MANITOBA HYDRO

2012/13 & 2013/14 ELECTRIC GENERAL RATE APPLICATION

MANITOBA INDUSTRIAL POWER USERS GROUP ("MIPUG") PRE-ASK QUESTIONS OF MANITOBA HYDRO

MIPUG/MH/PRE-ASK-1

Question:
In appendix 5.7 it is indicated at page 1 that the depreciation study was initiated in 2009. Please provide a copy of any Hydro requests or instructions, as amended from time to time, leading to Gannett Fleming's proposal to Hydro to complete the depreciation study, the Gannett Fleming scope of work provided by Hydro and any revisions to this scope of work during the course of the assignment leading to the preparation of the Gannett Fleming Reports.

Response:
Manitoba Hydro met with Mr. Larry Kennedy of Gannett Fleming, Inc. in January 2009 to discuss the requirement to review Manitoba Hydro's depreciation practices under IFRS. In total, the engagement with Gannett Fleming spanned a period of almost 3 years from January 2009 through to November 2011 during which there was an extensive volume of communications back and forth. Manitoba Hydro has provided an outline of the process from the start of the engagement through to the receipt of the final depreciation study.

Gannett Fleming was first engaged to assist Manitoba Hydro with understanding how the transition to IFRS would impact annual depreciation expense. The engagement transitioned into a full depreciation study for the electric and gas operations. Included in the response are copies of scoping documents received from Gannett Fleming, with respect to each engagement, as well as draft depreciation study reports as requested in MIPUG/MH/Pre-Ask-4a.

In March 2009, Gannett Fleming provided a proposal to Manitoba Hydro outlining the scope of services they could provide to assist Manitoba Hydro with the depreciation aspect of the IFRS conversion. Please see Attachment 1 for a copy of the Gannett Fleming proposal. Based on Mr. Kennedy's proposal, Manitoba Hydro engaged Gannett Fleming to provide advice and assistance with the following as it pertained to the IFRS conversion project:

- Development of asset groupings that comply with the componentization requirements of IFRS;
- Development of IFRS compliant depreciation policies and practices applicable to each asset group;
- Development of the model to determine gains and losses on asset retirements;
- Development of historic cost and accumulated depreciation balances for the new and existing component groups; and
- Development of net salvage concepts and policies that are compliant with IFRS

In June 2009, Mr. Kennedy spent 3 days touring various Manitoba Hydro facilities with IFRS project and operational staff. The tour was designed to refresh Mr. Kennedy's knowledge of Manitoba Hydro's plant assets and to identify potential increases to the existing component groupings.

In September 2009, Gannett Fleming provided their first draft of suggested depreciation component groups, as well as the assumptions supporting the development of the different components and estimated depreciation rates for each of the components. Mr. Kennedy indicated that the level of components was similar to what he was seeing among a number of electric utilities. Overall, changes were recommended in several areas where prior component groups included significant items with different expected service lives.

In November 2009, Gannett Fleming met with IFRS project team members along with operational and engineering staff to discuss and refine the component list further. These meetings also involved discussions as to the service lives of the various components under consideration so that the information could be used in the development of depreciation rates for each component group.

In January 2010 a meeting was held between Manitoba Hydro and Gannett Fleming to discuss Gannett Fleming's analysis on the component data files, to discuss the various IFRS conversion issues as previously identified, and to determine the next steps in the project.

In February 2010, Gannett Fleming provided Manitoba Hydro with a Status Update Letter regarding IFRS implementation activities related to Property, Plant & Equipment. Please see Attachment 2 for a copy of the Gannett Fleming letter dated February 9, 2010.

In May of 2010, Manitoba Hydro and Gannett Fleming discussed the next steps required for a full depreciation study for Manitoba Hydro and Centra Gas. It was determined that the study should incorporate the changes to the asset depreciation components for determination of IFRS compliant depreciation rates and should include depreciation rates both with and without the inclusion of net salvage so as to understand the financial impact of net salvage on depreciation rates. The study would require Gannett Fleming to conduct further investigative work into determining the appropriate depreciation rates to recommend based on the new asset component groups.

In April 2011, Manitoba Hydro received a scoping memo from Gannett Fleming that provided a summary of the work required for the completion of a full and comprehensive depreciation study for both the electric and gas operations. Please see Attachment 3 for a copy of the scoping letter from Gannett Fleming. In May 2011, Manitoba Hydro engaged Gannett Fleming for consulting services for the completion of a full depreciation study for the electric and gas operations.

The development of IFRS compliant depreciation rates required a significantly different approach from past studies given that new component groupings had been developed and there existed a multitude of other possible changes with respect to net salvage, the adoption of the ELG, and the continuation of Canadian GAAP for a period subsequent to the completion of the study, but before the transition to IFRS.

Gannett Fleming visited Manitoba Hydro during the May 17-19, 2011 period and conducted extensive interviews of operational and engineering staff to obtain their views on factors impacting asset service lives for new and existing components.

Manitoba Hydro received the first draft of the full depreciation study on October 14, 2011. The report was prepared using the ELG procedure for group depreciation with a provision for net salvage as directed by Manitoba Hydro. (Please see Attachment 4 for a copy of the first draft report).

Based on Manitoba Hydro's review, Manitoba Hydro requested the following changes:

- Removal of the provision for net salvage from the numerical schedules in Section III for compliance with IFRS.
- Modification of the discussion in Sections I and II of the report to reflect removal of the provision for net salvage.
- A clarification change to the described scope in Section I to indicate that the depreciation rates were determined for financial reporting purposes.

Manitoba Hydro received the 2nd Draft Report on October 22, 2011. This draft incorporated the changes requested by Manitoba Hydro from the review of the 1st draft. (Please see Attachment 5 for a copy of this report). Manitoba Hydro requested some minor editorial revisions, such as correction of typographical errors and the relocation of the Life Span Estimates section of the report. In addition, Manitoba Hydro requested that the commentary be expanded in the following areas, where significant changes had occurred, to more fully describe the nature and basis of the changes (page references relate to the 2nd draft dated October 22, 2011):

- International Financial Reporting Standards - pages I-3 to I-4
- Survivor Curve Judgments – pages II-24 to II-25
- Account Grouping A – Dams, Dykes and Weirs – pages II-25 to II-26
- Account Grouping 4000J – Poles and Fixtures – page II-32
- Account Grouping 4000L – Overhead Conductor and Devices – page II-32
- The addition of a new section explaining the removal of net salvage
- Group Depreciation Procedures – The addition of a simple example illustrating the differences between ASL and ELG, and the addition of commentary regarding the conformance of ELG to IFRS – section begins on page II-35

The 3rd Draft Report was received from Manitoba Hydro on October 25, 2011. This draft incorporated the changes requested by Manitoba Hydro from the review of the 2nd draft. (Please see Attachment 6 for a copy of this report)

The 4th Draft Report dated November 2, 2011 incorporated editorial changes requested by Gannett Fleming Inc.'s Head office in Harrisburg, PA based on their review of the 3rd draft. (Please see Attachment 7 for a copy of this report)

The final version of the report was dated November 28, 2011. There were no significant changes from 4th draft dated Nov 2, 2011 (Please see Appendix 5.7 to the Application).

Gannett Fleming

GANNETT FLEMING, INC.
Suite 277
200 Rivercrest Drive S.E.
Calgary, Alberta T2C 2X5

Office: (403) 257-5946
Fax: (403) 257-5947
www.gannettfleming.com

Via email

March 2, 2009

Manitoba Hydro
Attn: Mr. Darryl Martin
P.O. Box 1287
Winnipeg, Manitoba R3C 2Z1

Dear Darryl:

During our meetings in Winnipeg on January 27, 2009, I committed to providing a scoping memo of potential Gannett Fleming support in your implementation of the International Financial Accounting Standards ("IFRS").

Based on our conversations, I have developed the following potential areas where Gannett Fleming may be able to provide consultation assistance:

Phase 2/3 assistance

- Development of appropriate accounts to conform to the categorization requirements of IFRS. It is anticipated that this would involve a further analysis of the categorization of generation plant equipment used by Manitoba Hydro in the development of the Equipment Heath Analysis system that is presently being implemented. Additionally, further review of the distribution and transmission systems would be analyzed to ensure that the requirements of IAS 16 are adhered to, giving consideration to the level of interim retirement activity that is inherent in the IOWA curves used for the average service selection for most accounts.
- Development of appropriate alternatives and scenarios relating to depreciation policy and concepts in order to ensure compliance with IFRS and meet regulatory requirements. This would entail the review of the applicability of group depreciation concepts in the era of IFRS and the applicability of both the Average Service Life (ASL) and Equal Life Group (ELG) procedures in the development of depreciation rates. Appropriate straight line unit depreciation concepts will be reviewed for specific assets that are not reasonable candidates for group depreciation within IAS 16.

- Development and justification of appropriate net salvage concepts for both tolling purposes and IFRS compliance. Gannett Fleming will work with Manitoba Hydro to ensure that appropriate recovery for the future costs of retirement are included in the depreciation policies for both GAAP and for regulatory purposes.
- Assistance in the development of IFRS compliant procedures for the development of the values of each of the asset components or component groups, in accordance with IAS 1. It is anticipated that procedures will be developed for a number of valuation options that Manitoba Hydro may need to consider. These valuation options include, but are not limited to the use of the current Net Book Value as the recognition valued of the fair value of plant as at the conversion date; the use of allocation and appropriate assumptions to rebuild the asset and accumulated deprecation balances incorporating the historic use of the current IFRS requirements; and the development of an Engineering based replacement (or reproduction) type valuation of the current plant assets.

Phase 4 assistance

- Assistance in the determination of the value of asset groups in the circumstances that a fair value determination must be made in order to comply with IAS 1. Based on the procedure and method deemed appropriate in the Phase 2/3 work, it is anticipated that Gannett Fleming would be able to provide a significant level of assistance in the actual development of the gross asset amount of the capitalized plant assets. In the circumstances of an actual engineering type of replacement study, the Engineering group of Gannett Fleming is widely recognized throughout North America in its expertise in the Hydro Electric generation field. If other method of valuation are deemed appropriate (such as using allocation methods), Gannett Fleming has recognized expertise and experience to develop such allocation factors.
- Allocation of booked accumulated depreciation balances for all asset categories and groups. Gannett Fleming has developed a number of models for the categorization of accumulated depreciation balances that have been tested in a number of regulatory forums.
- Development of a full and comprehensive depreciation study to determine the appropriate depreciation rates for all asset groups. Based on the categorization and development of plant and accumulated depreciation values, Gannett Fleming would develop a full and comprehensive depreciation study to develop appropriate depreciation rates that incorporate all of the analysis and work completed in Phases 2/3 and 4. As such, it is anticipated that the depreciation study would be the final work product produced and may not be delivered until the 2010 calendar year.

Gannett Fleming recommends that the completion of the tasks as identified for Phase 2/3 completion would be on an "as required" basis to be billed in accordance with the attached 2009 Gannett Fleming Billing Schedule. Generally, this work would be to provide guidance and assistance to the internal Manitoba Hydro IFRS teams. As such it is not anticipated that a significant amount of detailed data analysis would be required during this phase. However it is anticipated that up to three meetings in the offices of Manitoba Hydro may be required. Overall Gannett Fleming anticipates that approximately 15 to 20 man days of work would be required for the guidance associated with the tasks as outlined in Phase 2/3 of the IFRS implementation throughout the 2009 calendar year. As such it is estimated that billings (including travel) related to phase 2/3 work would not exceed $[redacted] Cdn.

It is anticipated that the specific Gannett Fleming work associated with the Phase 4 – Implementation would be more extensive. For example, the allocation of gross plant and accumulated depreciation amounts may be based on models developed and run by Gannett Fleming. Furthermore, the calculation of Asset Retirement Obligation amounts could also be developed through the use of Gannett Fleming models. Lastly, the full and comprehensive depreciation study for the Manitoba Hydro Gas and Electric system assets requires an extensive commitment of Gannett Fleming resources. Gannett Fleming would complete the work on a time and expense basis but has developed the following estimated amounts for the phase 4 work:

- Development of the value of the capitalized assets will vary greatly based on the method chosen in Phase 2/3. If the current net book value can be used, no additional costs would be incurred beyond those billed as part of the Phase 2/3 work. If allocation methods are determined to be approiate, Gannett Fleming estimates approximately $[redacted] of billings be required which includes 2 trips to the offices of Manitoba Hydro. In the circumstance where detailed engineering based replacement valuations are required, additional scoping will be required prior to the Engineering groups of Gannett Fleming being able to provide any cost estimates.
- Allocation of accumulated depreciation balances in accordance with IAS 1 and the results of the additional componentization of assets in conformance with IAS 16 would include two functions. Firstly, the development of the amount of the accumulated depreciation balance in accordance with the valuation procedures used for the gross plant assets will need to be carried into the determination of value for accumulated depreciation. Importantly, the manner in which the recognition and de-recognition issues of IAS 16 are resolved, could require the estimated of historic gains/losses from all historic retirement activity. While Gannett Fleming considers that the use of reasonable assumptions and allocations could be of assistance, a significant amount of work could be required in this area. Secondly, historic accumulated depreciation balances will need to be developed for any new asset classes (and re-calculated for the existing class) that is developed as a result of the componentization requirements of IAS 16. Gannett Fleming estimates that total billings for this function could vary from as low as $[redacted] to $[redacted] depending on the resolution of the recognition issue associated with IAS 16.
- The development of full and comprehensive depreciation studies for both the gas and electric systems would be similar in nature and scope as the depreciation studies completed in 2006. While depreciation parameters may need to be developed for additional categories, it is anticipated that cost sufficient cost efficiencies can be

gained from the other phase 2/3 and 4 work to offset the work associated with any additional catagories. As such, Gannett Fleming anticipates that the depreciation studies for both the gas and electric systems can be completed for approximately $[redacted]

- Development of Asset Retirement Obligation (ARO) calculations in the circumstance where it is determined in the phase 2/3 work that specific ARO calculations are required for IAS 16 compliance. It is anticipated that these calculations would be different and separate from the net salvage used in the depreciation study, and as such will require unique calculations. Estimated billings for this work would vary depending on the number ARO calculations required. However, it is assumed that the same model could be used for most of the ARO calculations. As such, Gannett Fleming estimates total billings of $[redacted] to $[redacted] for this work.

