

PUB MFR 18

To enable the Board and approved Interveners to understand Manitoba Hydro's view and plans related to the above listed Rate Related Matters, Manitoba Hydro is to file its evidence on these matters by February 5, 2016. Where Manitoba Hydro has responded to Information Requests on these Rate Related Matters during and since its 2010/11 and 2011/12 General Rate Application, those responses are to be refiled with Manitoba Hydro's evidence by February 5, 2016 with any revisions or updates noted in the response.

On February 26, 2016, the Public Utilities Board ("PUB") issued Order 26/16 establishing the scope of the Cost of Service Methodology Review process. In its Order, the PUB indicated that the following "Rate Related Matters" would be excluded from the scope of the current review:

- Manitoba Hydro's policies and plans on rate rebalancing that may arise from the outcome of the COSS review; and,
- Rate design considerations for such matters as Industrial Time of Use Rates and Residential Conservation Rates.

In its Order, the PUB also indicated that it intends to examine, as part of this review, the components of the basic monthly charge, and the split between energy charges and demand charges as these relate directly to cost of service study issues. The PUB also noted that it intends to review Manitoba Hydro's Terms and Conditions of Service and Service Extension Policy, which Manitoba Hydro has agreed to file.

Consistent with the above, Manitoba Hydro is including the Standard Terms and Conditions for Electric Service Agreement as an Attachment to this MFR. These terms and conditions are as established under *The Manitoba Hydro Act* (C.C.S.M. c. H190, Electric Power Terms and Conditions of Supply Regulation 186/90). Manitoba Hydro also included as an attachment to GAC/MH II-38 from the 2012/13 & 2013/14 General Rate Application, a copy of the Power Supply Agreement provided to General Service Large customers. A copy of GAC/MH II-38 was filed as part of PUB MFR 16 on February 5, 2016.

With respect to Manitoba Hydro's Service Extension Policy, the response to COALITION/MH II-34bi-iii from the 2015/16 & 2016/17 GRA and PUB/MH I-138f from the 2012/13 & 2013/14 GRA (both filed as part of PUB MFR 16 on February 5, 2016) provide information on Manitoba Hydro's policy with respect to requiring capital contributions from customers for service extensions. Further information on electricity service extension policies is provided below.

Manitoba Hydro would normally invest up to three times forecast annual revenue to extend service to a customer. For customers served at less than 30 kV, there are additional limitations on the amount Manitoba Hydro will invest in dedicated facilities on private property and in special services such as underground service, seasonal residences, location of point of delivery, three phase service and pad mount transformers.. In all cases, if the extension cost is greater than Manitoba Hydro's Allowance, a Customer Contribution is required to make up the difference.

For customers who own their own transformation, there are additional considerations. The maximum Allowance for primary voltage service (other than those exceeding 30 kV or loads exceeding 5 MW where the customer owns the transformation) is three times the estimated annual revenue and is applicable only to facilities which are not on private property. No Allowance is applied to facilities required to serve new loads exceeding 30 kV or loads in excess of 5 MW without approval of Manitoba Hydro's Executive Committee.

The Revenue-based approach used by Manitoba Hydro provides a relatively simple way for Customer Service representatives to provide most prospective customers with quotes for service extension.

STANDARD TERMS AND CONDITIONS FOR ELECTRIC SERVICE
AGREEMENT

1. Customer's Responsibilities:

- a. It is the Customer's responsibility, without charge to Manitoba Hydro:
 - i. to prepare the line route, including grading and clearance of brush and obstacles;
 - ii. to provide all facilities required to enable Manitoba Hydro to connect its electrical distribution system at the point of delivery;
 - iii. to provide any landscaping;
 - iv. to Provide space and right-of-way for Manitoba Hydro's facilities; and
NOTE: Easements are usually required to establish a right-of-way or an allocation of space. In rural areas, or areas serviced by diesel, or if the work involves outdoor lighting, the customer may have to acquire easements from other property owners.
 - v. to abide by the requirements of the Manitoba Electrical Code and the current design requirements of Manitoba Hydro.
- b. If the Customer fails to connect a new service extension within sixty days after being notified that service is available, the Customer must:
 - i. pay a minimum basic charge as if connected until minimum term of service is completed; and
 - ii. if service remains unconnected following completion of minimum term, either retain the service extension by continuing minimum payment or declare the extension available for salvage.

2. Revision of Agreement:

Manitoba Hydro reserves the right to revise the Agreement if the Customer:

- a. changes the specifications or details upon which the Agreement is based;
NOTE: If additional design costs are incurred by Manitoba Hydro because of a change requested by a Customer subsequent to presentation of the Agreement, Manitoba Hydro may require that all estimated additional design costs be paid. Such a payment is NOT eligible for allowance or refund.
- b. causes the work to be rescheduled to a period in which different cost schedules apply, through failure to complete the Customer's Responsibilities (see Condition La), or by request.
NOTE : New cost schedules are effective January 1 of every year; and during the period December 1 through March 31, higher prices may apply.

3. Refunds:

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- a. The Customer who executes this Agreement shall:
 - i. identify all persons who contribute and the portion each is contributing to the payment required;
 - ii. indemnify and save harmless Manitoba Hydro from and against any and all claims to any refund made or withheld in accordance with this quotation.
- b. Where the Customer who executes this Agreement directs Manitoba Hydro in writing to pay any refund to another (others), any refund will be paid in accordance with that direction.
- c. Where there is more than one Customer contributing to the payment required, each Customer shall be paid a refund which is in proportion to his or her original contribution.

