

**Manitoba Hydro Undertaking #13**

Revise tables shown on pages 139-142 of the PUB Book of Documents to show the actuals in IFF10 compared to what was forecast. Also show forecast for fiscal year 2011 and fiscal year 2012.

**Manitoba Hydro Canadian Short Term Interest Rate (3 Month Bloomberg BA)**

Fiscal Year	Reference	Canada T-Bill Rate (90 day)	Spread	MH Canadian Short Term Interest Rate (3 Month CDOR)
2009/10	IFF09	0.25 %	0.20 %	0.45 %
2009/10	Actual (Note 2)	0.24 %	0.21 %	0.45 %
2010/11	IFF09	1.20 %	0.20 %	1.40 %
2010/11	IFF10	0.80 %	0.30 %	1.10 %
2010/11	YTD Actual (Note 2)	0.73 %	0.33 %	1.06 %
2011/12	IFF09	3.40 %	0.20 %	3.60 %
2011/12	IFF10 (Note 4)	1.85 %	0.25 %	2.10 %

**Manitoba Hydro Canadian Long Term Interest Rate (Province of Manitoba 10 Year+)**

Fiscal Year	Reference	Canada Bond Yield (10 Year+)	Spread (including Commissions)	MH Canadian Long Term Interest Rate (10 Year+)
2009/10	IFF09	3.70 %	0.90 %	4.60 %
2009/10	Actual (Note 3)	3.77 %	0.85 %	4.62 %
2010/11	IFF09	4.00 %	0.65 %	4.65 %
2010/11	IFF10	3.35 %	0.85 %	4.20 %
2010/11	YTD Actual (Note 3)	3.45 %	0.82 %	4.27 %
2011/12	IFF09	4.60 %	0.60 %	5.20 %
2011/12	IFF10 (Note 4)	3.65 %	0.70 %	4.35 %

**Note 1:** All figures provided exclude the 1.00% Provincial Debt Guarantee Fee.

**Note 2:** The actual Canada 90 Day T-Bill rate in 2009/10 was 0.24% (per Bloomberg weekly series C1033m). The actual 3 month Bloomberg BA rate in 2009/10 was 0.45% (per Bloomberg weekly series CDOR03). Therefore, the 2009/10 average spread was 0.21%. The average year to date information provided for 2010/11 is to January 31, 2011. The actual 3 month Bloomberg BA rate at the end of day on January 31, 2011 was 0.99% + 0.31% = **1.30%**.

**Note 3:** The 10 year+ information is the average of 10 year and 30 year data (per Bloomberg weekly series: C10110y and C10130y for 10 and 30 year benchmark Canada bond yields, and C30210y and C30230y for 10 and 30 year Province of Manitoba yields). Commissions of 0.06% were added to the spreads in order to derive an all-in cost of bond issuance (the average of 10 year and 30 year commissions per BMO indicative rates at March 31, 2010). The actual Canada 10 year+ bond yield in 2009/10 was 3.77%. The actual Province of Manitoba 10 year+ all-in cost (including commissions) was 4.62% in 2009/10. Therefore, the spread was 0.85%. The year to date information provided for 2010/11 is to January 31, 2011. The actual all-in 10 year+ interest rate at the end of day on January 31, 2011 was 3.56% + 0.74% = **4.30%**.

**Note 4:** Based upon the use of professional judgment, the forecast for the IFF10 Canada T-Bill Rate (90 Day) and Canada Bond Yield (10 Year+) utilized vintage information in the final quarter of the 2011/12 fiscal year. The impact of this decision lowered the 2011/12 MH Canadian Short Term Interest Rate (3 Month CDOR) from 2.15% to 2.10%, and raised the 2011/12 MH Canadian Long Term Interest Rate (10 Year+) from 4.25% to 4.35%.