

**MANITOBA HYDRO**  
**2012/13 & 2013/14 GENERAL RATE APPLICATION**

**VOLUME I**

**CAPITAL EXPENDITURES**

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**6.0 OVERVIEW OF TAB 6**

Tab 6 summarizes the Capital Expenditure Forecast (CEF11-2). A copy of CEF11-1 is included as Appendix 6.1 and a summary of CEF11-2 is provided as part of Appendix 4.2.

**6.1 CAPITAL EXPENDITURE FORECAST**

The Capital Expenditure Forecast (“CEF”) is a projection of Manitoba Hydro’s capital expenditures for new and replacement facilities to meet the electricity requirements in the Province of Manitoba as well as expenditures required to meet firm sale commitments outside the Province. Expenditures included in the CEF provide for an ongoing safe and reliable supply of energy in the most efficient and environmentally sensitive manner.

**6.2 CEF11-2**

CEF11-2, related to Electric operations, for the eleven year period to 2021/22 totals \$19,082 compared to \$19,943 for the same eleven year period included in last year’s CEF10-2.

Electric Only	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	11 Year Total
CEF10-2	1,058	1,152	1,571	1,806	2,129	2,177	2,455	1,960	2,175	1,762	1,699	19,943
Incr (Decr)	16	49	(53)	(130)	(132)	(126)	(52)	(324)	(294)	117	68	(862)
CEF11-2	1,074	1,201	1,518	1,676	1,997	2,051	2,403	1,635	1,881	1,879	1,767	19,082

1           The decrease of \$862 million in capital expenditures over the eleven year forecast period  
2 is comprised of the following:

3

	Total Projected Cost	Total Project Increase (Decrease)	11 Year Increase (Decrease)
	(\$ Millions)		
Conawapa Generating Station	7,771	-	(690)
Wuskwatim Generating Station	1,375	99	99
Demand Side Management Electric	NA	(418)	(234)
Site Remediation	NA	(2)	(2)
Increase to Target Adjustment	NA	NA	(34)
			<b>(862)</b>

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6           For the most part, CEF11-2 represents an update of programs and projects approved  
7 under CEF10-2. CEF11-2 cash flows at the business unit levels remain the same as  
8 CEF10-2 with the exception of the Conawapa one year deferral and the approved  
9 increase for Wuskwatim. Also, upon adoption of IFRS in 2013/14, expenditures for  
10 demand side management and site remediation costs do not qualify for capitalization and,  
11 effective April 1, 2013 will be charged to operating expense in the year incurred.

12

13           The only change between CEF11-2 and CEF11-1 is to include capital expenditures with  
14 respect to demand side management and site remediation costs for 2012/13 due to the  
15 deferred implementation of IFRS to 2013/14.

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17           Table 6.1.1 below depicts the major electric capital projects included in CEF11-2 and  
18 expenditures in 2011/12 and the next two fiscal years and also shows the cumulative total  
19 in the capital forecast to 2021/22.

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Summary of Electric Capital Expenditure Forecast CEF11-2  
(in millions of \$)

	2011/12	2012/13	2013/14	Cumulative to 2021/22*
Major New Generation & Transmission	656	763	1,060	14,173
Power Supply	156	138	150	1,227
Transmission	83	79	106	767
Customer Service & Distribution	159	167	145	1,697
Customer Care & Marketing	7	8	8	61
Finance & Administration	47	47	48	559
Target Adjustment	(34)			598
<b>Total Electric</b>	<b>1,074</b>	<b>1,201</b>	<b>1,518</b>	<b>19,082</b>

\* Excludes capital expenditures prior to 2011/12

Table 6.1.2 below summarizes the significant Major New Generation and Transmission capital projects.

Table 6.1.2  
Major New Generation and Transmission Capital Expenditure Forecast CEF11-2  
(in millions of \$)

	2011/12	2012/13	2013/14	Cumulative to 2021/22*
Wuskwatim - Generation	181	65	6	252
Wuskwatim - Transmission	32	-	-	32
Keeyask - Generation	116	163	198	5 215
Conawapa - Generation	104	105	66	4 603
Kelsey Improvement & Upgrades	34	25	20	80
Kettle Improvements & Upgrades	14	23	20	132
Pointe du Bois Spillway Replacement	41	114	100	345
Pointe du Bois - Transmission	15	11	18	60
Bipole III - Transmission Line	31	53	135	1 216
Bipole III - Converter Stations	51	142	315	1 770
Bipole III - Collector Lines	10	58	47	191
Riel 230/500 kV Station	75	68	48	190
Demand Side Management	32	34	-	65
Target Adjustment	(88)	(118)	85	(289)
Other	9	21	0	311
<b>Total</b>	<b>656</b>	<b>763</b>	<b>1 060</b>	<b>14 173</b>

\* Excludes capital expenditures prior to 2011/12

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