In summary, Gannett Fleming views that our expertise and experience would be of great benefit to the IFRS implementation at Manitoba Hydro for both the Phase 2/3 and Phase 4 work as outlined above. We estimate that our billings associated with phase 2/3 consulting would not exceed $[redacted] Our estimated billings for phase 4 work could vary widely from $[redacted] to $[redacted] Additionally, detailed Engineering work for the determination of replacement or reproduction value of the Hydro Generation facilities would be in addition to these amounts based on the scope of service required.

If you have any questions on this or wish to discuss, please call me at (403)257-5946.

Sincerely,

GANNETT FLEMING, INC

Larry E. Kennedy
Director, Canadian Services
Valuation and Rate Division

Gannett Fleming

GANNETT FLEMING, INC.
Suite 277
200 Rivercrest Drive S.E.
Calgary, Alberta T2C 2X5

Office: (403) 257-5946
Fax: (403) 257-5947
www.gannettfleming.com

Via email

February 9, 2010

Manitoba Hydro
Attn: Mr. Darryl Martin
P.O. Box 1287
Winnipeg, Manitoba R3C 2Z1

RE: Status Update regarding the International Financial Reporting Standards Implementation Activities related to Property Plant and Equipment

As requested during our meetings on January 28, 2010, I am providing a status update on the property. Plant and Equipment related activities impacted by the implementation of the International Financial Reporting Standards ("IFRS"). Gannett Fleming, Inc. ("Gannett Fleming") has provided consulting services relating to many of the activities and this updates provides the status on the activities in which Gannett Fleming has had input or knowledge related to the internally completed Manitoba Hydro activities.

The implementation of IFRS requires the depreciation of assets over the estimated life of the assets. As such, the level of the grouping of assets required review to determine if the current grouping resulted in compliance with IAS 16. Gannett Fleming has completed the review of the current level of componentization and recommended a number of new asset categories, most predominantly in the area of hydro generation. The development of additional components has required the development of the original cost and accumulated depreciation for each of the new components. This costing activity is now in the final stages of completion, with only verification of the costs for both the new and previous categories.

Gannett Fleming has provided an average service life estimate for each of the new and currently existing asset categories in order that each asset category is depreciated over the estimated service life of the assets. The average service life estimates were based on the professional judgement of Gannett Fleming considering the estimate as determined in the previous depreciation study, the specific experience of Manitoba Hydro as determined through interviews with the operational and management staff of each of the business segments., and the experience of peer electric utilities from across Canada for which Gannett Fleming has completed studies. Additionally Gannett Fleming has provided net salvage percentages for each of the existing and new components. Again these estimates were based on the professional judgement of Gannett Fleming based similar considerations as were used in the average service life estimation.

Based on the allocations of both the original cost and accumulated depreciation from the existing accounts to the new components, combined with the estimated average service life and net salvage percentages, Gannett Fleming is in now determining the estimated impact of the implementation of IFRS on the annual depreciation expense. In order to deal with the provisions of the IFRS regarding the cost of removal expenditures, Gannett Fleming is developing separate annual accrual rates for the recovery of original costs and for the provision of the estimated costs of removal.

Gannett Fleming is providing consulting services to a large number of regulated Canadian utilities related to the implementation of the IFRS. Based on our experience, the amount of additional componentization required for Manitoba Hydro is greater than the amount of additional components required by other peer Canadian electric utilities. As a result, the costing activities have been more extensive than that experience by other utilities. However, it should be noted that Manitoba Hydro is generally in a similar position with regard to the progress made relating to the Property Plant and Equipment issues related to the implementation of IFRS. Notwithstanding the larger than average amount of work required for the development and costing of the additional components, Manitoba Hydro has progressed the implementation process at a similar pace as most Canadian utilities.

With regard to the Manitoba Hydro gas distribution assets, Gannett Fleming did not recommend any additional componentization. The existing account structure was in accordance with the Canadian Gas Association's uniform system of accounts. It is the experience of Gannett Fleming that this uniform system of accounts has been generally accepted as an acceptable level of componentization, and therefore has limited the effort required for the implementation of the IFRS.

If you have any questions on this or wish to discuss, please call me at (403)257-5946.

Sincerely,

GANNETT FLEMING, INC

Larry E. Kennedy
Director, Canadian Services
Valuation and Rate Division

Gannett Fleming

GANNETT FLEMING, INC.
Suite 277
200 Rivercrest Drive S.E.
Calgary, Alberta T2C 2X5

Office: (403) 257-5946
Fax: (403) 257-5947
www.gannettfleming.com

Via email

April 27, 2011

Manitoba Hydro
Attn: Mr. Darryl Martin
P.O. Box 1287
Winnipeg, Manitoba R3C 2Z1

Dear Darryl:

This scoping memo provides a summary of the work required for the completion of the full and comprehensive depreciation studies for both your electric and natural gas distribution plant. This work represents the completion of the studies that were started in late 2010, and following our work on the International Financial Reporting Standards (IFRS) Implementation project.

Over the summer and early fall, Manitoba Hydro completed an extensive componentization process required for the implementation of the IFRS. Additionally Manitoba Hydro has expended a significant amount of effort to develop the retirement history and aged account balances for as many of the new component groups as possible. A significant amount of this data has been forwarded to Gannett Fleming in order that the average service analysis could begin. To date all of the average service life data related to natural gas distribution plant has been forward to Gannett Fleming and a preliminary average service life analysis on this plant has been completed. Additionally, Gannett Fleming estimates that the data associated with approximately 50% of the electric utility plant has been forwarded to Gannett Fleming and preliminary data audits and analysis has been completed for these accounts. Gannett Fleming notes the excellent quality of the data received to date has allowed for an accelerated audit and analysis phase to date.

The data associated with a number of electric utility accounts remain outstanding. However, Gannett Fleming and Manitoba Hydro discussed the approach to data development and submission of the data associated with these outstanding accounts on March 4, 2011. A plan is in place for the development and submission of data files to Gannett Fleming by April 30th. Based on our most recent conversation and the approach to the data development being taken by Manitoba Hydro, I am confident that the standard of data delivered to date will continue for the remaining files. As such, the audit and the preliminary life estimate phases remaining to be undertaken by Gannett Fleming are expected to proceed in the same manner as the files received to date. We do note that some of the files to be received by April 30th will require additional simulation steps by Gannett Fleming.

In order to complete the project, Gannett Fleming has identified the following timeline:

- Receipt of remaining aaset data files – April 30, 2011;
- Completion of Preliminary Life estimates by Gannett Fleming – May 13, 2011;
- Operational and Management interviews in Winnipeg – week of May 16, depending on availably of parties to be interviewed;
- Completion of Net Salvage Percentages – May 27, 2011;
- Final determination of life spans for generation plants - May 31, 2011;
- Delivery of preliminary depreciation rate schedules – June 10, 2011
- Delivery of preliminary report – June 24, 2011;
- Scenario analysis and running of additional cases – June 24 through July 15, 2011
- Determination of final case – July 29, 2011;
- Delivery of final report – August 12, 2011.

Gannett Fleming estimates that the total billings from March 1, 2011 through to the final delivery of the report based on the above work schedule will be $[redacted]. This estimate was based on a labour component of $[redacted] plus direct expenses of $[redacted]. In the development of these estimates Gannett Fleming has considered that we would be on-site for three days of Management and Operational interviews plus one day for the review of the study results. Also, we have considered that four additional scenarios would be run in addition to the first draft of results to be delivered by June 24th.

If you have any questions on this or wish to discuss, please call me at (403)257-5946.

Sincerely,

GANNETT FLEMING, INC

Larry E. Kennedy
Director, Canadian Services
Valuation and Rate Division

MANITOBA HYDRO

Winnipeg, Manitoba

DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION ACCRUAL RATES APPLICABLE TO DEPRECIABLE ASSETS IN SERVICE AS OF MARCH 31, 2010

DRAFT

Gannett Fleming
Valuation and Rate Division
Excellence Delivered As Promised

Harrisburg, Pennsylvania ***Calgary, Alberta*** ***Valley Forge, Pennsylvania***

Gannett Fleming

Excellence Delivered ***As Promised***

October 14, 2011

Manitoba Hydro
P.O. Box 1287
Winnipeg, Manitoba R3C 2Z1

Attention: Mr. Vince Warden, Vice President
Finance & Administration & Chief Financial Officer

Gentlemen,

Pursuant to your request, we have conducted a depreciation study related to the electric generation, transmission, substation, distribution and general plant systems of Manitoba Hydro as of March 31, 2010. Our report presents a description of the methods used in the estimation of depreciation, the statistical analyses of service life and net salvage calculations, and the summary and detailed tabulations of annual and accrued depreciation.

The calculated annual depreciation accrual rates presented in the report are applicable to plant in service as of March 31, 2010. The depreciation rates are based on the straight-line method, equal life group procedure applied on a whole life basis, using the equal life group procedure, with any accumulated depreciation variances amortized over the estimated remaining life of the assets.

Respectfully submitted,
GANNETT FLEMING, INC.

DRAFT

Larry E. Kennedy
Director, Canadian Services
Valuation and Rate Division

LEK/hac
Project: 052988.100

Gannett Fleming, Inc.
Valuation and Rate Division
Suite 277 • 200 Rivercrest Drive S.E. • Calgary, AB T2C 2X5 • Canada
t: 403.257.5946 • f: 403.257.5947
www.gannettfleming.com www.gfvrd.com

TABLE OF CONTENTS

PART I. INTRODUCTION

PART II. METHODS USED IN THE ESTIMATION OF DEPRECIATION

PART III RESULTS OF STUDY

TABLE OF CONTENTS, Cont'd.

PART I. INTRODUCTION

MANITOBA HYDRO
DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION ACCRUAL RATES APPLICABLE TO DEPRECIABLE ASSETS IN SERVICE AT MARCH 31, 2010

PART I. INTRODUCTION

SCOPE

This report sets forth the results of the depreciation study conducted for the depreciable assets of Manitoba Hydro to determine the annual depreciation accrual rates and amounts for ratemaking purposes applicable to the original cost of plant at March 31, 2010.

The depreciation accrual rates presented herein are based on generally-accepted methods and procedures for calculating depreciation. The estimated survivor curves and estimated net salvage percents used in this report are based on studies incorporating data through 2010.

Part I, Introduction, contains statements with respect to the scope of the report and the basis of the study. Part II, Methods Used in the Estimation of Depreciation, presents the methods used in the estimation of average service lives, survivor curves and provides the recommendations related to net salvage percentages to be used in the calculation of depreciation. Part III, Results of Study, presents a summary of annual depreciation. Included in the Supporting Materials is Part IV, Service Life Statistics which represent the statistical analyses of service lives and Part V, Detailed Depreciation Calculations, which provides the detailed tabulations of annual depreciation, for all accounts.

BASIS OF THE STUDY

Depreciation. The depreciation accrual rates and accrued depreciation were calculated using the straight line method, the equal life group (ELG) procedure, applied on a whole life basis. The calculation was based on the attained ages and estimated service life and net salvage characteristics for each depreciable group of assets. A separate net salvage rate has been provided for the accumulation cost for removal related to the terminal retirement of assets.

Service Life Estimates. The method of estimating service life consisted of compiling the service life history of the plant accounts and subaccounts, reducing this history to trends through the use of analytical techniques that have been generally accepted in various regulatory jurisdictions, and forecasting the trend of survivors for each depreciable group on the basis of interpretations of past trends and consideration of Company plans for the future. The combination of the historical trend and the estimated future trend yielded a complete pattern of life characteristics from which the average service life was derived. The service life estimates used in the depreciation calculation incorporated historical data compiled through March 31, 2010. Such data included plant additions, retirements, transfers and other plant activity.

A general understanding of the function of the plant and information with respect to the reasons for past retirements and the expected future causes of retirement was confirmed through contact with Company personnel.

A provision for the cost of removal related to asset groupings that are expected to not be replaced are recommended and calculated on Schedule 1 in the Results section of this report. In circumstances where assets are replaced Gannett Fleming understands that Manitoba Hydro intends to adopt a policy to include the retirement cost of replaced assets as a component of the capital cost of the replacement asset. Therefore, the net salvage percentages as shown on Schedule 1 are related to only the estimated final retirement transactions and are calculated over the estimated remaining life of the asset group.

