



# Manitoba Hydro General Rate Application Hearing

Justin Chan, P.Eng.

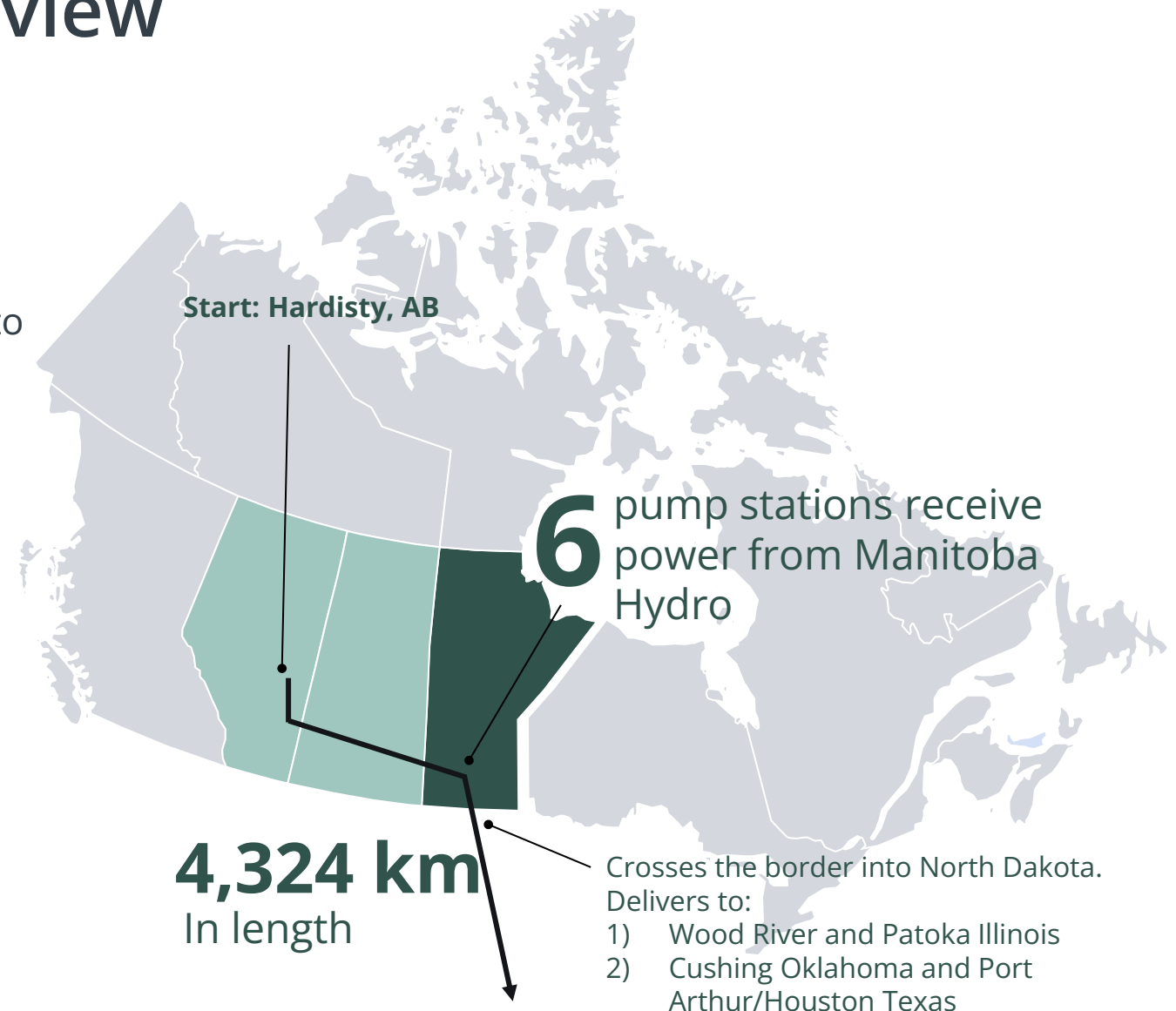
Ron Bellis, P.Eng.

December 2025



# Keystone System Overview

- Delivers Canadian and U.S crude oil supplies to markets around North America
- Canada: Hardisty, Alberta to Manitoba
- 6 pump stations in Manitoba
- ~350 km of pipe
- Approximately 67 MVA of connected load
- Fed on MB Hydro's 66kV distribution network



