

## **2017/18 GENERAL RATE APPLICATION**

### **MANITOBA HYDRO LEGAL ARGUMENT SUMMARY**

#### ***The PUB's jurisdiction is limited to rate approval.***

- The PUB is empowered to do only those things that are expressly authorized by the legislation. Nothing in the current legislative framework expressly empowers the PUB to develop (versus take into consideration ) social policy or to direct Manitoba Hydro make expenditures for government or other purposes
  - The Manitoba Hydro Act – Section 2, 39 and 43(3)
  - The Crown Corporation Governance and Accountability Act – Section 25
  - The Public Utilities Board Act – Section 2(5)
  
- Customers who share common characteristics with respect to the costs they impose on the system, pay the same rate. Uniform Rates legislation was implemented to direct Manitoba Hydro to depart from cost causation principles and eliminate zonal rates, which required that the higher cost to serve those customers residing in less population dense areas be reflected in rates charged to those customers. There are no provisions in The Manitoba Hydro Act or The Crown Corporation Governance and Accountability Act to differentiate between customers based on factors such as socio-economic status, First Nation status or income.
  - The Manitoba Hydro Act – Section 39
  - The Crown Corporation Governance and Accountability Act – Section 25

**NOTE:** Where legal issues are raised by Intervenors, Manitoba Hydro will review the arguments advanced by the Intervenors, the context in which they are made and the evidentiary basis for such additional legal arguments. Manitoba Hydro will provide its response in Reply on February 14<sup>th</sup>.