International Financial Reporting Standards The Canadian Accounting Standards Board has announced that Canadian Generally Accepted Accounting Principles (GAAP) will be converged to comply for reporting purposes with the International Financial Reporting Standards (IFRS) by 2011[1]. Gannett Fleming views that the depreciation methods and procedures as recommended in this report will, in addition to better matching the depreciation expense to the consumption of the service value of the Manitoba Hydro assets, better comply with the IFRS.

As such, and in preparation for this change Gannett Fleming has developed depreciation rates and parameters that are in compliance with the new standard. In the view of Gannett Fleming, group accounting methods using the ELG procedure are compliant with the new standard.

Additionally, Gannett Fleming has reviewed the depreciable groupings established by Manitoba Hydro and believes that the groups as provided to Gannett Fleming are in conformance with the componentization requirements of IFRS and continue to provide a reasonable grouping of homogeneous assets for regulatory purposes.

[1] In September 2010, the Canadian Accounting Standards Board announced that a one-year exception for the implementation of IFRS is available for Rate Regulated Entities.

RECOMMENDATIONS

The calculated annual depreciation accrual rates set forth herein apply specifically to plant in service as of March 31, 2010. Continued surveillance and periodic revisions are normally required to maintain continued use of appropriate depreciation rates, and to comply with the standards as set out in International Accounting Standard ("IAS") 16 of the IFRS.

The depreciation rates should be reviewed periodically to reflect the changes that result from plant and reserve account activity. A depreciation reserve deficiency or surplus will develop if future capital expenditures vary significantly from those anticipated in this study.

PART II. METHODS USED IN THE ESTIMATION OF DEPRECIATION

PART II. METHODS USED IN THE ESTIMATION OF DEPRECIATION

DEPRECIATION

Depreciation, in public utility regulation, is the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of utility plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among causes to be given consideration are wear and tear, deterioration, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand, and the requirements of public authorities.

Depreciation, as used in accounting, is a method of distributing fixed capital costs, less net salvage, over a period of time by allocating annual amounts to expense. Each annual amount of such depreciation expense is part of that year's total cost of providing electric transmission service. Normally, the period of time over which the fixed capital cost is allocated to the cost of service is equal to the period of time over which an item renders service, that is, the item's service life. The most prevalent method of allocation is to distribute an equal amount of cost to each year of service life. This method is known as the straight-line method of depreciation.

The calculation of annual and accrued depreciation based on the straight line method requires the estimation of survivor curves and the selection of group depreciation procedures. These subjects are discussed in the sections that follow.

ESTIMATION OF SURVIVOR CURVES

<u>Survivor Curves</u>. The use of an average service life for a property group implies that the various units in the group have different lives. Thus, the average life may be obtained by determining the separate lives of each of the units, or by constructing a survivor curve by plotting the number of units which survive at successive ages. A discussion of the general concept of survivor curves is presented. Also, the Iowa type survivor curves are reviewed.

The survivor curve graphically depicts the amount of property existing at each age throughout the life of an original group. From the survivor curve, the average life of the group, the remaining life expectancy, the probable life, and the frequency curve can be calculated. In Figure 1, a typical smooth survivor curve and the derived curves are illustrated. The average life is obtained by calculating the area under the survivor curve, from age zero to the maximum age, and dividing this area by the ordinate at age zero. The remaining life expectancy at any age can be calculated by obtaining the area under the curve, from the observation age to the maximum age, and dividing this area by the percent surviving at the observation age. For example, in Figure 1, the remaining life at age 30 is equal to the crosshatched area under the survivor curve divided by 29.5 percent surviving at age 30. The probable life at any age is developed by adding the age and remaining life. If the probable life of the property is calculated for each year of age, the probable life curve shown in the chart can be developed. The frequency curve presents the number of units retired in each age interval and is derived by obtaining the.

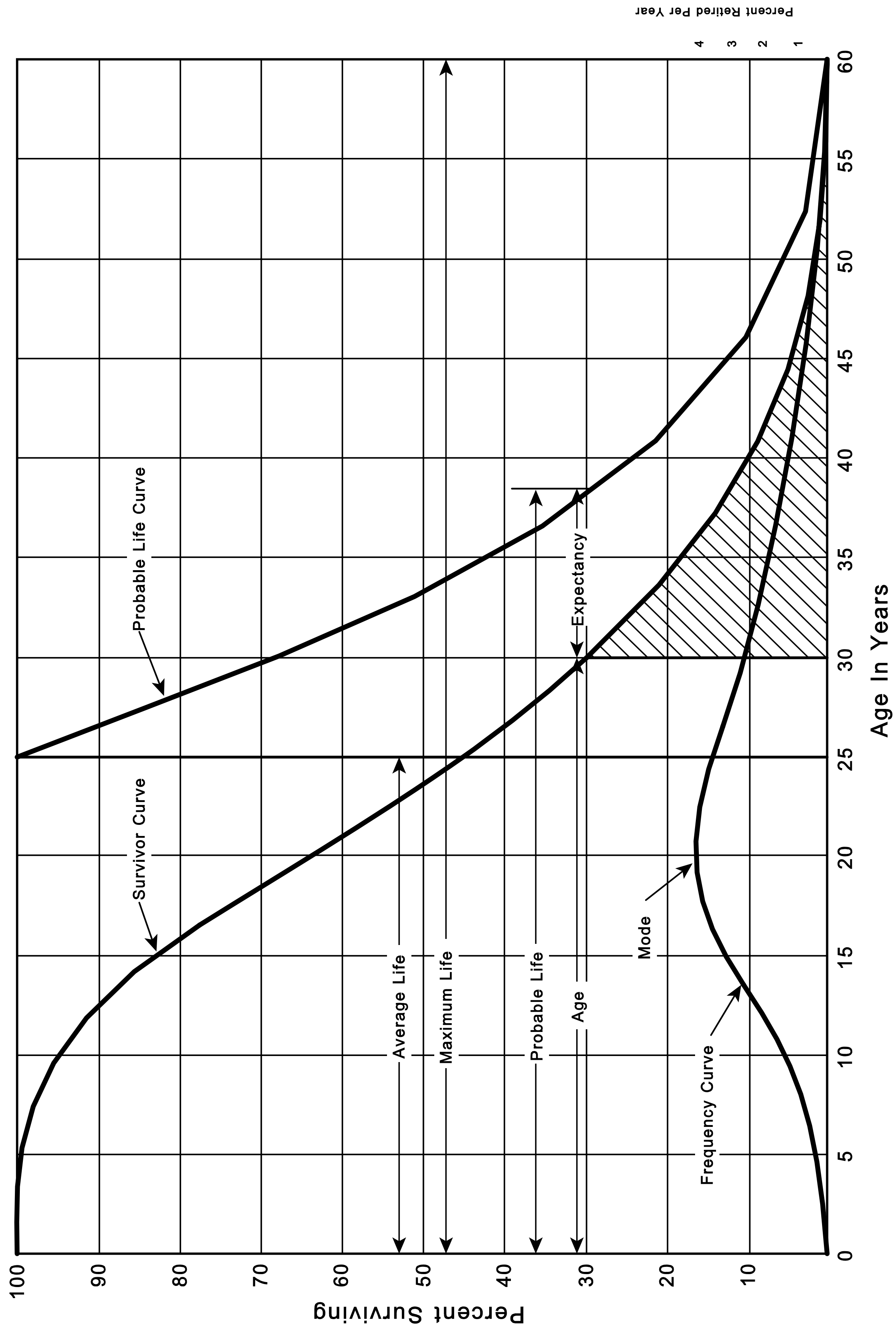


Figure 1. A Typical Survivor Curve and Derived Curves

differences between the amount of property surviving at the beginning and at the end of each interval.

Iowa Type Curves. The range of survivor characteristics usually experienced by utility and industrial properties is encompassed by a system of generalized survivor curves known as the Iowa type curves. There are four families in the Iowa system, labeled in accordance with the location of the modes of the retirements in relationship to the average life and the relative height of the modes. The left moded curves, presented in Figure 2, are those in which the greatest frequency of retirement occurs to the left of, or prior to, average service life. The symmetrical moded curves, presented in Figure 3, are those in which the greatest frequency of retirement occurs at average service life. The right moded curves, presented in Figure 4, are those in which the greatest frequency occurs to the right of, or after, average service life. The origin moded curves, presented in Figure 5, are those in which the greatest frequency of retirement occurs at the origin, or immediately after age zero. The letter designation of each family of curves (L, S, R or O) represents the location of the mode of the associated frequency curve with respect to the average service life. The numbers represent the relative heights of the modes of the frequency curves within each family.

The Iowa curves were developed at the Iowa State College Engineering Experiment Station through an extensive process of observation and classification of the ages at which industrial property had been retired. A report of the study which resulted in the classification of property survivor characteristics into 18 type curves, which constitute three of the four families, was published in 1935 in the form of the

Experiment Station's Bulletin 125.[2] These curve types have also been presented in subsequent Experiment Station bulletins and in the text, "Engineering Valuation and Depreciation."[3] In 1957, Frank V. B. Couch, Jr., an Iowa State College graduate student, submitted a thesis[4] presenting his development of the fourth family consisting of the four O type survivor curves.

Retirement Rate Method of Analysis. The retirement rate method is an actuarial method of deriving survivor curves using the average rates at which property of each age group is retired. The method relates to property groups for which aged accounting experience is available and is the method used to develop the original stub survivor curves in this study. The method (also known as the annual rate method) is illustrated through the use of an example in the following text, and is also explained in several publications, including "Statistical Analyses of Industrial Property Retirements,"[5] "Engineering Valuation and Depreciation,"[6] and "Depreciation Systems."[7]

The average rate of retirement used in the calculation of the percent surviving for the survivor curve (life table) requires two sets of data: first, the property retired during a period of observation, identified by the property's age at retirement; and second, the property exposed to retirement at the beginnings of the age intervals during the same period. The period of observation is referred to as the experience band, and the band

[2] Winfrey, Robley. Statistical Analyses of Industrial Property Retirements. Iowa State College, Engineering Experiment Station, Bulletin 125. 1935.

[3] Marston, Anson, Robley Winfrey and Jean C. Hempstead. Engineering Valuation and Depreciation, 2nd Edition. New York, McGraw-Hill Book Company. 1953.

[4] Couch, Frank V. B., Jr. "Classification of Type O Retirement Characteristics of Industrial Property." Unpublished M.S. thesis (Engineering Valuation). Library, Iowa State College, Ames, Iowa. 1957.

[5] Winfrey, Robley, Supra Note 1.

[6] Marston, Anson, Robley Winfrey, and Jean C. Hempstead, Supra Note 2.

[7] Wolf, Frank K. and W. Chester Fitch. Depreciation Systems. Iowa State University Press. 1994

