

**MANITOBA HYDRO
2017/18 & 2018/19 GENERAL RATE APPLICATION**

LETTER OF APPLICATION

IN THE MATTER OF: *The Crown Corporations Public Review & Accountability Act*

An Application by Manitoba Hydro for an Order of the Public Utilities Board Approving Increases to Electricity Rates

TO: The Executive Director of the
Public Utilities Board of Manitoba
Winnipeg, Manitoba

Manitoba Hydro hereby applies to the Public Utilities Board of Manitoba ("PUB") for an Order pursuant to *The Crown Corporations Public Review & Accountability Act* for the following:

1. Final approval of Order 59/16 which approved, on an interim basis, an across-the-board rate increase of 3.36% effective August 1, 2016, and final approval of any other interim rate Orders issued subsequent to the filing of the Application and prior to the conclusion of this proceeding;
2. Approval, on an interim basis, of rate schedules incorporating an across-the-board rate increase of 7.9% to all components of the rates for all customer classes to be effective August 1, 2017;
3. Approval of an across-the-board rate increase of 7.9% to all components of the rates for all customer classes to be effective April 1, 2018;

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4. Final approval of the Light Emitting Diode (“LED”) rates for the Area and Roadway Lighting class (Outdoor Lighting) approved on an interim basis in Order 79/14, and approval of new LED rates for the Area and Roadway Lighting class (Sentinel Lighting) as discussed in Tab 9 of this Application;
5. Approval to remove the Area and Roadway Lighting (Festoon Lighting) and the Area & Roadway Lighting (Christmas Lighting) from Manitoba Hydro’s rate schedule, as discussed in Tab 9 of this Application;
6. Endorsement of modifications to the Terms and Conditions of Option 1 of the Surplus Energy Program (“SEP”) that were accepted on an interim basis in Order 43/13, as outlined in Tab 9 of this Application;
7. Final approval of all SEP interim *ex parte* rate Orders as set forth in Tab 10 of this Application, as well as any additional SEP *ex parte* Orders issued subsequent to the filing of this Application and prior to the PUB’s Order in this matter;
8. Final approval of CRP *ex parte* Order 54/16 as well as any additional *ex parte* Orders in respect of the CRP issued subsequent to the filing of this Application and prior to the PUB’s Order in this matter;
9. Final approval of Orders 116/12 and 117/12 that approved, on an interim basis, a 6.5% rate increase to the full cost portion of the General Service and Government rates in the four remote communities served by diesel generation effective September 1, 2012, and final approval of diesel zone interim Orders 17/04, 46/04, 159/04, 176/06, 1/10, 134/10, 1/11 and 148/11, subject to confirmation that MKO has provided the parties to the agreement with the required affidavits from representatives of signatories to the agreement;
10. Endorsement of the proposed deferral and subsequent amortization of costs incurred with respect to the Conawapa Generating Station project, as discussed in Tab 4 of this Application; and

1 11. Endorsement of the proposed amortization period for disposition of the
2 regulatory deferral accounts established to capture the differences between
3 Depreciation Expense and Operating & Administrative Expense calculated for
4 financial reporting purposes based on International Financial Reporting
5 Standards, and Depreciation Expense and Operating & Administrative Expense
6 calculated for rate-setting purposes reflecting PUB directives in Order 73/15.
7 Further details are discussed in Tab 4.

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9 As part of its Application, Manitoba Hydro is requesting that the PUB approve a 7.9% rate
10 increase on an interim basis effective August 1, 2017. This will result in an increase of \$6.88
11 in the monthly bill of a residential customer without electric space heat, using an average of
12 1,000 kilowatt-hours ("kWh") per month, and an increase of \$13.14 in the monthly bill of a
13 residential customer with electric space heat, using an average of 2,000 kWh per month.
14 Manitoba Hydro is also requesting the PUB approve a further 7.9% rate increase effective
15 April 1, 2018. This will result in a further increase of \$7.43 in the monthly bill of a residential
16 customer without electric space heat, and a further increase of \$14.19 in the monthly bill
17 for a residential customer with electric space heat.

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19 Approval of the rate increases proposed in this Application is required to improve the
20 financial position of the corporation. In making this Application, Manitoba Hydro has
21 considered customer sensitivity to rate increases as well as the financial position of the
22 corporation, and believes that the proposed rate increases provide an appropriate balance
23 between addressing the financial risks of the corporation and managing the impact of rate
24 increases on customers.

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26 The circumstances giving rise to the rate increases will be discussed in Tab 2 of the
27 Application. Further information in support of the Application will be provided in Tab 3 to
28 Tab 11.

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1 Communication related to this Application should be addressed to Manitoba Hydro in the
2 following fashion:

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4 Manitoba Hydro
5 Attention: Patricia J. Ramage
6 22nd Floor, 360 Portage Avenue
7 Winnipeg, Manitoba
8 R3C 0G8

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10 Telephone No. (204) 360-3946
11 Fax No. (204) 360-6147
12 E-Mail: pjramage@hydro.mb.ca

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14 DATED at Winnipeg, Manitoba this 5th day of May, 2017.

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MANITOBA HYDRO

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"ORIGINAL SIGNED
BY PATRICIA J. RAMAGE"

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Per: 

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Patricia J. Ramage

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