# South Bow in Manitoba

## Manitoba Hydro

- **\$23.5 million** electricity purchased in 2024
- **400+ million kWh**

## People

- Six employees in Manitoba
- 319 landowners

## Buildings

- Leased and upgraded a new Brandon office
- 5000 square feet

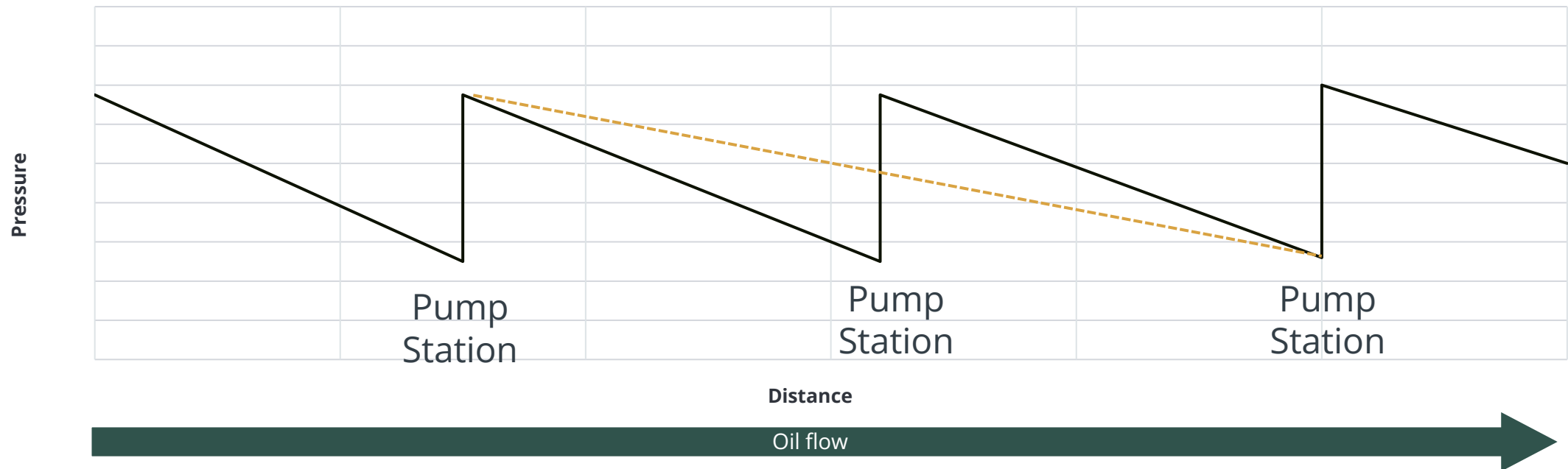
## Tax contributions

- Millions in municipal and provincial property taxes



# How is Oil Transported?

- Pressure drives flow
  - Pump stations introduce pressure
  - Oil flows from high pressure to low pressure
- Pump station outages reduce flow and can shut down the line



# Industry KPIs & Manitoba Hydro Performance

System	Metric	Performance Trend <sup>1</sup>
Generation	HWAF (Hydraulic)	Slowly Declining
	WAF (Thermal)	Slowly Declining
Distribution	SAIDI	Moderately Declining
	SAIFI	Slowly Declining
Transmission	T-SAIDI	Moderately Declining
	T-SAIFI	Improving
HVDC	BPI Availability	Rapidly Declining
	BPII Availability	Rapidly Declining
	BPIII Availability	Improving

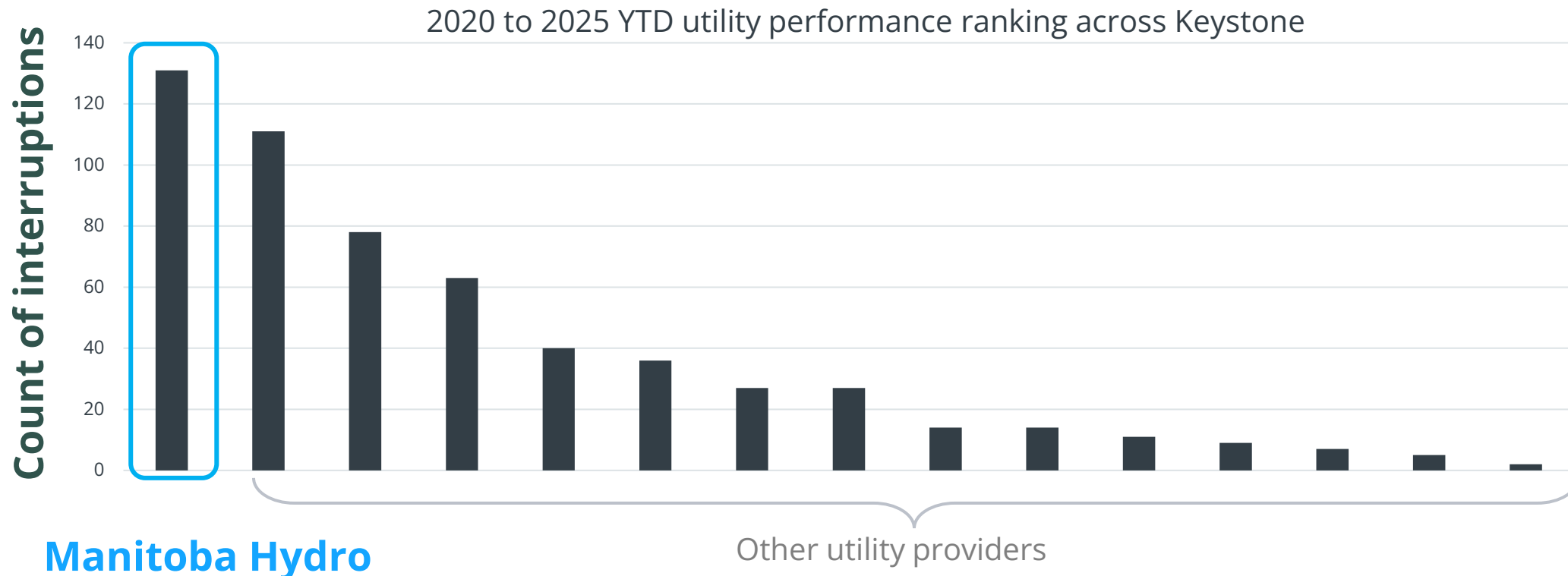
Figure 1: Energy system performance trends