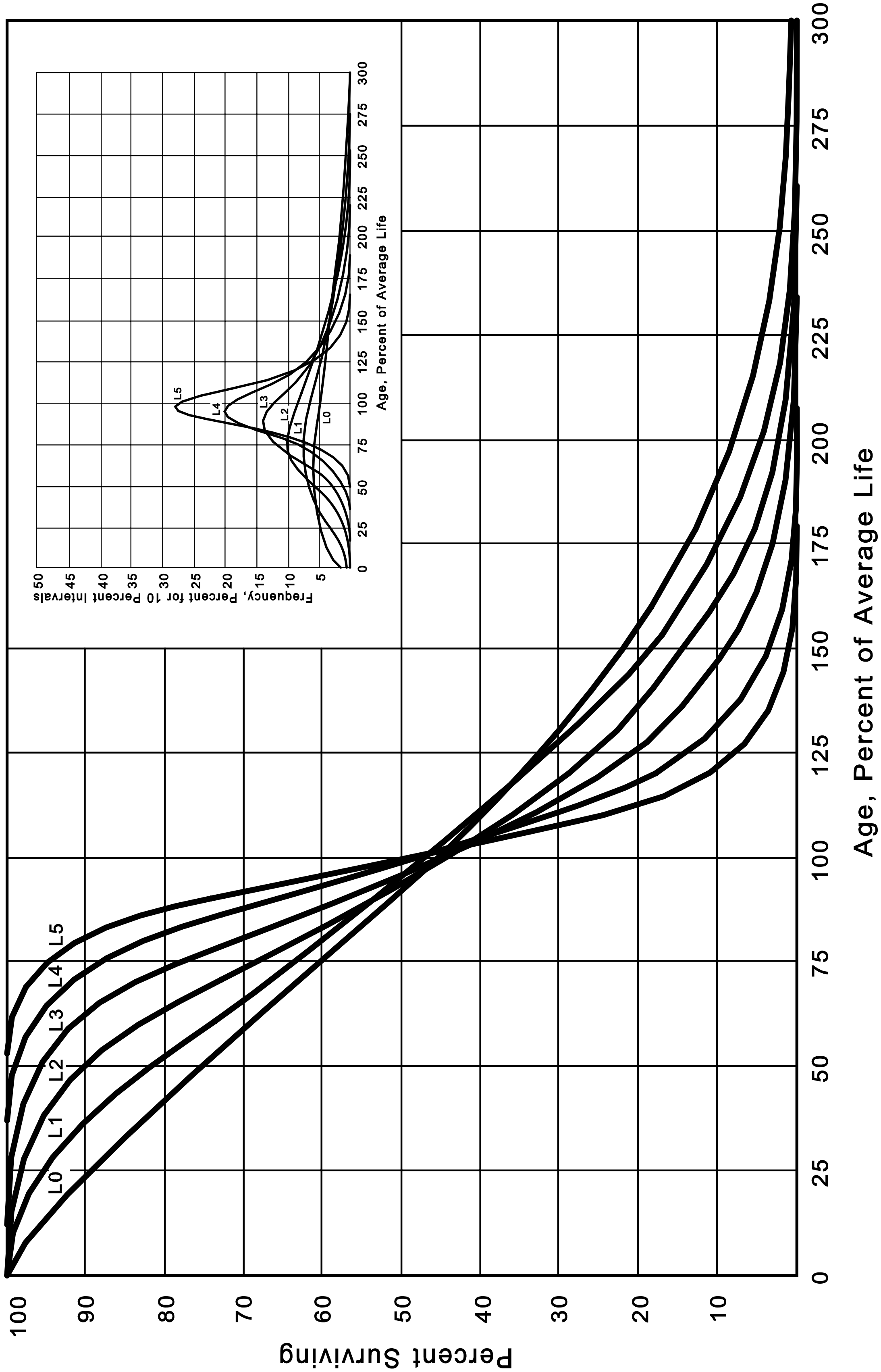


Figure 2. Left Modal or "L" Iowa Type Survivor Curves

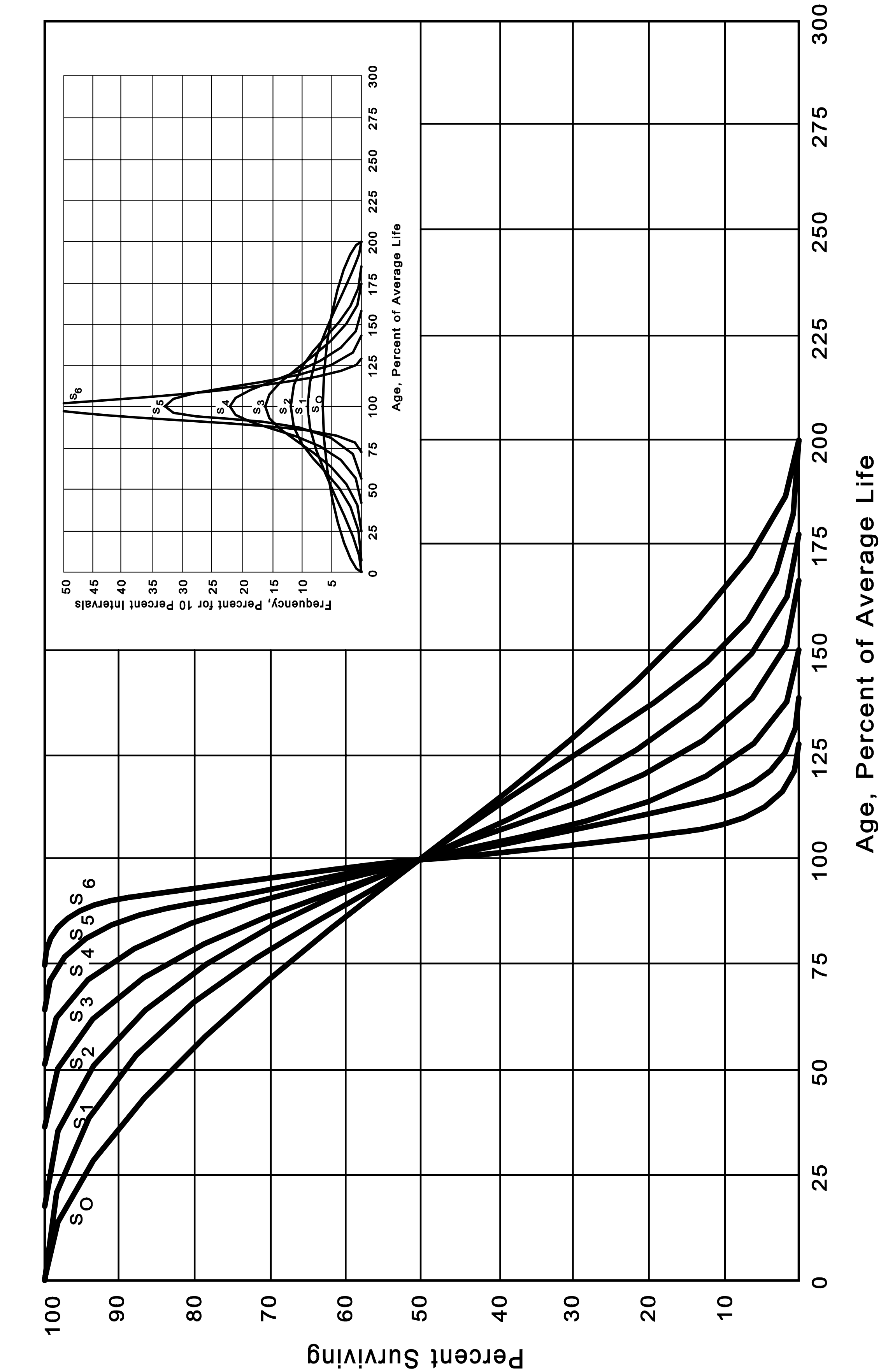


Figure 3. Symmetrical or "S" Iowa Type Survivor Curves

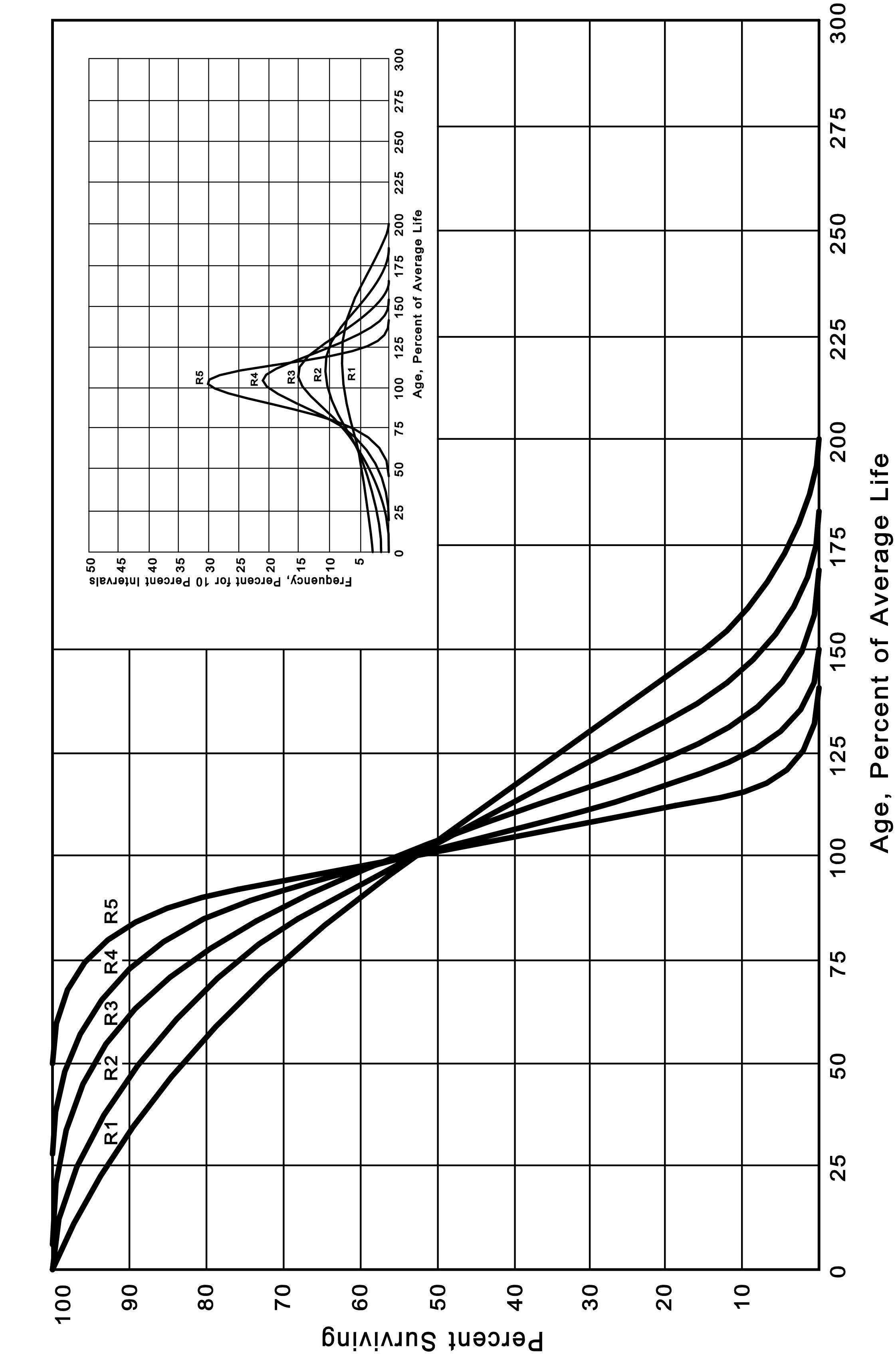


Figure 4. Right Modal or "R" Iowa Type Survivor Curves

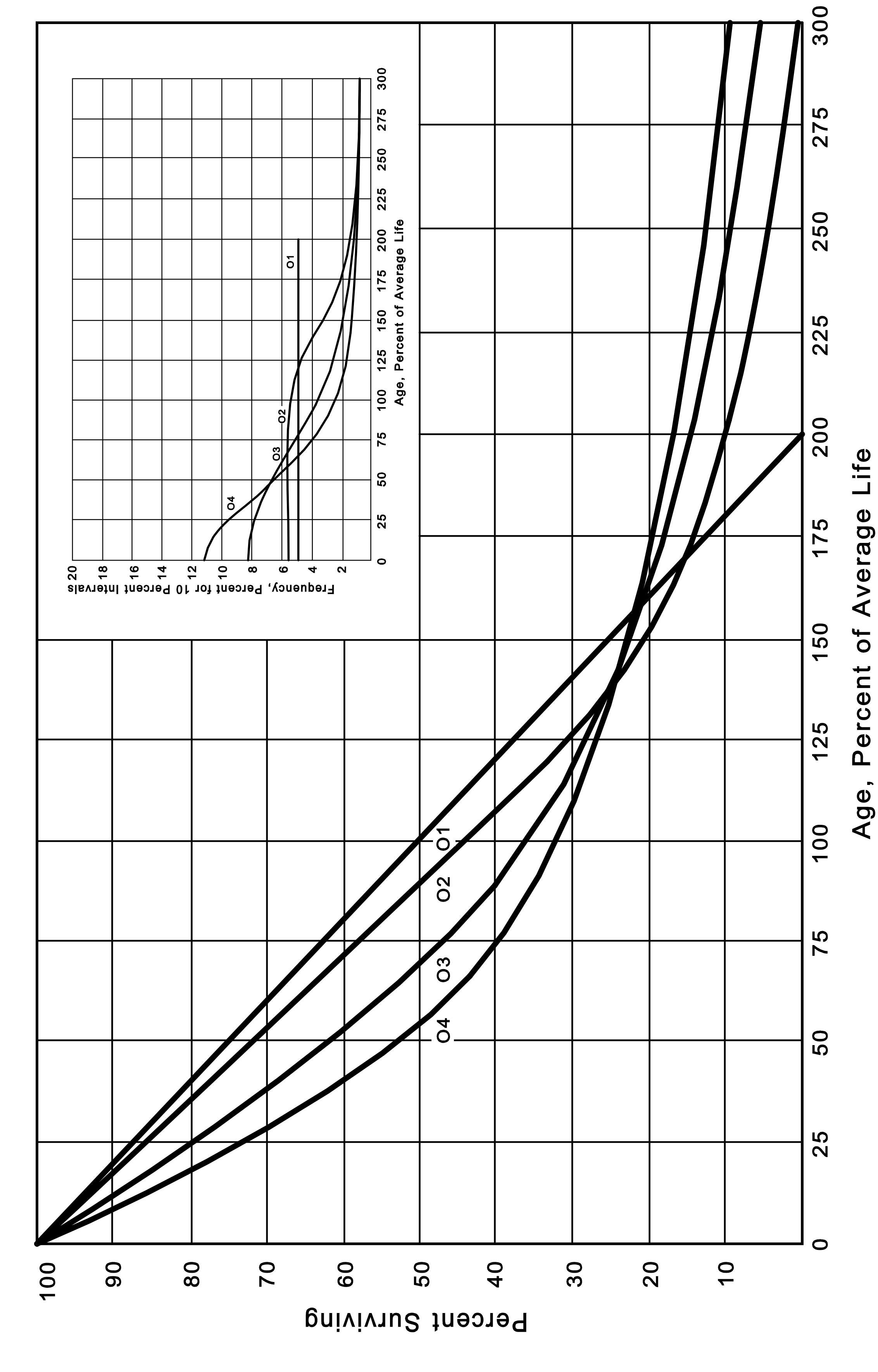


Figure 5. Origin Modal or "O" Iowa Type Survivor Curves

of years which represent the installation dates of the property exposed to retirement the band of years which represent the installation dates of the property exposed to retirement during the experience band is referred to as the placement band. An example of the calculations used in the development of a life table follows. The example includes schedules of annual aged property transactions, a schedule of plant exposed to retirement, a life table and illustrations of smoothing the stub survivor curve.

