

MANITOBA'S POWER FOR BUSINESS

NORTH AMERICA'S LOWEST ELECTRICITY RATES



MANITOBA

Throughout North America many jurisdictions are facing rising power rates, energy shortages, reliability problems and uncertainty with long-term power supplies. For business owners, these problems have a direct impact on their bottom line and may even affect the long-term success of their businesses. The Province of Manitoba stands apart from these jurisdictions for four main reasons.

- ***The lowest published electricity rates in North America***
- ***One of the most reliable power delivery systems in North America***
- ***Abundant existing generating capacity***
- ***Certainty of future power supplies***

Expansion or Relocation

To learn exactly what the Manitoba Hydro Advantage means to your organization, contact the Manitoba Energy Development Initiative Team.

They will provide you with specific cost comparisons and incentives that allow you to make informed opinions on your location choices. They will also provide you with comprehensive proposals tailored exactly to your business's needs and specifications.

Once your decision to locate in Manitoba is made, they will continue to service your needs by providing follow-up assistance on everything from human resource services to technical solutions.

Let us show you how Manitoba will power your business.



Powered by Manitoba's reliable, renewable and low-cost electricity, businesses will find our province is at a definite advantage when compared with other North American locations.

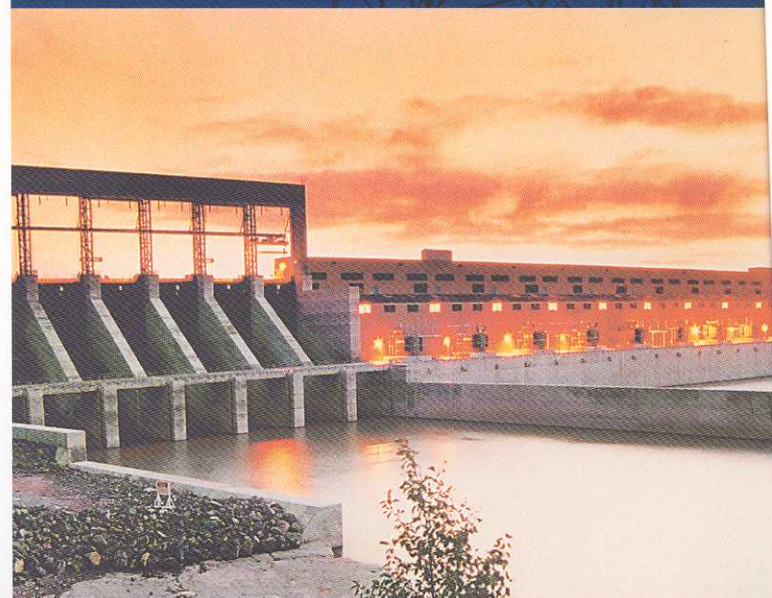
Manitoba also maintains great strength in its diverse manufacturing base, a mid-continent location and many excellent transportation links. Add to that a skilled and loyal workforce, dependable infrastructure and a central time zone, and the advantages increase and widen.

You'll find Manitoba is open to business. We offer affordable industrial land and office rents, and committed support for local growth and development.

In Manitoba, you can live the good life, at an affordable price. This province has the lowest housing prices in Canada and offers residents a rich array of entertainment and recreation choices.

I invite you to explore the Province's many advantages, and get the Manitoba Power Advantage working for you.

Gary Doer
Premier



Comparative Prices of Electricity in North America Average Prices on May 1, 2003 (in ¢ per kWh)

Power: 50,000 kW
 Consumption: 30,600,000 kWh/month
 Voltage: 120 kV
 Load factor: 85%



Source: Hydro Quebec.
 Amounts are in U.S. dollars and do not include taxes.
 Exchange rate, \$1 Cdn = \$0.7048 U.S.

Pay Less for Power

Lowest published electricity rates in North America

Manitoba has the most affordable electrical rates in North America. But don't take our word for it. According to a recent survey conducted by Hydro Quebec, Manitoba is the most competitive in terms of published electrical rates for large industrial customers. The rates have held constant for this client group for ten years, and this trend of low or no rate increases is expected to continue.

Regulated energy rates contribute to Manitoba's stable and competitive position.

Count on Manitoba Hydro

High system reliability

The quality and reliability of the electricity generated by Manitoba Hydro (the province's electrical utility) ranks among the best in the world.

Reliability indices, used to measure delivery performance since 1984, show that power outage frequency and average outage time are substantially lower in Manitoba than the composite average of other utilities across Canada.

Manitoba Hydro General Service Large Rate Structure • \$U.S.

Transmission Supply Voltage	Monthly Billing Demand @ \$/kVA	Energy Charge @ ¢/kWh	Blended Cost of Power @ ¢/kWh (can be as low as)
Exceeding 750 V to not exceeding 30 kV	\$4.996	\$1.417	\$2.100
Exceeding 30 kV to not exceeding 100 kV	\$4.265	\$1.392	\$1.973
Exceeding 100 kV	\$3.807	\$1.392	\$1.910

Amounts are in U.S. dollars. Exchange rate, \$1 Cdn = U.S. \$0.7048
 Electricity bills will vary depending on how your facility operates.

Power Up Your Future

Twice the hydroelectric potential of Niagara Falls

The rivers in Northern Manitoba that supply power have more than twice the hydroelectric potential of Niagara Falls. To date, only 50% of these northern resources have been harnessed.

Twelve generating stations have an installed capacity of 5,018 MW and 34,000 MWh annually, with the potential for an additional 5,000 MW of capacity in the future. Manitoba's abundance of renewable hydroelectrical resources will ensure a stable, reliable and cost-effective supply of electricity long into the future.

