

THE SECURITIES ACT) Order No. 5373
)
SECTION 1(1.2)(a)) May 29, 2007

**THE PROVINCE OF MANITOBA and
THE MANITOBA HYDRO-ELECTRIC BOARD**

WHEREAS:

(A) The Province of Manitoba ("Province") and The Manitoba Hydro-Electric Board ("Manitoba Hydro") have applied to The Manitoba Securities Commission (the "Commission") for an order under s. 1(1.2)(a) of *The Securities Act*, R.S.M. c. S50 (the "Act") designating Manitoba and Manitoba Hydro as reporting issuers.

(B) The Province and Manitoba Hydro have represented to the Commission:

1. The Province and Manitoba Hydro have been issuing either Manitoba Hydro Savings Bonds or Manitoba Builder Bonds annually since 1989 (the "Bonds"). Shortly after inception of the Bond issues, the Province began listing Bonds without annual redemption features on The Winnipeg Stock Exchange. The practice of listing Bonds without annual redemption features on The Winnipeg Stock Exchange continued each year until The Winnipeg Stock Exchange merged with the TSX Venture Exchange. Such Bonds were thereafter listed on the TSX Venture Exchange until the spring of 2006 when cost considerations caused the Province and Manitoba Hydro to de-list the Bonds.

2. The Province and Manitoba Hydro have received requests from broker dealers in Manitoba to re-instate a listing to facilitate secondary trading of Bonds, and the Province and Manitoba Hydro wish to provide greater liquidity and transparency with respect to such Bonds.

3. Bonds can only be sold to Manitoba residents in the first instance.

4. The securities for which the relief is sought are existing Manitoba Builder Bonds and Manitoba Hydro Bonds (collectively the "**Bonds**"), and future issues of such Bonds, intended in both cases to be listed on the Canadian Trading and Quotation System (the "CNQ"), and such Bonds will either be direct debt obligations of the Province (in the case of Manitoba Builder Bonds) or obligations guaranteed by the Province (in the case of Manitoba Hydro Bonds). The existing Bonds are as follows:

Bond Series	Bond Type	Maturity Date
Builder Bonds VII	Annual Fixed Rate	June 15, 2008
Builder Bonds VII	Compound Fixed Rate	June 15, 2008
Builder Bonds VII	Annual Floating Rate	June 15, 2008
Builder Bonds VIII	Annual Fixed Rate	June 15, 2007

Builder Bonds VIII	Annual Fixed Rate	June 15, 2009
Builder Bonds VIII	Compound Fixed Rate	June 15, 2009
Builder Bonds VIII	Annual Floating Rate	June 15, 2009
Builder Bonds IX	Annual Fixed Rate	June 15, 2008
Builder Bonds IX	Annual Fixed Rate	June 15, 2010
Builder Bonds IX	Compound Fixed Rate	June 15, 2010
Builder Bonds IX	Annual Floating Rate	June 15, 2010
Hydro Bonds 8	Fixed Rate Annual	June 15, 2007
Hydro Bonds 8	Compound Fixed Rate	June 15, 2007
Hydro Bonds 8	Annual Floating Rate	June 15, 2007
Hydro Bonds 9	Annual Fixed Rate	June 15, 2009
Hydro Bonds 9	Annual Fixed Rate	June 15, 2011
Hydro Bonds 9	Compound Fixed Rate	June 15, 2011
Hydro Bonds 9	Annual Floating Rate	June 15, 2011

5. All securities of the Province and Manitoba Hydro issued in Canada, including the Bonds, are exempt securities which qualify pursuant to the exemption available in s. 2.34(2) of National Instrument 45-106 *Prospectus and Registration Exemption* and none of such securities are listed or proposed to be listed on any stock exchange in Canada. Manitoba Hydro does not have any securities issued to the public except Manitoba Hydro Savings Bonds.

6. Manitoba Builder Bonds are direct obligations of the Province and Manitoba Hydro Savings Bonds are unconditionally guaranteed by the Province.

7. The Bonds rank *pari passu* with all other debt issues of the Province.

8. No Bonds other than those that rank *pari passu* will be issued in the future.

9. The Bonds are currently rated based upon the long term debt rating assigned to the Province.

10. Long term direct debt obligations of the Province or debt obligations guaranteed by the Province are rated as follows by the following rating agencies:

Standard & Poors:	"AA-"
Moody's:	"Aa1"
DBRS:	"A (high)"

11. Financial information concerning the Filers is available as follows:

a. Disclosure sources for the Province, which includes budget information and the public accounts of the Province, are available at:

<http://www.gov.mb.ca/finance/financialreports.html>

b. and for Manitoba Hydro, which includes annual and interim financial statements, are available at:

http://www.hydro.mb.ca/about_us/annual_report.shtml,
<http://www.gov.mb.ca/finance/financialreports.html>, and
http://www.hydro.mb.ca/about_us/quarterly_reports.shtml

12. Following listing, the CNQ web site will provide a "home" page for the Bond issues of the Province and Manitoba Hydro where web links, as described above, to the disclosure information for the Province and for Manitoba Hydro will appear, and where the Bond ratings of the Province and Manitoba Hydro will also appear.

13. Changes in the debt rating of the Province will be reported on the Province's "home" page on CNQ and the links to disclosure information on that same page will provide updated information about the Province and Manitoba Hydro as it becomes available.

14. The Bonds must maintain a minimum "investment grade" rating to continue being listed on CNQ, being the following or better:

Standard & Poors:	"BBB"
Moody's:	"Baa"
DBRS:	"BBB"

15. The Bonds will not be listed on any other exchange or marketplace.

16. Long term direct debt obligations of the Province or debt obligations guaranteed by the Province are rated as follows by the following rating agencies:

Standard & Poors:	"AA-"
Moody's:	"Aa1"
DBRS:	"A (high)"

17. The securities will not be listed on any other exchange or marketplace.

(C) The Commission is of the opinion that it would not be prejudicial to the public interest to grant the order requested and there is adequate justification for doing so.

IT IS ORDERED:

1. THAT, under s. 1(1.2)(a) of the Act the Province is designated a reporting issuer.

2. THAT, under s. 1(1.2)(a) of the Act, Manitoba Hydro is designated a reporting issuer.

3. THAT the fee for this Order is \$25.00.

BY ORDER OF THE COMMISSION

Deputy Director - Legal