Schedules of Annual Transactions in Plant Records. The property group used to illustrate the retirement rate method is observed for the experience band 2001-2010 during which there were placements during the years 1996-2010. In order to illustrate the summation of the aged data by age interval, the data were compiled in the manner presented in Tables 1 and 2 on pages II-14 and II-15. In Table 1, the year of installation (year placed) and the year of retirement are shown. The age interval during which a retirement occurred is determined from this information. In the example which follows, \$10,000 of the dollars invested in 1996 was retired in 2001. The \$10,000 retirement occurred during the age interval between 4½ and 5½ years on the basis that approximately one-half of the amount of property was installed prior to and subsequent to July 1 of each year. That is, on the average, property installed during a year is placed in service at the midpoint of the year for the purpose of the analysis. All retirements also are stated as occurring at the midpoint of a one-year age interval of time, except the first age interval which encompasses only one-half year.

The total retirements occurring in each age interval in a band are determined by summing the amounts for each transaction year-installation year combination for that age interval. For example, the total of \$143,000 retired for age interval 4½-5½ is the

sum of the retirements entered on Table 1 immediately above the stair step line drawn on the table beginning with the 2001 retirements of 1996 installations and ending with the 2010 retirements of the 2005 installations. Thus, the total amount of 143 for age interval 4½-5½ equals the sum of:

$$10 + 12 + 13 + 11 + 13 + 13 + 15 + 17 + 19 + 20.$$

In Table 2, other transactions which affect the group are recorded in a similar manner. The entries illustrated include transfers and sales. The entries which are credits to the plant account are shown in parentheses. The items recorded on this schedule are not totaled with the retirements, but are used in developing the exposures at the beginning of each age interval.

Schedule of Plant Exposed to Retirement. The development of the amount of plant exposed to retirement at the beginning of each age interval is illustrated in Table 3 on page II-16. The surviving plant at the beginning of each year from 2001 through 2010 is recorded by year in the portion of the table headed "Annual Survivors at the Beginning of the Year." The last amount entered in each column is the amount of new plant added to the group during the year. The amounts entered in Table 3 for each successive year following the beginning balance or addition are obtained by adding or subtracting the net entries shown on Tables 1 and 2. For the purpose of determining the plant exposed to retirement, transfers-in are considered as being exposed to retirement in this group at the beginning of the year in which they occurred, and the sales and transfers-out are considered to be removed from the plant exposed to retirement at the beginning of the following year. Thus, the amounts of plant shown

at the beginning of each year are the amounts of plant from each placement year considered to be exposed to retirement at the beginning of each successive transaction year. For example, the exposures for the installation year 2006 are calculated in the following manner:

Exposures at age 0	= amount of addition	= $750,000
Exposures at age ½	= $750,000 - $ 8,000	= $742,000
Exposures at age 1½	= $742,000 - $18,000	= $724,000
Exposures at age 2½	= $724,000 - $20,000 - $19,000	= $685,000
Exposures at age 3½	= $685,000 - $22,000	= $663,000

For the entire experience band 2001-2010, the total exposures at the beginning of an age interval are obtained by summing diagonally in a manner similar to the summing of the retirements during an age interval (Table 1). For example, the figure of 3,789, shown as the total exposures at the beginning of age interval 4½-5½, is obtained by summing:

255 + 268 + 284 + 311 + 334 + 374 + 405 + 448 + 501 + 609.

<u>Original Life Table</u>. The original life table, illustrated in Table 4 on page II-18**,** is developed from the totals shown on the schedules of retirements and exposures, Tables 1 and 3, respectively. The exposures at the beginning of the age interval are obtained from the corresponding age interval of the exposure schedule, and the retirements during the age interval are obtained from the corresponding age interval of the retirement schedule. The retirement ratio is the result of dividing the retirements during the age interval by the exposures at the beginning of the age interval. The percent surviving at the beginning of each age interval is derived from survivor ratios,

TABLE 1. RETIREMENTS FOR EACH YEAR 2001-2010
SUMMARIZED BY AGE INTERVAL

Experience Band 2001-2010 | Placement Band 1996-2010

Year Placed	Retirements, Thousands of Dollars During Year										Total During Age Interval	Age Interval
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1996	10	11	12	13	14	16	23	24	25	26	26	13½-14½
1997	11	12	13	15	16	18	20	21	22	19	44	12½-13½
1998	11	12	13	14	16	17	19	21	22	18	64	11½-12½
1999	8	9	10	11	11	13	14	15	16	17	83	10½-11½
2000	9	10	11	12	13	14	16	17	19	20	93	9½-10½
2001	4	9	10	11	12	13	14	15	16	20	105	8½-9½
2002		5	11	12	13	14	15	16	18	20	113	7½-8½
2003			6	12	13	15	16	17	19	19	124	6½-7½
2004				6	13	15	16	17	19	19	131	5½-6½
2005					7	14	16	17	19	20	143	4½-5½
2006						8	18	20	22	23	146	3½-4½
2007							9	20	22	25	150	2½-3½
2008								11	23	25	151	1½-2½
2009									11	24	153	½-1½
2010	—	—	—	—	—	—	—	—	—	13	80	0-½
Total	53	68	86	106	128	157	196	231	273	308	1,606	

TABLE 2. OTHER TRANSACTIONS FOR EACH YEAR 2001-2010
SUMMARIZED BY AGE INTERVAL

Experience Band 2001-2010 | Placement Band 1996-2010

	Acquisitions, Transfers and Sales, Thousands of Dollars During Year											
Placed (1)	2001 (2)	2002 (3)	2003 (4)	2004 (5)	2005 (6)	2006 (7)	2007 (8)	2008 (9)	2009 (10)	2010 (11)	Total During Age Interval (12)	Age Interval (13)
1996	-	-	-	-	-	-	60[a]	-	-	-	-	13½-14½
1997	-	-	-	-	-	-	-	-	-	-	-	12½-13½
1998	-	-	-	-	-	-	-	-	-	-	-	11½-12½
1999	-	-	-	-	-	-	-	(5)[b]	-	-	60	10½-11½
2000	-	-	-	-	-	-	-	6[a]	-	-	-	9½-10½
2001		-	-	-	-	-	-	-	-	-	(5)	8½-9½
2002			-	-	-	-	-	-	-	-	-	7½-8½
2003			-	-	-	-	-	-	-	-	-	6½-7½
2004				-	-	-	-	(12)[b]	-	-	-	5½-6½
2005					-	-	-	-	22[a]	-	-	4½-5½
2006						-	-	(19)[b]	-	-	10	3½-4½
2007							-	-	-	-	-	2½-3½
2008								-	-	(102)[c]	(121)	1½-2½
2009									-	-	-	½-1½
2010											-	0-½
Total	-	-	-	-	-	-	60	(30)	22	(102)	(50)	

[a] Transfer Affecting Exposures at Beginning of Year
[b] Transfer Affecting Exposures at End of Year
[c] Sale with Continued Use
Parentheses denote Credit amount.

TABLE 3. PLANT EXPOSED TO RETIREMENT JANUARY 1
OF EACH YEAR 2001-2010
SUMMARIZED BY AGE INTERVAL

Experience Band 2001-2010 Placement Band 1996-2010

	Exposures, Thousands of Dollars											
	Annual Survivors at the Beginning of the Year											
Year Placed (1)	2001 (2)	2002 (3)	2003 (4)	2004 (5)	2005 (6)	2006 (7)	2007 (8)	2008 (9)	2009 (10)	2010 (11)	Total at Beginning of Age Interval (12)	Age Interval (13)
1996	255	245	234	222	209	195	239	216	192	167	167	13½-14½
1997	279	268	256	243	228	212	194	174	153	131	323	12½-13½
1998	307	296	284	271	257	241	224	205	184	162	531	11½-12½
1999	338	330	321	311	300	289	276	262	242	226	823	10½-11½
2000	376	367	357	346	334	321	307	297	280	261	1,097	9½-10½
2001	420[a]	416	407	397	386	374	361	347	332	316	1,503	8½-9½
2002		460[a]	455	444	432	419	405	390	374	356	1,952	7½-8½
2003			510[a]	504	492	479	464	448	431	412	2,463	6½-7½
2004				580[a]	574	561	546	530	501	482	3,057	5½-6½
2005					660[a]	653	639	623	628	609	3,789	4½-5½
2006						750[a]	742	724	685	663	4,332	3½-4½
2007							850[a]	841	821	799	4,955	2½-3½
2008								960[a]	949	926	5,719	1½-2½
2009									1,080[a]	1,069	6,579	½-1½
2010											7,490	0-½
Total	1,975	2,382	2,824	3,318	3,872	4,494	5,247	6,017	6,852	7,799	44,780	

[a] Additions during the year.

each of which equals one minus the retirement ratio. The percent surviving is developed by starting with 100% at age zero and successively multiplying the percent surviving at the beginning of each interval by the survivor ratio, i.e., one minus the retirement ratio for that age interval. The calculations necessary to determine the percent surviving at age 5½ are as follows:

Percent surviving at age 4½	=	88.15				
Exposures at age 4½	=	3,789,000				
Retirements from age 4½ to 5½	=	143,000				
Retirement Ratio	=	143,000	÷	3,789,000	=	0.0377
Survivor Ratio	=	1.000	-	0.0377	=	0.9623
Percent surviving at age 5½	=	(88.15)	x	(0.9623)	=	84.83

The totals of the exposures and retirements (columns 2 and 3) are shown for the purpose of checking with the respective totals in Tables 1 and 3. The ratio of the total retirements to the total exposures, other than for each age interval, is meaningless.

The original survivor curve is plotted from the original life table (column 6, Table 4). When the curve terminates at a percent surviving greater than zero, it is called a stub survivor curve. Survivor curves developed from retirement rate studies generally are stub curves.

Smoothing the Original Survivor Curve. The smoothing of the original survivor curve eliminates any irregularities and serves as the basis for the preliminary extrapolation to zero percent surviving of the original stub curve. Even if the original survivor curve is complete from 100% to zero percent, it is desirable to eliminate any irregularities, as there is still an extrapolation for the vintages which have not yet lived to the age at which the curve reaches zero percent. In this study, the smoothing of the original curve with established type curves was used to eliminate irregularities in the original curve.

TABLE 4. ORIGINAL LIFE TABLE
CALCULATED BY THE RETIREMENT RATE METHOD

Experience Band 2001-2010 Placement Band 1996-2010

(Exposure and Retirement Amounts are in Thousands of Dollars)

Age at Beginning of Interval (1)	Exposures at Beginning of Age Interval (2)	Retirements During Age Interval (3)	Retirement Ratio (4)	Survivor Ratio (5)	Percent Surviving at Beginning of Age Interval (6)
0.0	7,490	80	0.0107	0.9893	100.00
0.5	6,579	153	0.0233	0.9767	98.93
1.5	5,719	151	0.0264	0.9736	96.62
2.5	4,955	150	0.0303	0.9697	94.07
3.5	4,332	146	0.0337	0.9663	91.22
4.5	3,789	143	0.0377	0.9623	88.15
5.5	3,057	131	0.0429	0.9571	84.83
6.5	2,463	124	0.0503	0.9497	81.19
7.5	1,952	113	0.0579	0.9421	77.11
8.5	1,503	105	0.0699	0.9301	72.65
9.5	1,097	93	0.0848	0.9152	67.57
10.5	823	83	0.1009	0.8991	61.84
11.5	531	64	0.1205	0.8795	55.60
12.5	323	44	0.1362	0.8638	48.90
13.5	167	26	0.1557	0.8443	42.24
					35.66
Total	44,780	1,606			

Column 2 from Table 3, Column 12, Plant Exposed to Retirement.
Column 3 from Table 1, Column 12, Retirements for Each Year.
Column 4 = Column 3 divided by Column 2.
Column 5 = 1.0000 minus Column 4.
Column 6 = Column 5 multiplied by Column 6 as of the Preceding Age Interval.

The Iowa type curves are used in this study to smooth those original stub curves which are expressed as percents surviving at ages in years. Each original survivor curve was compared to the Iowa curves using visual and mathematical matching in order to determine the better fitting smooth curves. In Figures 6, 7, and 8, the original curve developed in Table 4 is compared with the L, S, and R Iowa type curves which most nearly fit the original survivor curve. In Figure 6, the L1 curve with an average life between 12 and 13 years appears to be the best fit. In Figure 7, the S0 type curve with a 12-year average life appears to be the best fit and appears to be better than the L1 fitting. In Figure 8, the R1 type curve with a 12-year average life appears to be the best fit and appears to be better than either the L1 or the S0.

In Figure 9, the three fittings, 12-L1, 12-S0 and 12-R1 are drawn for comparison purposes. It is probable that the 12-R1 Iowa curve would be selected as the most representative of the plotted survivor characteristics of the group.

Compliance of the Retirement Rate Method of Analysis to IFRS

The Canadian Accounting Standards Board has announced that Canadian Generally Accepted Accounting Principles (GAAP) will cease to exist as at a target date in 2011 (or 2012 for regulated entities that elect to defer implementation for 1 year). As at that date many organizations will be required to report under the International Financial Accounting Standards (IFRS). The International Accounting Standard (IAS) 16 deals with reporting of property, plant and equipment.

