

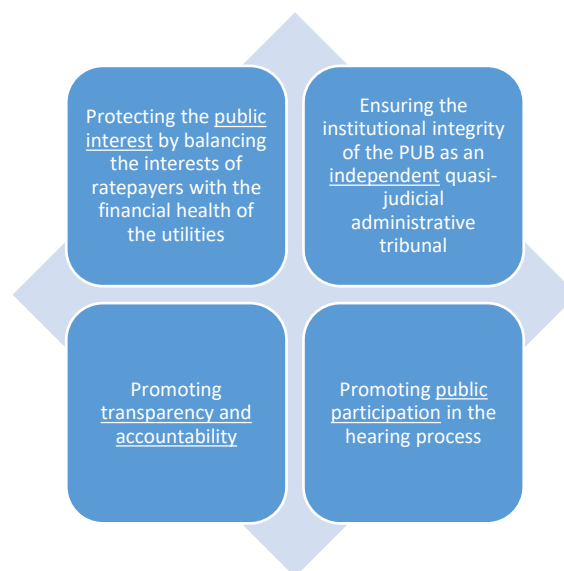


In 1912 a Public Utilities Commission was established in Manitoba as a response to the conflict in which the Government of Manitoba found itself. On the one hand the Government was providing legislative approval to private interests in the early stage of the electrical industry; later it became a party to the commercial sale of power to communities. ["This appears to have come about through political pressure and should not be considered to have been the result of any far-sighted economic theories."](#) The public reacted, with elected representatives demanding the public ownership of electric power and supply at reduced rates.

The 1914 report of (sole) commissioner, Hugh A. Robson (later Justice and then Chief Justice Robson) spoke about the need to safeguard the interests of the public, "so that the water powers may hereafter be held for public uses." For the past 112 years, the primary duty of the (now) Public Utilities Board has followed the recommendations from that first report, to ensure the services the public receives from utilities, such as energy, telecommunications and transportation are fair, reliable and accessible for Manitobans and the rates are just and reasonable.

Regulators face a delicate balancing act between ensuring the financial health of the utility and safeguarding the best interests of the public. Keeping rates artificially low for ratepayers can damage the financial stability of a utility, affecting its ability to provide ongoing safe and reliable services for Manitobans. Alternatively, rates that are too high may lead to rate shock, bill affordability issues for consumers, and energy poverty. Through its regulatory framework and decision-making processes, the PUB strives to find a balance between the financial health of regulated entities and the needs of consumers, industry stakeholders, and the broader community.

Within its rate-setting mandate, the PUB has four inter-related duties:



The Balancing Act



Public interest means different things to different people, and its definition can also vary when used in different contexts. The PUB relies on a ruling of the Manitoba Court of Appeal which confirmed the position of the PUB, in *Consumers' Association of Canada (Man) Inc. et al v. Manitoba Hydro Electric Board, 2005 MCA 55*, that “The PUB has two concerns when dealing with a rate application: the interests of the utility’s ratepayers, and the financial health of the utility. Together, and in the broadest interpretation, these interests represent the general public interest”.

Whether it is electricity, natural gas, basic automobile insurance, or water and wastewater, the PUB carefully evaluates all rate applications to ensure they reflect the true cost of providing reliable services to Manitobans while also considering the impact on consumers. The PUB may also review and approve financial plans and budgets to help ensure that utilities have sound financial management practices in place. These processes involve rigorous analysis of costs such as operating expenses and capital investments, to determine the appropriate rate structure. The PUB’s transparent rate-setting procedures help to build trust among Manitobans that utility bills are both equitable and justifiable for both Manitobans and the utilities.

The PUB helps safeguard the well-being of Manitobans and reliable access to essential utilities, by playing a vital role in overseeing the safety and dependability of utility infrastructure. In the energy sector, for instance, the PUB monitors the safety of natural gas infrastructure to mitigate risks, ensure pipeline integrity, and prevent service disruptions. When the PUB doesn’t have direct involvement in safety matters, in its financial review of utilities the PUB makes sure there are adequate funds available to the utility for safety and reliability.

The PUB also acts as a forward-looking steward of Manitoba's energy future. The PUB [reviews efficiency plans](#) put forward by Efficiency Manitoba, and makes recommendations to help support Manitoba’s energy future. Recommendations made by the PUB not only help to protect the public interest in the present, but also ensures a more sustainable and resilient future for generations to come.

The Institutional Integrity of the PUB

The PUB acts with integrity, fairness, and independence in fulfilling its regulatory mandate. First and foremost, the PUB operates within a clear legal framework established by provincial legislation. The PUB’s powers, duties, and responsibilities are outlined in a series of statutes, including *The Crown Corporations Governance and Accountability Act* and *The Manitoba Public Utilities Board Act*. By adhering to these legislative provisions, the PUB ensures that its decisions and actions are grounded in law, promoting consistency and predictability in regulatory outcomes.

Ethical conduct and integrity are fundamental principles guiding the behavior of PUB members and staff. The PUB maintains high ethical standards and [codes of conduct](#), which govern the actions and interactions of its personnel. This includes obligations to act with honesty, impartiality, and integrity in carrying out regulatory functions. By upholding these ethical

standards, the PUB demonstrates its commitment to integrity and accountability in all aspects of its operations.

