proceeding) that balances both the impact to customers AND the financial requirements of the utility (in this case, Hydro) in approving rates.

The PUB regulates rates charged to customers. The PUB does not regulate or manage Hydro's daily operations, approve Hydro's capital expenditures (unless specifically asked by the legislature), and does not regulate electrical disconnections or service extensions. While PUB does not manage Hydro's daily operations, during public hearings and through decision orders, it will make recommendations on how Hydro might do things differently to the benefit of ratepayers.

All utilities under PUB jurisdiction, including Hydro, must justify the revenue requirements that support a request for a change in rates.



In a General Rate Application hearing, some of the costs/expenses analyzed by PUB include: building, operating and maintaining facilities, financing debt from building facilities, operating and administrative expenses, depreciation and amortization expenses, financing general debt, and the cost of providing services to customers.

The PUB also assess the performance of the utility, which involves an active assessment of whether goals and

outcomes are being met in a cost-effective and timely manner.