This standard requires that the depreciation expense associated with an asset be aligned with the average service expectations of the asset. Gannett Fleming notes that

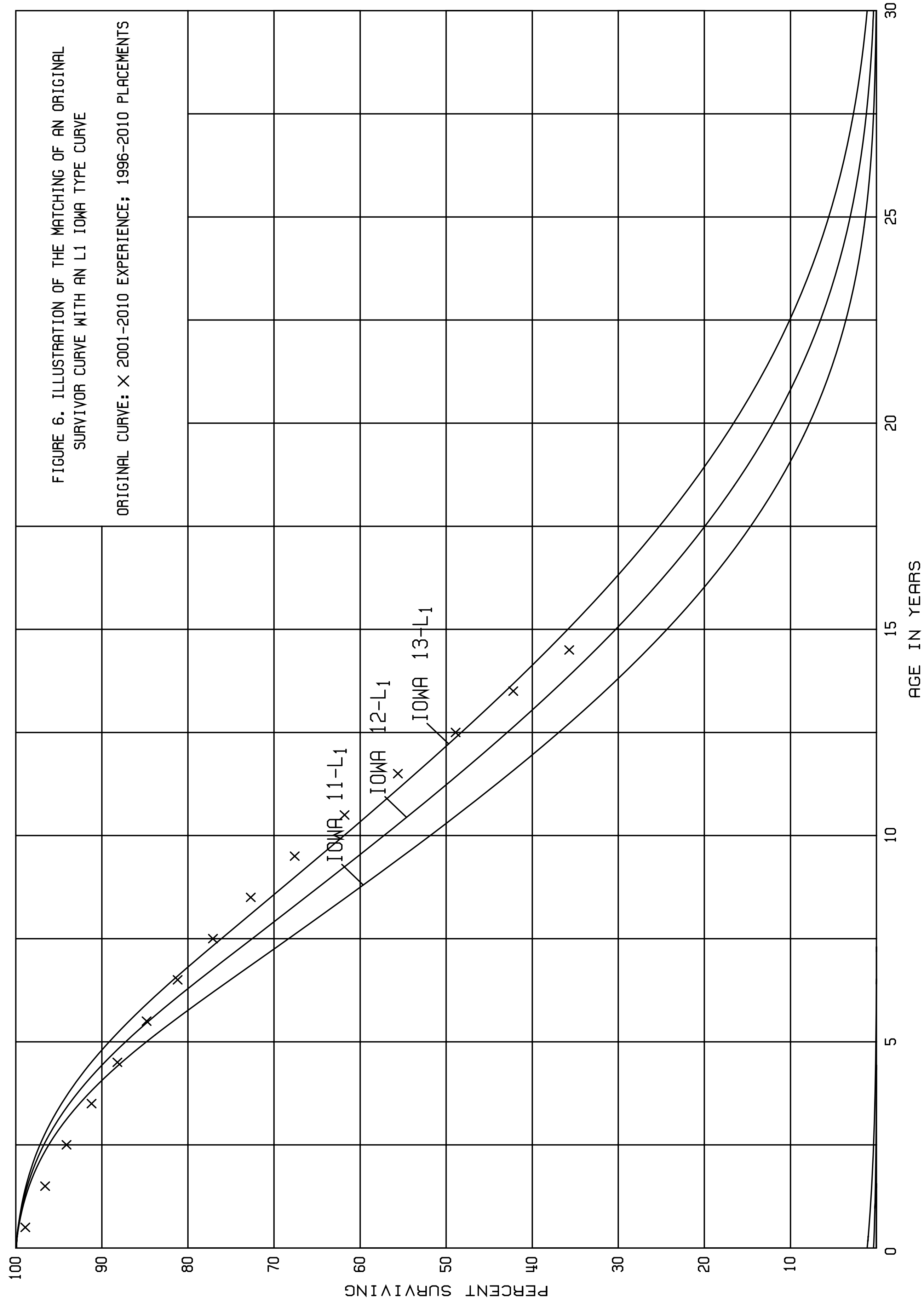


FIGURE 6. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN L1 IOWA TYPE CURVE
ORIGINAL CURVE: × 2001-2010 EXPERIENCE; 1996-2010 PLACEMENTS
IOWA 11-L1
IOWA 12-L1
IOWA 13-L1
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
5
10
15
20
25
30

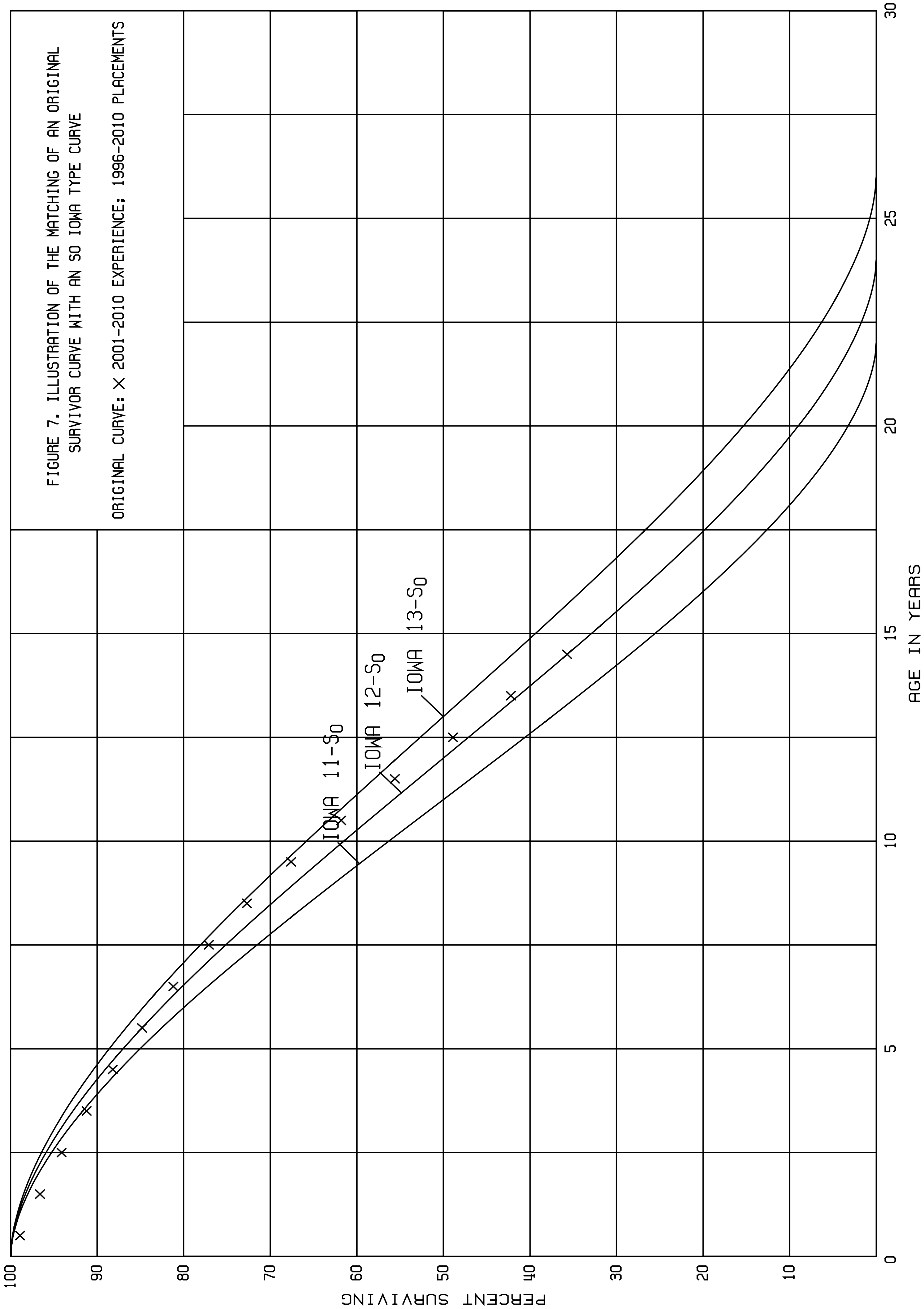


FIGURE 7. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN SO IOWA TYPE CURVE

ORIGINAL CURVE: × 2001-2010 EXPERIENCE; 1996-2010 PLACEMENTS

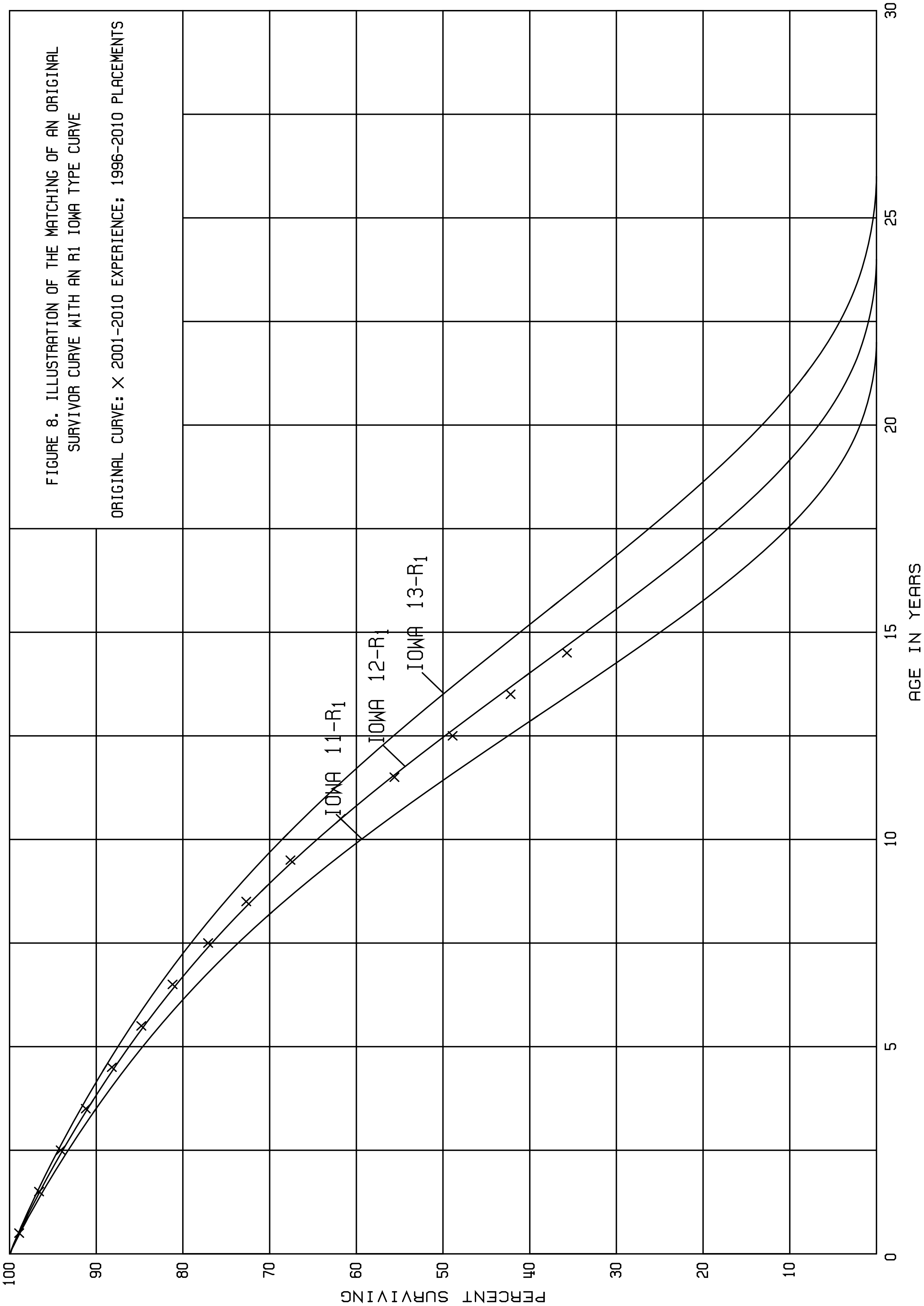


FIGURE 8. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL
SURVIVOR CURVE WITH AN R1 IOWA TYPE CURVE
ORIGINAL CURVE: × 2001-2010 EXPERIENCE; 1996-2010 PLACEMENTS
IOWA 11-R1
IOWA 12-R1
IOWA 13-R1
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
5
10
15
20
25
30

