

2017/18 & 2018/19 ELECTRIC GENERAL RATE APPLICATION

Manitoba Hydro Undertaking #26

Manitoba Hydro to determine the level of incremental revenues obtained from MKO communities with a 7.9 percent rate increase.

Response:

Manitoba Hydro does not forecast consumption and revenues explicitly for customers in the MKO communities. In order to provide an approximation of the requested information, Manitoba Hydro has weather normalized the First Nation Residential Energy Consumption that was provided in the response to MKO/MH I-1 f-g.

Actual energy consumption from 2016/17 has been weather normalized as shown below. There has been no adjustment to the number of customers and number of bills issued. This data is shown in Figure 1 below.

Figure 1. Billing determinants

First Nation Residential Energy Consumption (2016/17 Actual kWh)	262,970,056 kWh	
Weather Normalized Energy (kWh)	273,757,491 kWh	
Number of First Nation Residential Customers (2016/17 Actual)	8,387	customers
Number of bills (annual)	100,644	bills

The following comparison shows the increased revenues, on a weather normalized basis, for 12 months under current interim approved rates compared to the revenues to be generated under the proposed rates to be effective April 1, 2018.

Figure 2. Revenue calculation at existing interim approved August 1, 2017 rates and at proposed April 1, 2018 rates.

	Aug 1, 2017 Rates	April 1. 2018	
	Interim Approved	Proposed	
Energy Charges	\$ 22,437,164	\$ 24,208,375	
Basic Charges	\$ 813,204	\$ 877,616	
Total	\$ 23,250,367	\$ 25,085,991	
Revenue Increase			\$ 1,835,623

Under the stated assumptions, the amount of the annual revenue increase is estimated to be approximately \$1.8 million.