Manitoba's Energy is Sustainable

Clean, renewable source of energy

The electricity produced in Manitoba comes from turbines turned by water — a clean, renewable source of energy. The system is designed to generate sufficient electricity even if the lowest water flows on record should occur.

In order to ensure the continuation of clean, renewable energy, Manitoba Hydro adopted a sustainable development policy in 1993. The policy reflects the company's commitment to sustainable development in all aspects of its operations, in order to achieve environmentally sound and sustainable economic development.

Electricity and Natural Gas

A powerful combination!

In addition to electric power, Manitoba Hydro is the largest distributor of natural gas in the province, which means that in most locations, Manitoba Hydro offers an integrated, single point of contact for all your energy needs.



PROVEN FACTS

- *Manitoba Hydro serves approximately 400,000 customers.*
- *Twelve generating stations have an installed capacity of 5,018 MW and 34,000 MWh annually.*
- *Potential for an additional 5,000 MW of capacity in the future.*
- *Exceptional service reliability.*
- *Transmission capability in voltage levels of 12, 24, 66, 115 and 230 kV, depending on requirements.*
- *Voltages available for secondary distribution in Manitoba include 4160 V, 247/575 V and 120/208 V.*

Comprehensive Services Generate Satisfied Customers

*A variety of customized services
to meet your needs*

Manitoba Hydro recognizes that each client is unique and consequently offers a variety of customized services to meet your needs. These include:

- Pre-construction Planning and Review
- Service Extensions
- Transformation/Distribution Facilities
- Electrical/Gas Use Optimization
- Enhanced Power Quality/Reliability Solutions
- Process Enhancement
- Energy Management

Building Technology Solutions Together

Manitoba Hydro experts ready to assist

Manitoba Hydro engineers are specialists in advanced technology. They can assist you in comparing and testing different technologies to find one that fits your needs, both technically and financially. Their corporate team can also help you make the right choices in purchasing new equipment and implementing new processes.

With our assistance, you can:

- Reduce production costs
- Increase productivity
- Improve product quality
- Address environmental issues

Programs and Incentives

- Manitoba research and development tax credits
- Mining investment and exploration incentives
- Labour training programs
- Manitoba Industrial Opportunities Program
- The Manitoba Power Smart®
Eco-efficiency Solutions Program

Eco-efficiency is the effective use of material and natural resources in processes that maximize efficiency and minimize environmental impacts. This program helps companies to improve their



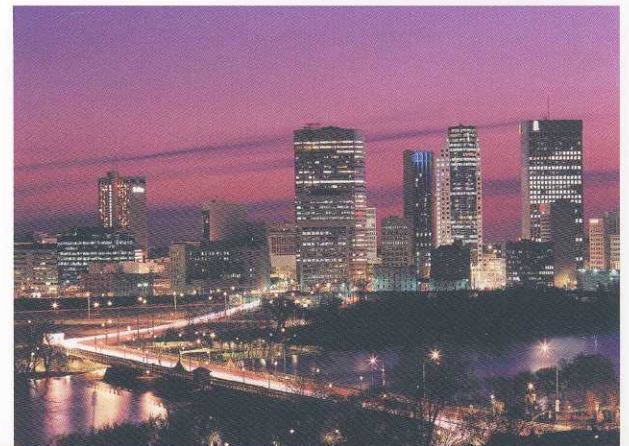
competitiveness and profitability by focusing on eco-efficiency to reduce energy consumption, solid waste, wastewater and greenhouse gas and air emissions.

Research and Development

Leading edge technology helps you compete

Manitoba Hydro's investment in research and development (R&D) has had a substantial impact on our current success. Because we know how important it is for customers to stay at the forefront of technology, we may co-fund R&D projects that enable you to use energy more competitively.


Manitoba Hydro's R&D commitment can help you look at innovative processing, wash water re-use, by-product processing and other aspects of your production process.



Invest Your Energy in Manitoba *It makes good business sense!*

Besides the obvious power advantage, Manitoba has many other important business attributes.

Our strategic location at the north end of the mid-continent trade corridor stretching into Mexico, a stable and diversified economy, leading edge transportation and communication networks and a dedicated, loyal workforce sets us apart from other jurisdictions.



New York-based Moody's Investment Services recently ranked Winnipeg, Manitoba's capital city, as the most diverse economic centre in Canada.

Low cost of living

Manitobans live better for less. Homes, auto insurance, electricity, university or college tuition—are all available in Manitoba at the lowest prices in Canada.

CONTACT US

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POLITICAL LEADER:

Premier Gary Doer

AREA:

250,946 square miles

TOTAL POPULATION:

1,150,800 (2002)

CAPITAL CITY:

*Winnipeg
population – 685,500 (2002)*

UNEMPLOYMENT RATE (2002):

(Manitoba) 5.2%, (Canada) 7.7%

MAJOR INDUSTRIES:

Agri-food, resource-based industries, machinery and equipment, transportation equipment, furniture and building products, electronics, apparel, plastics, computers, and telecommunications, environmental services, health care, aerospace, farm equipment

REAL GDP (% GROWTH) 2002:

3.1%

EXPORTS (2002):

\$9.4 billion Cdn

NATURAL RESOURCES:

Abundant fresh water, hydroelectricity, nickel, copper, zinc, and other minerals, fishing, forestry, oil

AGRICULTURAL PRODUCTS:

Wheat, hogs, beef cattle, canola, dairy, poultry, potatoes, oats and barley, pulse crops and flax