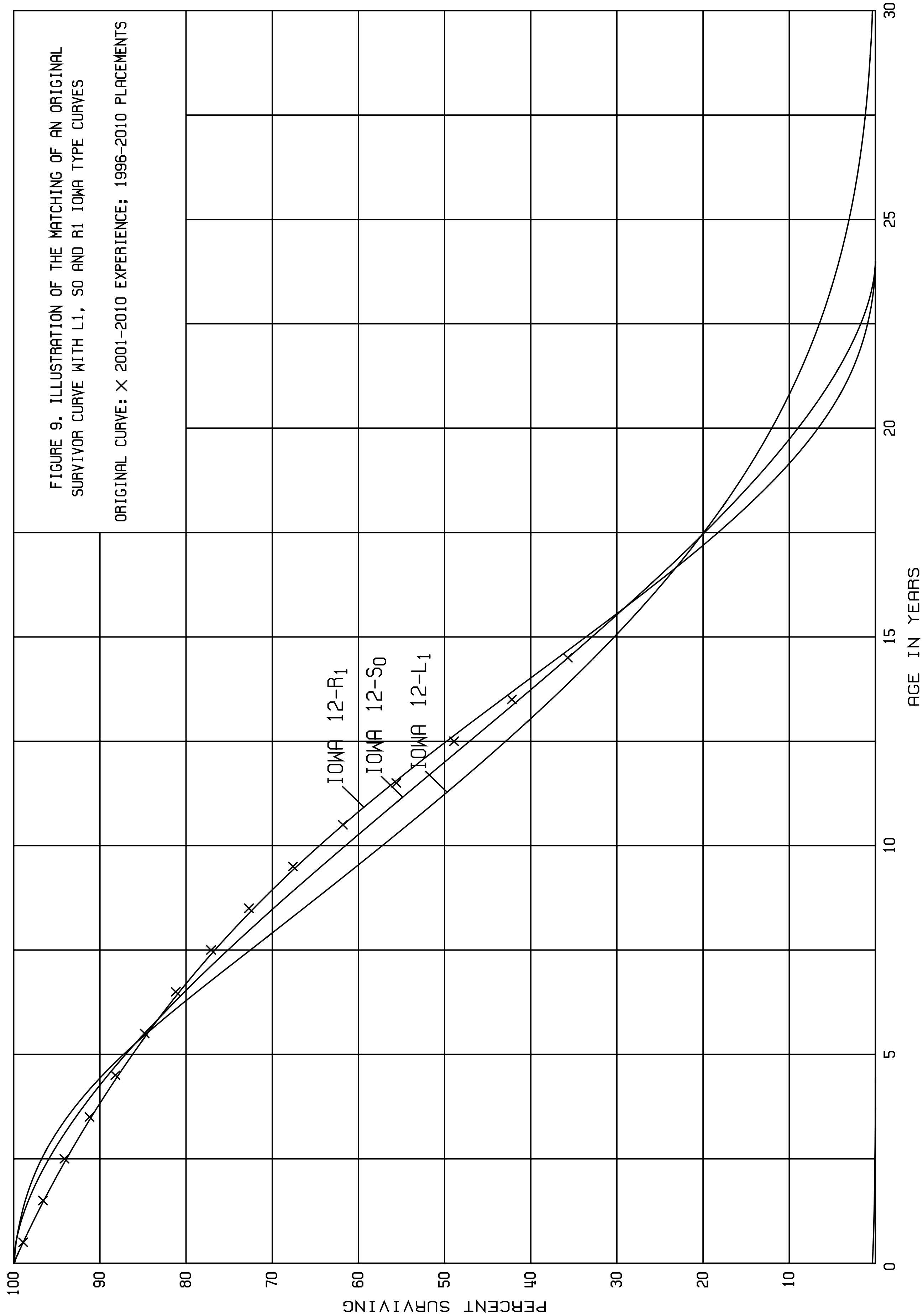


FIGURE 9. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH L1, S0 AND R1 IOWA TYPE CURVES
ORIGINAL CURVE: × 2001-2010 EXPERIENCE; 1996-2010 PLACEMENTS
IOWA 12-R1
IOWA 12-S0
IOWA 12-L1
AGE IN YEARS
PERCENT SURVIVING

the requirements and implementation of the IFRS are generally aligned with the appropriate and reasonable depreciation practices and procedures commonly used for regulatory purposes.

In the view of Gannett Fleming, the use of an Iowa curve in the estimation of average service life and retirement expectations of a group of homogenous assets meets the requirements of IAS 16. However, the account structure of the utility must be analyzed to ensure that the assets included in each group are like in nature and service of the asset to the utility is similar. In this manner, it can be expected that any one of the assets in the group are equally likely to be subjected to any of the forces of retirement to which the group of assets are subjected.

In order to better meet the componentization requirements as discussed above, and to continue to use group accounting and depreciation practices, the company reviewed the type of physical assets included in all plant accounts. As a result of this review, Manitoba Hydro has developed a significant number of new accounts, particularly with regard to electric generation plant. Also as part of this development of new accounts, the company has recreated a database of aged plant accounting retirements and balances. Gannett Fleming used this database to perform a detailed retirement rate analysis as described previously in the report. In a limited number of accounts, Manitoba Hydro was not able to develop aged retirement balances. In these circumstances, Gannett Fleming statistically aged the unaged transactions in order that the retirement rate analysis could be completed for all accounts.

<u>Survivor Curve Judgments</u>. The survivor curve estimates were based on judgment which considered a number of factors. The primary factors were the statistical

analysis of data; current policies and outlook as determined during conversations with management personnel and on the knowledge Gannett Fleming developed through the completion of numerous electric utility studies.

Generation Accounts.

Gannett Fleming developed unique depreciation rate calculations for each of the hydraulic generation plants in order to specially recognize the life span of each of the plants. However, the retirement rate analysis was prepared on the basis of a grouping at an account level of the plant accounting data related to the combined databases from all hydraulic generation sites. Therefore, the analysis presented in Section IV of the Supporting Documents and as discussed below, are based on the combined data from all locations for each account.

Account Grouping A – Dams, Dykes, and Weirs, represents 10% of the generation and 4.3% of depreciable assets studied. The investment in this account related mainly to the geo-technical components, including the earthen structures. Company management and operational staff have indicated that these structures were engineered to a higher standard in order to provide an increased level of safety and longevity. As such, it is expected that the investment in this account would have a longer average life expectation than many of the peer group of Canadian electric generation utilities. Additionally, on a yearly basis the company invests between $4 and $5 million on dam safety programs throughout its system.

The retirement rate analysis as presented at page IV-3 has reviewed the retirement history from 1952 through 2010. The currently approved Iowa curve related to these assets was the Iowa 100-R3. Based on the retirement rate analysis, and on the expectations of operational staff, Gannett Fleming recommends the extension of the average service life estimate and an increase to the mode of the retirement dispersion curve to the Iowa 125-R4.

Account Grouping B – Powerhouse, represents 20% of the generation assets and 8.4% of the depreciable assets studied. The investment in this account relates to the powerhouses and civil buildings, including the structural and concrete components.

The hydraulic generation powerhouses are normally part of the physical concrete dam structure. However, in the circumstance of the Grand Rapids generation site, the powerhouse is physically located behind the dam in a separate structure. Based on the retirement rate analysis, and on the expectations of operational staff, Gannett Fleming recommends the extension of the average service life estimate for this account to the Iowa125-R4 from Iowa 100-R3 Iowa curve for the powerhouses related to the hydraulic assets. In this recommendation, the average service life characteristics of the powerhouse will be matched to the estimated retirement dispersion related to the Dams, Dykes and Weirs account.

With regard to the powerhouses related to thermal generation plants, the powerhouse is a more typical of industrial concrete or steel buildings. As such it is estimated that the average service life associated with powerhouse buildings related to thermal plant locations would have a shorter average service life than that estimates for the hydraulic generation sites. Therefore, based on the retirement rate analysis and on the expectations of operational staff, Gannett Fleming recommends continuation of the currently approved Iowa 65-R4 curve for thermal assets.

<u>Account Grouping D – Spillway,</u> represents 7% of the generation assets and 3.1% of the depreciable assets studied. The typical average service lives for spillways within the Canadian electric generation industry range from 60 to 100 years. The investment in this account was, in previous deprecation studies, included in the large group of civil assets and depreciated with an Iowa 100-R3 curve. Given the ability to separately analyze this investment, based on the retirement rate analysis as presented at page IV-10 of the supporting documents and on the expectations of operational staff, Gannett Fleming recommends the reduction of the average service life estimate for this account to the Iowa 75-R2 curve

<u>Account Grouping E – Water Control Systems,</u> represents 6% of the generation assets and 2.5% of the deprecated assets studied. The investment in this account includes the investment related to gates, guides and hoists. These types of assets are subjected to wear and tear and will require replacement over the life of the generation plant. The average service life estimates among Canadian peer utilities ranges from 45 to 75 years.

Interviews with company operation staff have indicated an expectation of a 50 year life. Based on the retirement rate analysis as presented at page IV-14 of the supporting documents, and on the expectations of operational staff, Gannett Fleming recommends the continued use of a 50 year average service life estimate and an increase in the mode of the Iowa curve from R3 to S4, resulting in a recommend Iowa 50-S4 curve.

Account Grouping P – A/C Electrical Power Systems, represents 22% of the generation assets and 9.2% of the depreciable assets studied. The investment in this account relates to the station electric transformer and station service. The assets in this account were previously depreciated with the main civil structures using the Iowa 100-R3 curve. With the separation of this account, a retirement rate analysis was undertaken. Based on the retirement rate analysis, and on the expectations of operational staff, Gannett Fleming recommends the reduction of the average service life estimate for this account to the Iowa 50-R3.

Diesel Accounts

Account 1300B – Buildings, represents 21% of the diesel assets and less than 1% of the depreciable assets studied. The statistical analysis indicates a 30 year average service life expectation. In addition, the Diesel Buildings are subjected to increased amounts of wear and tear than other generation buildings within the Manitoba Hydro system, and therefore will have a shorter life expectation. Based on the retirement rate analysis, and on the expectations of operational staff, Gannett Fleming recommends the extension of the average service life estimate for this account to the 30-R3 from the 18-R2 Iowa curve which was previously applied to one common diesel generating group in prior studies.

Account 1300N – Engines and Generators, represents 41% of the diesel assets and less than 1% of the depreciable assets studied. The statistical analysis indicates a life of approximately 25 years. The operational staff at Manitoba Hydro also confirms the life expectation of 25 years. In addition, the industry peer average service life estimates range from 20 to 30 years. Based on the retirement rate analysis, and on the expectations of operational staff, Gannett Fleming recommends the extension of the average service life estimate for this account to the Iowa 25-R2.

Account 1300Q – Accessory Station Equipment, represents 30% of the diesel assets and less than 1% of the depreciable assets studied. The investment in this account includes the investment related to step-up transformers, and control panels which where all replaced approximately 15 to 20 years ago. Based on the retirement rate analysis, and on the expectations of operational staff, Gannett Fleming recommends the extension of the average service life estimate for this account to the Iowa 20-R3.

Transmission Accounts

Account 2000G – Metal Towers and Concrete Poles, represents 45% of the transmission assets and 2.8% of the depreciable assets studied. The company had a previously approved life estimate of 85 years for this account. The original survivor curve as shown on page IV-67 indicated a modest level of retirement activity through age 42, with an indication of increased retirement activity thereafter. The transmission towers have historically withstood environmental influences such as ice storms, severe winter conditions, and corrosion. There are some replacements that will be required with the need to replace the 105 year old towers from Point du Bois, but there is no other significant replacement plans over the next 25 to 30 years. The industry average service life ranges from 50 to 65 years.

Interviews with company operation staff have indicated an expectation of a longer life than the industry peers. Based on the retirement rate analysis as presented at page IV-67 of the supporting documents, and on the expectations of operational staff, Gannett Fleming recommends the continued use of an 85 year average service life estimate and an increase in the mode of the Iowa curve from R3 to R4, resulting in a recommended Iowa 85-R4 curve.

Account 2000L – Overhead Conductor and Devices, represents 40% of the transmission assets and 3% of the depreciable assets studied. The retirement pattern shows only modest retirements up until age 22 and retirements increasing at a low rate thereafter. Based on the retirement rate analysis, and on the expectations of operational staff, Gannett Fleming recommends the extension of the average service life estimate for this account from a 60-L4 Iowa curve to the Iowa 5-R4.

Substations Accounts

Account 3100R – Power Transformers, represents 12% of the substations assets and 2% of the depreciable assets studied. The retirement pattern shows modest retirements starting about year five and increasing thereafter. The operations staff has not identified any problems with Manitoba Hydro's transformers. Manitoba Hydro also has a standard practice to repair through operating budgets for as long of a period as possible in order to extend the lives as long as possible for transformers. Additionally, newer transformers are expected to have shorter lives than the older units, as the new units are being manufactured to tighter capacity tolerances. The typical industry lives range from 40 to 60 years. Based on the retirement rate analysis, and on the expectations of operational staff, Gannett Fleming recommends an Iowa 50-R2 curve.

Account 3100T – Interrupting Equipment, represents 6% of the substations assets and 1% of the depreciable assets studied. The retirement pattern shows modest retirements starting about year five and increasing thereafter. Based on the retirement rate analysis, and on the expectations of operational staff, Gannett Fleming recommends an Iowa 45-R2 curve.

Account 3100U – Other Station Equipment, represents 21% of the substations assets and 4% of the depreciable assets studied. Comparable utilities with the electric industry have lives ranging from 45 and 53 years. The retirement pattern as shown at page IV-98 shows modest retirements starting about year five and increasing thereafter. Based on the retirement rate analysis, and on the expectations of operational staff, Gannett Fleming recommends an Iowa 43-R2 curve.

Account 3100V – Electronic Equipment and Batteries represents 6% of the substations assets and 1% of the depreciable assets studied. Comparable utilities within the electric industry have lives ranging from 15 and 25 years. The retirement pattern as shown at page IV-102 shows modest retirements starting about year five and increasing thereafter. Based on the retirement rate analysis, and on the expectations of operational staff, Gannett Fleming recommends an Iowa curve of 20-R2.

