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June 15, 2012

Mr. H. Singh  
Executive Director  
Public Utilities Board  
400-330 Portage Avenue  
Winnipeg, Manitoba  
R3C 0C4

Dear Mr. Singh:

**RE: Manitoba Hydro 2012/13 & 2013/14 General Rate Application**

Please find attached nine (9) copies of Volume I of Manitoba Hydro's 2012/13 & 2013/14 General Rate Application (the "Application"), pursuant to *The Crown Corporations Public Review and Accountability Act*.

In this Application, Manitoba Hydro is requesting:

- a) Approval, on an interim basis, of rate schedules incorporating an across the board 2.5% rate increase on currently billed rates, effective September 1, 2012, sufficient to generate additional revenues of \$20 million in 2012/13;
- b) Approval of a further 3.5% increase in overall revenue effective April 1, 2013, sufficient to generate additional revenues of \$48 million in 2013/14 (with rate schedules to follow subsequent to Manitoba Hydro-Electric Board approval in August 2012);
- c) Approval to maintain in base rates the rates approved by the PUB in Orders 30/10 and 40/11, and include in current year revenues, the revenues previously billed and collected, which have been accumulated in the deferral account pertaining to rates implemented April 1, 2010;
- d) Final approval of Orders 32/12 and 34/12 approving interim rates effective April 1, 2012, and final approval of any other interim rate Orders issued subsequent to the filing of the Application and prior to conclusion of this proceeding;
- e) Approval, on an interim basis, of rate schedules incorporating a 6.5% rate increase effective September 1, 2012 (consistent with previous and proposed rate increases for grid customers), for the full-cost portion of the rate applicable to general service and government customers in four remote communities served by diesel generation, sufficient to generate additional revenue of \$0.2 million in 2012/13;

- f) Confirmation that the Board accepts the rate approval process given proposed modifications to the Terms and Conditions of the Surplus Energy Program (“SEP”), as will be discussed in Tab 11 of this Application;
- g) Confirmation that the Board accepts the rate approval process given proposed modifications to the Curtailable Rate Program (“CRP”), as will be discussed in Tab 11 of this Application;
- h) Final approval of all SEP interim *ex parte* rate orders as will be set forth in Tab 11 of this Application, as well as any additional SEP *ex parte* rate orders issued subsequent to the filing of this Application and prior to the PUB’s order in this matter;
- i) Final approval of CRP *ex parte* Order 52/12 as well as any additional *ex parte* orders issued in respect of the CRP issued subsequent to the filing of this Application and prior to the PUB’s order in this matter; and,
- j) 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, as well as any additional diesel zone interim orders issued subsequent to the filing of this Application and prior to the PUB’s order in this matter.

A summary and reasons for the requested approvals can be found in Tab 2 of Volume I of the Application. Manitoba Hydro expects to file Volume II of the Application on or about June 29, 2012.

Should you have any questions with respect to the foregoing, please do not hesitate to contact the writer at 360-3946.

Yours truly,

**MANITOBA HYDRO LAW DEPARTMENT**

Per:



**PATRICIA J. RAMAGE**  
Barrister and Solicitor

PJR/  
encl.