

Manitoba Hydro Undertaking #93

Manitoba Hydro to provide calculation for the \$4 million amount shown for 2012. Update the Income Statement for the Wuskwatim Limited Partnership Agreement for IFF10. To the extent we filed the balance sheet and cash flow statement, update those for IFF10 as well.

The non-controlling interest in 2011/12 of \$4 million represents Nisichawayasihk Cree Nation's 33% share of the Wuskwatim Power Limited Partnership's (WPLP) projected \$13 million loss in the year.

The WPLP projected financial statements corresponding to IFF10 are attached.

The Income Statement impacts of Wuskwatim in 2012/13 (the first full year of operation) can be calculated as follows:

Projected capital cost of Wuskwatim	\$ 1,566 million
Internally generated funds (35%)	<u>(548)</u>
Long term borrowing requirements	<u>\$ 1,018</u>
First year long term financing cost @ 6%	\$ 61
OM&A costs	7
Depreciation @ 1.5%	23
Capital tax and water rentals	<u>10</u>
Income statement impacts (first year)	<u>\$ 101</u>
Income statement net cost per kW.h:	
\$101 / 1515 GW.h =	6.7 ¢/kW.h
Assumed revenue per kW.h	<u>5.5</u>
Net loss per kW.h	<u>1.2</u>
First year loss: 1515 GW.h * 1.2¢/kW.h =	\$ 18 million

WUSKWATIM POWER LIMITED PARTNERSHIP
PROJECTED OPERATING STATEMENT
IFF10
(In Millions of Dollars)

For the year ended March 31

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES										
Revenue	-	27	88	94	104	114	121	127	134	142
	-	27	88	94	104	114	121	127	134	142
EXPENSES										
Operating and Administrative	-	4	8	8	8	8	8	8	8	8
Finance Expense	-	24	66	66	65	63	60	59	57	56
Depreciation and Amortization	-	10	26	26	26	26	27	27	27	27
Water Rentals and Assessments	-	2	5	5	5	5	5	5	5	5
	-	40	106	105	104	103	100	99	97	96
Net Income/(Loss)	-	(13)	(18)	(11)	(1)	12	20	29	37	46

WUSKWATIM POWER LIMITED PARTNERSHIP
PROJECTED BALANCE SHEET
IFF10
(In Millions of Dollars)

For the year ended March 31

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
ASSETS										
Plant in Service	-	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240
Accumulated Depreciation	-	(6)	(25)	(43)	(62)	(80)	(99)	(117)	(136)	(154)
Net Plant in Service	-	1,234	1,216	1,197	1,178	1,160	1,142	1,123	1,105	1,086
Construction in Progress	1,103	(16)	-	-	-	-	-	-	-	-
Current and Other Assets	270	287	289	290	292	295	298	301	305	309
	<u>1,373</u>	<u>1,505</u>	<u>1,504</u>	<u>1,487</u>	<u>1,471</u>	<u>1,455</u>	<u>1,439</u>	<u>1,424</u>	<u>1,409</u>	<u>1,395</u>
LIABILITIES AND EQUITY										
Long-Term Debt	800	918	930	930	930	930	930	930	930	930
Current and Other Liabilities	297	294	294	288	272	245	241	233	227	221
Equity	276	293	279	269	268	280	268	261	252	244
	<u>1,373</u>	<u>1,505</u>	<u>1,504</u>	<u>1,487</u>	<u>1,471</u>	<u>1,455</u>	<u>1,439</u>	<u>1,424</u>	<u>1,409</u>	<u>1,395</u>

WUSKWATIM POWER LIMITED PARTNERSHIP
PROJECTED CASH FLOW STATEMENT
IFF10
(In Millions of Dollars)

For the year ended March 31

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
OPERATING ACTIVITIES										
Cash Receipts from Customers	-	(27)	(88)	(94)	(104)	(114)	(121)	(127)	(134)	(142)
Cash Paid to Suppliers and Employees	-	6	13	13	13	13	14	14	13	13
Interest Paid	33	53	66	66	66	65	63	62	61	60
Interest Received	-	-	-	(0)	(1)	(2)	(3)	(3)	(4)	(5)
	33	32	(9)	(16)	(26)	(38)	(47)	(55)	(64)	(72)
FINANCING ACTIVITIES										
Proceeds from Long-Term Debt	(400)	(118)	(12)	-	-	-	-	-	-	-
Proceeds from Issue of Units	(73)	(30)	(4)	-	-	-	-	-	-	-
Other	-	1	1	1	1	1	1	1	2	2
	(473)	(148)	(15)	1	1	1	1	1	2	2
INVESTING ACTIVITIES										
Property, Plant and Equipment, net of contributions	258	92	16	-	-	0	-	-	-	-
Sinking Fund Payment	-	-	9	10	10	10	11	11	12	12
Other	-	-	-	-	-	-	-	32	36	46
	258	92	25	10	10	11	11	43	48	58
Net Increase (Decrease) in Cash	(182)	(24)	1	(5)	(15)	(26)	(34)	(10)	(15)	(13)
Cash at Beginning of Year	209	27	3	5	(0)	(15)	(41)	(76)	(86)	(100)
Cash at End of Year	27	3	5	(0)	(15)	(41)	(76)	(86)	(100)	(113)