

- 1 Q. (Reference 2017 GRA Volume I, page 1.12) It is stated (lines 4 to 12) *“In Order*
2 *73/15, Manitoba’s Public Utilities Board approved an interim rate increase for*
3 *Manitoba Hydro of 3.95%. The revenues from 2.15% of that rate increase are to be*
4 *placed in a deferral account to mitigate expected rate increases from when the*
5 *Bipole Transmission Reliability Project (Bipole III) comes into service in 2018/19. In*
6 *Order 73/15, the Manitoba regulator stated that, “Because very significant rate*
7 *increases will be needed at that time, the Board sees a compelling policy reason to*
8 *gradually increase rates to avoid rate shock for consumers three years from now.”*
9 *The funds set aside in the Board-ordered deferral account will be used to smooth the*
10 *significant rate increases that may otherwise be required when the Bipole III is*
11 *completed, helping to mitigate the resulting rate shock.”* Is Hydro aware of other
12 such regulatory precedents in NL or any other jurisdiction where rates were set at
13 levels over and above the revenue requirement in order to generate revenues to
14 mitigate future rate increases?
15
16
- 17 A. Please refer to Hydro’s response to CA-NLH-043.