General Notes

4. In some cases, Manitoba Hydro must await official action by public authorities before doing the work. For example:
 - a. authorization of street lighting by municipal council;
 - b. designation of subdivision for underground residential distribution by municipal council;
 - c. review of certain street lighting proposals with regard to traffic and safety by Department of Highways; and/or
 - d. inspection and approval of the Customer's electric service facilities (prior to connection) by electrical inspector.
5. The Customer's payment is a customer contribution toward Manitoba Hydro's costs. Manitoba Hydro retains ownership of the facilities.

Electric Power Terms and Conditions of Supply Regulation Man. Reg. 186/1990

(pursuant to THE MANITOBA HYDRO ACT, C.C.S.M. c4190)

Definition

- 1 In this regulation, "power" means electric power and electric energy.

Terms and conditions of supply

- 2 Power is supplied by Manitoba Hydro to users upon and subject to the terms and conditions set out in this regulation.

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Grant of right-of-way and passage

3 The user will grant to, or obtain for, Manitoba Hydro a free and uninterrupted right-of-way and passage in, over, under, and upon the land upon which the user's premises are situated, for the purposes of constructing, installing, maintaining, using, and removing the wires, facilities, and equipment required to supply power to the user, or to any other user supplied by Manitoba Hydro.

Point of delivery

4 The point of delivery for power is a point which Manitoba Hydro shall designate.

Connecting wires, etc.

5 The user will provide all wires, facilities and equipment required to connect the user's premises to Manitoba Hydro's electrical distribution system at the point of delivery, and shall maintain those wires, facilities, and equipment in a condition that Manitoba Hydro regards as safe and efficient.

Measurement of Power

6 All power supplied by Manitoba Hydro (other than that supplied on a flat rate basis), shall be measured at or near the point of delivery by means of a suitable meter or meters supplied by Manitoba Hydro, which shall be of commercial accuracy, and approved, tested, and sealed by the Department of Consumer and Corporate Affairs, (Canada).

Meter space and risk of damage

7 The user shall provide and maintain without charge, convenient, accessible, and safe space at or near the point of delivery for Manitoba Hydro's meters, wires, facilities, and equipment, which shall be in the care and at the risk of the user, and if lost, destroyed, or damaged, (other than by ordinary wear and tear), the user shall pay Manitoba Hydro on demand an amount equal to the value thereof, or the cost of repairing and replacing them as determined by Manitoba Hydro.

Right of access by Manitoba Hydro

8 Authorized employees of Manitoba Hydro shall at all reasonable times have free and uninterrupted access to the user's premises for the purpose of reading Manitoba Hydro's meters.

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User not to permit removal of equipment

9 The user will not permit anyone who is not an authorized employee of Manitoba Hydro to remove, handle or tamper with Manitoba Hydro's meters, wires, facilities, and equipment.

Characteristics of power

10 The user shall operate his electrical equipment in a manner that will not cause Manitoba Hydro's power supply to vary in voltage, frequency, and wave form in excess of that which can be considered commercially tolerable.

Operation of electrical equipment

11 The voltage, frequency, phasing, and other characteristics of power shall be determined by Manitoba Hydro, the determination of which is final and binding on the user.

Limit of liability

12 Manitoba Hydro shall use reasonable diligence in providing the user with a regular and uninterrupted supply of power; but Manitoba Hydro is not liable for any loss, costs, damages, or expenses directly or indirectly resulting from any fluctuation, interruption, reduction, or failure in the supply of power.

Notice to Manitoba Hydro of certain changes

13 The user shall notify, or cause to be notified, Manitoba Hydro in writing within ten days of any alterations in the user's wiring or water heater, or other use of power provided by Manitoba Hydro that should result in a change in the applicable rate.

Restriction on use of power

14 The user will not permit power supplied by Manitoba Hydro to the user to be used by, or for the benefit of, any other person, firm, or corporation, either directly or indirectly, without the prior written approval of Manitoba Hydro; any such use or benefit, if approved is subject to any special terms and conditions that may be imposed by Manitoba Hydro.

Payment for power

15(1) The user shall pay Manitoba Hydro for power supplied at the rates, and a period of time, not less than the minimum term, as established by Manitoba Hydro from time to time for the class or classes of service supplied to the user.

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Where no meter reading

15(2) If a meter fails to register, or fails to register correctly, or if for any reason whatsoever meter readings are unobtainable, the amount of power supplied by Manitoba Hydro to the user may be estimated by Manitoba Hydro from the best information available.

Right to estimated consumption

15(3) If Manitoba Hydro reads a user's meter less frequently than once per billing period, Manitoba Hydro may submit an account based on an estimate of the amount of power supplied to that user in a billing period.

Account for estimate consumption

15(4) An account based on an estimate of the amount of power supplied to the user in a billing period will have the same force and effect as an account based upon an actual meter reading.

Due date of account

16(1) Accounts for power submitted by Manitoba Hydro to a user are due and payable on the date indicated thereon.

Service charges

16(2) All overdue and unpaid accounts are subject to a service charge.

Remedy for default by user

17 Where a user is in default in payment of any account for power submitted by Manitoba Hydro (including any tax which may be levied on it), or if a user ignores or fails to observe any or all of these terms and conditions, Manitoba Hydro may, as its option, discontinue the supply of power to the user's premises; and Manitoba Hydro is not liable for loss or damage resulting from any such discontinuance or removal.

Effect of violation by user

18 Violation of any of these terms and conditions by the user does not relieve the user of his obligation to pay for the balance, if any, of the minimum term applicable to the class of service that was provided by Manitoba Hydro.

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Repeal

19 Manitoba Hydro Regulation H190-R1 is repealed.

Signature under the Customer's Authorization indicated that the Customer accepts all of the terms and conditions herein and that the Customer has requested that this Agreement be drawn up in the English language