Additionally, the PUB engages in continuous improvement and self-assessment to enhance its institutional integrity. Members stay up to date on current regulatory issues and best practices in other jurisdictions by holding ongoing educational sessions, reviewing articles and discussions from other jurisdictions on best practices, and by maintaining memberships and actively participating in regulatory associations such as the Canadian Automobile Insurance Rate Regulators (CARR) and the Canada's Energy and Utility Regulators (CAMPUR). These regulatory associations are recognized and respected nationally as providers of education and best practice resources in automobile insurance, energy, and utility regulation. Each association is focused on helping members stay informed on the most recent industry trends, policy development, and provide opportunities for regulatory improvement. The PUB also regularly reviews its processes, procedures, and governance structures, often with stakeholder involvement, to identify areas for enhancement and address any potential vulnerabilities. This ongoing commitment to self-evaluation ensures that the PUB remains responsive to changing circumstances and evolving best practices in regulatory governance, and upholds public trust and confidence in its regulatory decisions and actions. Manitobans can learn more about the PUB's ongoing commitment to continuous improvement in its [Strategic Plan](#).

Independence is a key factor in maintaining institutional integrity. The PUB operates independently from government and industry influence, allowing it to make impartial decisions based on the evidence before it. Board members are appointed through a transparent and merit-based process, with criteria emphasizing expertise, impartiality, and commitment to the public interest. Manitobans can learn more about the appointment process by visiting <https://www.gov.mb.ca/government/abc/index.html>

Notwithstanding that the PUB operates independently from central government, it is accountable to the government, the legislature, and Manitobans for its actions and decisions. The PUB submits annual reports to the government, detailing its activities, financial performance, and regulatory outcomes and posts them on its [website](#) for all Manitobans to access.

Promoting Transparency, Accountability and Public Participation

At the heart of its mission lies the PUB's commitment to promote transparency and accountability in the provision of essential services. The PUB achieves this by conducting reviews of utility companies' operations, including their financial performance, service quality, and infrastructure investments. These reviews help the PUB confirm that rates are set at appropriate levels to generate the revenue needed for the utility to cover its costs and maintain financial stability. The PUB's role in supporting the financial health of utilities is essential to the sustainability of vital services for Manitobans.

Transparency is a cornerstone of the PUB's approach to both protecting the public interest and in maintaining institutional integrity. The PUB strives to educate Manitobans about its processes and decisions using newsletters, its website, and [social media](#). By promoting openness and accessibility, the PUB fosters public trust and confidence in its processes and decisions. Through its public hearing process, the PUB engages in consultations with stakeholders, including consumers, advocacy groups, and industry representatives, to gather diverse perspectives and insights into relevant issues. Hearings are livestreamed, allowing the PUB to

further advance public participation in the regulatory process. By livestreaming hearings, Manitobans can attend from anywhere that has an internet connection. The transparency of PUB processes makes information readily available to the public through various channels. This includes publishing notices of hearings, regulatory decisions, and providing access to relevant reports and data.



Predicting the Future

The future of the PUB will involve considering various factors, including legislative changes, technological advancements, societal demands, and economic developments. There are several trends and potential directions that can offer insights into what the future might hold for the PUB:

- **Enhanced Regulatory Flexibility:** As the utilities sector evolves, the PUB might need to adapt its regulatory approach to accommodate emerging technologies and business models.
- **Focus on Sustainability and Resilience:** There's a growing emphasis on sustainability and resilience in the utilities sector, driven by concerns over climate change, resource depletion, and infrastructure vulnerabilities. Subject to government policy and direction, the PUB could play an increasingly important role in promoting Net Zero targets, renewable energy, energy efficiency, and infrastructure modernization to enhance environmental sustainability and system resilience.
- **Digital Transformation:** Technological advancements, such as smart grids, digital meters, and data analytics, are transforming the utilities landscape. The PUB will need to embrace digital technologies to improve regulatory efficiency and enhance data-driven decision-making.
- **Consumer Empowerment:** With increasing consumer awareness and advocacy, the PUB may be required to increase consumer engagement, education, and protection, as well as measures to address energy poverty and ensure equitable access to essential services.
- **Collaborative Governance:** The PUB may explore new forms of collaborative governance, involving stakeholders from government, consumers, and advocacy groups, in regulatory decision-making process, while still ensuring its independence in the decision-making processes. This could foster greater transparency, inclusivity, and accountability, as well as facilitate consensus-building on complex regulatory issues.
- **Resilience Planning:** In light of increasing climate-related risks and extreme weather events, the PUB may need to prioritize resilience planning and risk management in its regulatory oversight. This could involve evaluating the preparedness of utility infrastructure, promoting investments in climate adaptation measures, and incorporating resilience considerations into regulatory decision-making.

From its inception and the writings of its first commissioner, Hugh A. Robson, the PUB has focussed on protecting the public interest. In doing so, it has adapted to meet changing times. The future of the Public Utilities Board of Manitoba is likely to be shaped by a combination of technological, environmental, economic, and social trends in combination with statutory

provisions and government policy and directives. By staying responsive to these trends, embracing innovation, and upholding its commitment to the public interest, the PUB can continue to play a vital role in ensuring the reliability, affordability, and sustainability of utility services for Manitobans.