

Manitoba Hydro Undertaking #37

Determine the origin of the Opportunity Term sales that are shown on Tab 35 (pg. 78) for 2003/04 year.

Upon review Manitoba Hydro has determined that Opportunity Term transactions shown in the referenced table in 2002/03 and 2003/04 are overstated and incorrect as they include a significant amount of dependable energy associated with a long term firm sale agreement. A revised table is provided below.

For 2003/04 Manitoba Hydro intended that one hundred percent of the Opportunity Term sales (197,542 MWh) would be sourced from surplus hydraulic capacity and energy. However as a result of low water supplies only sixty-six percent were sourced from hydraulic resources during April and early May when Manitoba Hydro was still in a surplus energy position. The balance (34%) was sourced through offsetting purchase arrangements (bookouts) or from energy purchases when market prices were more favourable than Manitoba Hydro's non-hydraulic generation resources.

Sales Category	2002/03		2003/04		2004/05		2005/06		2006/07		2007/08		2008/09		2009/10	
	Volumes (MWh)	%	Volumes (MWh)	%	Volumes (MWh)	%	Volumes (MWh)	%	Volumes (MWh)	%	Volumes (MWh)	%	Volumes (MWh)	%	Volumes (MWh)	%
Opportunity Spot (DA and RT)	1,315,092	13	531,277	8	3,327,716	32	8,085,539	56	2,977,409	29	6,216,880	53	4,145,046	44	5,128,774	47
Opportunity Term	2,003,723	20	197,542	3	1,613,454	15	2,216,831	15	3,277,537	32	1,596,514	14	1,185,392	13	2,593,658	24
Dependable	6,586,301	66	6,188,078	89	5,617,614	53	4,138,806	29	3,848,905	38	4,010,803	34	4,145,046	44	3,264,433	30
Total	9,905,116	100	6,916,897	100	10,558,784	100	14,441,176	100	10,103,851	100	11,824,197	100	9,475,484	100	10,986,865	100
Hydraulic Generation as a % of Hydraulic Generation in an Average Flow Year		98		63		106		127		108		119		117		116