# Utilities outages across Keystone

Outages related to Manitoba Hydro's declining performance resulted in more frequent downtime and longer duration of downtime **compared to any other provider on the Keystone System**

- On average we have had an interruption every 17 days for the past 6 years
- Over 90 hours equivalent of a full pipeline shutdown

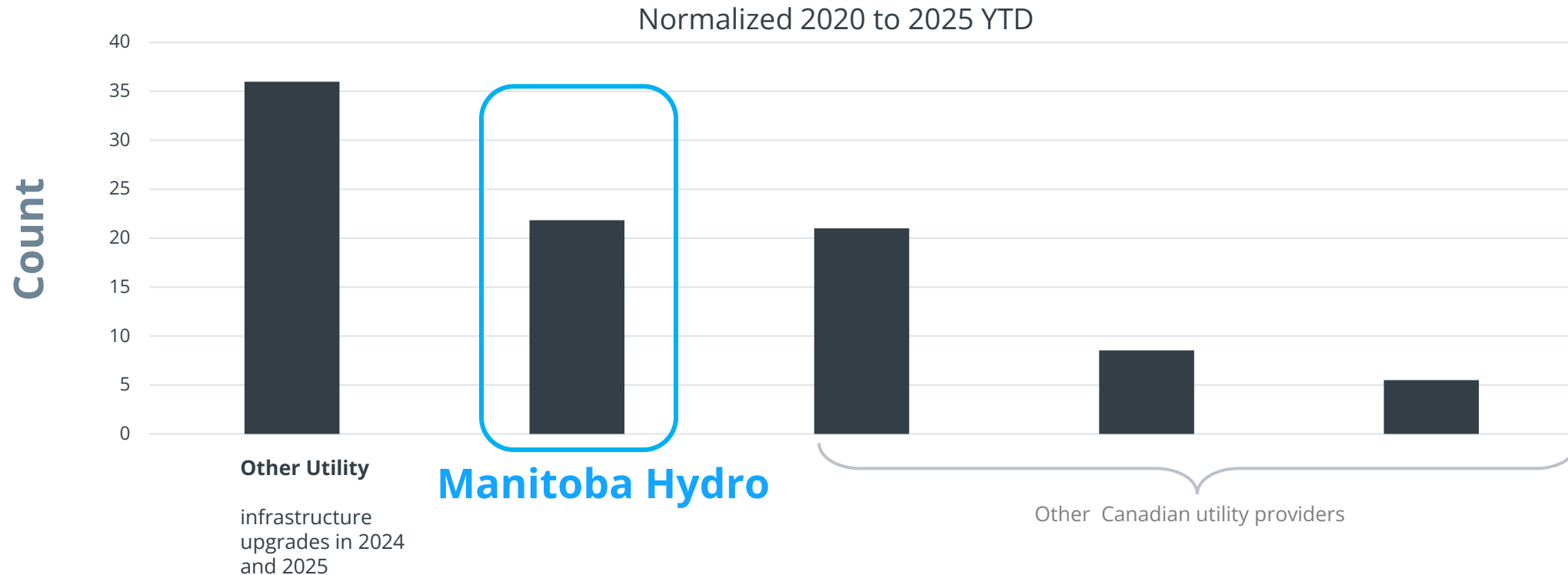


**Manitoba Hydro**

Other utility providers

# Canadian utilities normalized performance

When normalized by number of pump stations, Manitoba hydro has the second highest frequency of events impacting Keystone operation in Canada. **The worst performing utility has responded with infrastructure upgrades and saw significant improvements in 2025.**



Normalization is calculated by dividing totals by number of pump stations the utility services

# Performance degradation needs to be addressed

## Manitoba Hydro Performance

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Upward trend in equipment failures is causing **increased frequency and duration of customer outages**<sup>1</sup>

The performance decline is driven most strongly by **equipment failures**<sup>2</sup>

Manitoba Hydro is seeing **growing risk** on its **distribution system**<sup>2</sup>

## Consequence

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Degradation of Manitoba Hydro's utility performance impacts the reliable operation of the Keystone System and our ability to deliver crude oil.

## Resolution

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Increased capital and operating budgets are essential to improving the reliability of Manitoba Hydro's utility service and therefore critical to **minimizing risk to Keystone's ability to deliver Canadian crude to North American markets**

1. Manitoba Hydro 2023/24 & 2024/25 General Rate Application May 15, 2023

2. Tab 6 - Asset Management and Capital Forecast for Manitoba Hydro Fiscal 2026 to 2028 General Rate Application



**SOUTHBOW**