

MANITOBA HYDRO

2012/13 & 2013/14 ELECTRIC GENERAL RATE APPLICATION

UNDERTAKING PROVIDED BY: V.WARDEN

Manitoba Hydro Undertaking #6

Provide the projected financial impacts of Wuskwatim on both test years of IFF12. Also advise whether an update will have to be provided to PUB/MH II-50b).

Response:

The schedules below provide the projected impacts of Wuskwatim on Manitoba Hydro net income in the test years and the calculation of internally generated funds attributable to Wuskwatim. The calculation has been revised from CAC/MH I-15(a) to include the estimated revenue to Manitoba Hydro attributed to Wuskwatim energy as well as to reflect the actual in-service in IFF12. It should be emphasized that Wuskwatim is required to serve existing load requirements commencing in 2012/13. Revenue is estimated based on the average domestic and export unit revenue from CAC/MH I-3(a) as follows:

	<u>IFF12</u>	
	<u>2012/13</u>	<u>2013/14</u>
Average domestic & export unit revenue (\$/MWh)	\$51.84	\$54.32
Wuskwatim energy (GWh)	973	1,648

Estimated Revenue Requirement Impact for Wuskwatim (\$Millions)

	<u>IFF12</u>	
Projected capital cost of Wuskwatim	\$ 1,772	
Internally generated funds (29%)	<u>(526)</u>	
Long term borrowing requirements	<u>\$ 1,245</u>	
	<u>2012/13</u>	<u>2013/14</u>
Long term financing cost	\$ 46	\$ 75
OM&A costs	6	11
Depreciation	17	28
Capital tax and water rentals	9	11
Total expenses	<u>\$ 78</u>	<u>\$ 125</u>
Revenue	<u>(50)</u>	<u>(89)</u>
Net Revenue Requirement	<u>\$ 27</u>	<u>\$ 36</u>