Account 3200P – Convertor Equipment HVDC, represents 9% of the substations assets and 2% of the depreciable assets studied. The retirement pattern as shown on page IV-109 shows modest retirements starting about year nine and slowly increasing until about age 25 and increasing at a faster rate thereafter. Based on the retirement rate analysis, and on the expectations of operational staff, Gannett Fleming recommends an Iowa 25-R3 curve.

Account 3200S – Serialized Equipment-HVDC, represents 26% of the substations assets and 5% of the depreciable assets studied. The retirement pattern as shown on page IV-111 shows retirements starting at year two and then increasing thereafter. Based on the retirement rate analysis, and on the expectations of operational staff, Gannett Fleming recommends an Iowa 25-R2 curve

.

Distribution Accounts

Account 4000J – Poles and Fixtures, represents 24% of the distribution assets and 5% of the depreciable assets studied. The poles are a mix of pine and cedar with wood poles making up about 99.5% of the poles in service. Typical industry lives for wood poles range from 38 to 55 years. Based on the retirement rate analysis as shown on page IV-123, and as confirmed through interviews with operational staff along with industry comparables, Gannett Fleming recommends an Iowa 55-R3 curve.

Account 4000L – Overhead Conductor and Devices, represents 26% of the distribution assets and 5.1% of the depreciable assets studied. Operations staff indicated they are seeing no major issues with conductors and they would expect lives to be longer than the poles. Typical industry averages show lives ranging from 45 and 60 years. Based on the retirement rate analysis as displayed at page IV-126 the expectations of operational staff, and industry comparables, Gannett Fleming recommends an Iowa 60-R2 curve.

<u>Account 4000N – Underground Cable and Devices – Primary</u>, represents 11% of the distribution assets and 2% of the depreciable assets studied. Operations indicated there are no major issues with newer underground cable installed within the last 25 years. However, the older cable previously installed was of inferior quality and is starting to be retired at about 45 years. Typical industry averages show lives ranging from 40 and 80 years. Based on the retirement rate analysis as shown on page IV-131 and on the expectations of operational staff and industry comparables, Gannett Fleming recommends an Iowa 60-R4 curve.

<u>Account 4000P – Underground Cable and Devices – Secondary</u>, represents 8% of the distribution assets and 2%of the depreciable assets studied. The newer underground cable is about 25 years old and is showing no major issues according to Manitoba Hydro's operations staff. In addition, the older underground cable is starting to retire at about 45 years. Typical industry averages are indicating lives between 40 and 80 years. Based on the retirement rate analysis as shown on page IV-134 the expectations of operational staff along with industry comparables, Gannett Fleming recommends an Iowa 45-R4 curve.

<u>Account 4000Q – Serialized Equipment – Overhead,</u> represents 8% of the distribution assets and 2% of the depreciable assets studied. The investment in this account primarily relates to pole top transformers. Interviews with operations staff indicated the company intends to continue to refurbish and reuse transformers. Comparable Industry averages range from 27 to 45 years. Expectations of operational staff along with industry comparables, Gannett Fleming recommends an Iowa 35-R3 curve.

4000S – Serialized Equipment – Underground, represents 7% of the distribution assets and 1% of the depreciable assets studied. The investment in this account primarily relates to pad mounted transformers for underground service. Interviews with operations staff indicated the company intends to continue to refurbish and reuse these transformers. Comparable industry averages range from 27 to 45 years. Expectations of operational staff along with industry comparables, Gannett Fleming recommends an Iowa 40-R3 curve.

The survivor curve estimates for the remaining accounts were based on similar considerations of historical analyses, management outlook and estimates for this company and other electric utilities.

Life Span Estimates

Life expectancy of electric generation plant assets are impacted by not only physical wear and tear of the assets but also on economic factors including the feasibility of the economic replacement of major operating components or the economic viability of the plant as a whole. In circumstances where the replacement of major operating components is not economically feasible, the life of the major component can be the determining factor of the generation plant and all of the assets within the plant. As such, the depreciable remaining life of electric generation plant assets is the lesser of the physical life expectation of the asset or the period to the end of the life span of the generation plant.

The use of life span dates for determining depreciable lives for regulated electric generation plant is common through many North American Regulatory jurisdictions.

The basis for the determination of the life span date is usually based on one or all of the following:

- The physical life estimation of the major and vital components of the generating plant;
- The duration of operating licenses;
- Precedent and policy of the regulatory jurisdiction;
- Expiration of the supply source for which the generation plant is dependent; and
- Expiration of market demand upon which the generation plant is dependent.

In prior depreciation reviews, Manitoba Hydro has determined a life span date for each of the regulated hydraulic plants based on an overall life estimate of 100 years. The management and operational staff of Manitoba Hydro have reviewed this policy and determined that the economic life of the generation plants should be extended to 140 years beyond the date of initial construction. This application of this policy was reviewed for its reasonableness at each of the generation plants and was modified in only two circumstances as follows:

- Pointe Du Bois – March 31, 2031
- Laurie River – March 31, 2032

NET SALVAGE

Manitoba Hydro has implemented a policy where the costs of removal related to replaced assets will be capitalized as part of the capital costs of the replacement assets. However, Gannett Fleming recommends that a net salvage rate related to the cost of removal for non-replacement assets be established and has calculated a rate related to these non-replacement costs of removal in Schedule 1 in the Results section of this report. In circumstances where assets are replaced, Gannett Fleming understands that Manitoba Hydro intends to adopt a policy to include the retirement cost of replaced assets as a component of the capital cost of the replacement asset. Therefore, the net salvage percentages as shown on Schedule 1 are related to only the estimated terminal retirement transactions and are calculated to be recovered over the estimated remaining life of the asset group.

.

CALCULATION OF ANNUAL AND ACCRUED DEPRECIATION

Group Depreciation Procedures. When more than a single item of property is under consideration, a group procedure for depreciation is appropriate because normally all of the items within a group do not have identical service lives, but have lives that are dispersed over a range of time. There are two primary group procedures, namely, average service life and equal life group.

In the average service life procedure, the rate of annual depreciation is based on the average life or average service life of the group, and this rate is applied to the surviving balances of the group's cost. A characteristic of this procedure is that the cost of plant retired prior to average life is not fully recouped at the time of retirement, whereas the cost of plant retired subsequent to average life is more than fully recouped. Over the entire life cycle, the portion of cost not recouped prior to average life is balanced by the cost recouped subsequent to average life. In this procedure, the accrued depreciation is based on the average service life of the group and the average remaining life of each vintage within the group derived from the area under the survivor curve between the attained age of the vintage and the maximum age.

In the equal life group procedure, the property group is subdivided according to service life. That is, each equal life group includes that portion of the property which experiences the life of that specific group. The relative size of each equal life group is determined from the property's life dispersion curve. The calculated depreciation for the property group is the summation of the calculated depreciation based on the service life of each equal life group.

The table on the following page presents an illustration of the calculation of equal life group depreciation using the Iowa 15-R3 survivor curve, 0 percent net salvage and a December 31, 2010 calculation date. In the table, each equal life group is defined by the age interval shown in columns 1 and 2. These are the ages at which the first and last retirement of each group occurs, and the group's equal life, shown in column 3, is the midpoint of the interval. For purposes of the calculation, each vintage is divided into equal life groups arranged so that the midpoint of each one-year age interval coincides with the calculation date, e.g., December 31 in this case. This enables the calculation of annual accruals for a twelve-month period centered on the date of calculation.

The retirement during the age interval, shown in column 4, is the size of each equal life group and is derived from the Iowa 15-R3 survivor curve and 0 percent net salvage. It is the difference between the percents surviving at the beginning and end of the age interval. Each equal life group's annual accrual, shown in column 5, equals the group's size (column 4) divided by its life (column 3).

DETAILED COMPUTATION OF ANNUAL AND ACCRUED FACTORS USING THE EQUAL LIFE GROUP PROCEDURE

INPUT PARAMETERS:
CALCULATION DATE.. 12-31-2010
SURVIVOR CURVE.... 15-R3

AGE INTERVAL BEG (1)	END (2)	LIFE (3)	RETIREMENTS DURING INTERVAL (4)	GROUP ANNUAL ACCRUAL (5)=(4)/(3)	YEAR INST (6)	SUMMATION OF ANNUAL ACCRUALS (7)	AVERAGE PERCENT SURVIVING (8)	ANNUAL FACTOR (9)	ACCRUED FACTOR (10)
0.000	1.000	0.500	0.13204	0.13204000000	2010	7.73951870976	99.939619	0.0774	0.0387
1.000	2.000	1.500	0.22004	0.14669333333	2009	7.53413204309	99.757940	0.0755	0.1133
2.000	3.000	2.500	0.34901	0.13960400000	2008	7.39098337643	99.473416	0.0743	0.1858
3.000	4.000	3.500	0.53168	0.15190857143	2007	7.24522709071	99.033069	0.0732	0.2562
4.000	5.000	4.500	0.77648	0.17255111111	2006	7.08299724944	98.378988	0.0720	0.3240
5.000	6.000	5.500	1.09520	0.19912727273	2005	6.89715805752	97.443149	0.0708	0.3894
6.000	7.000	6.500	1.50085	0.23090000000	2004	6.68214442116	96.145127	0.0695	0.4518
7.000	8.000	7.500	1.99686	0.26624800000	2003	6.43357042116	94.396275	0.0682	0.5115
8.000	9.000	8.500	2.59836	0.30568941176	2002	6.14760171528	92.098663	0.0668	0.5678
9.000	10.000	9.500	3.32846	0.35036421053	2001	5.81957490413	89.135249	0.0653	0.6204
10.000	11.000	10.500	4.20015	0.40001428571	2000	5.44438565601	85.370944	0.0638	0.6699
11.000	12.000	11.500	5.24273	0.45588956522	1999	5.01643373055	80.649505	0.0622	0.7153
12.000	13.000	12.500	6.46397	0.51711760000	1998	4.52993014794	74.796157	0.0606	0.7575
13.000	14.000	13.500	7.78086	0.57636000000	1997	3.98319134794	67.673742	0.0589	0.7952
14.000	15.000	14.500	9.04123	0.62353310345	1996	3.38324479621	59.262695	0.0571	0.8280
15.000	16.000	15.500	9.97724	0.64369290323	1995	2.74963179287	49.753461	0.0553	0.8572
16.000	17.000	16.500	10.26569	0.62216303030	1994	2.11670382611	39.631994	0.0534	0.8811
17.000	18.000	17.500	9.71888	0.55536457143	1993	1.52794002524	29.639708	0.0516	0.9030
18.000	19.000	18.500	8.35418	0.45157729730	1992	1.02446909088	20.603179	0.0497	0.9195
19.000	20.000	19.500	6.50335	0.33350512821	1991	0.63192787812	13.174414	0.0480	0.9360
20.000	21.000	20.500	4.58978	0.22389170732	1990	0.35322946036	7.627850	0.0463	0.9492
21.000	22.000	21.500	2.91547	0.13560325581	1989	0.17348197879	3.875224	0.0448	0.9632
22.000	23.000	22.500	1.61144	0.07161955556	1988	0.06987057311	1.611769	0.0434	0.9765
23.000	24.000	23.500	0.66967	0.02849659574	1987	0.01981249746	0.471215	0.0420	0.9870
24.000	25.000	24.500	0.13425	0.00547959184	1986	0.00282440367	0.069256	0.0408	0.9996
25.000	25.350	25.175	0.00213	0.00008460775	1985	0.00001480636	0.000373	0.0397	1.0000
TOTAL			100.00000						

Columns 6 through 10 show the derivation of the annual and accrued factors for each vintage based on the information developed in the first five columns. The year installed is shown in column 6. For all vintages other than 2010, the summation of annual accruals for each year installed, shown in column 7, is calculated by adding one-half of the group annual accrual (column 5) for that vintage's current age interval plus the group annual accruals for all succeeding age intervals. For example, the figure 7.53413204309 for 2009 equals one-half of 0.14669333333 plus all of the succeeding figures in column 5. Only one-half of the annual accrual for the vintage's current age interval group is included in the summation because the equal life group for that interval has reached the year during which it is expected to be retired.

The summation of annual accruals (column 7) for installations during 2010 is calculated on the basis of an in-service date at the midpoint of the year, i.e., June 30.

Inasmuch as the overall calculation is centered on December 31, 2010, the first figure in column 7, for vintage 2010, equals all of the group annual accrual for the first equal life group plus the accruals for all of the subsequent equal life groups.

The average percent surviving derived from the Iowa 15-R3 survivor curve and 0 percent net salvage, is shown in column 8 for each age interval. The annual factor, shown in column 9, is the result of dividing the summation of annual accruals (column 7) by the average percent surviving (column 8). The accrued factor, shown in column 10, equals the annual factor multiplied by the age of the group at December 31, 2010.

CALCULATION OF ANNUAL AND ACCRUED AMORTIZATION

Amortization is the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized. Normally, the distribution of the amount is in equal amounts to each year of the amortization period.

The calculation of annual and accrued amortization requires the selection of an amortization period. The amortization periods used in this report were based on judgment which incorporated a consideration of the period during which the assets will render most of their service, the amortization period and service lives used by other utilities, and the service life estimates previously used for the asset under depreciation accounting.

Amortization accounting is proposed for a number of accounts that represent numerous units of property, but a very small portion of depreciable gas plant in service. The accounts and their amortization periods are as follows:

ACCOUNT	TITLE	AMORTIZATION PERIOD, YEARS
000C	POWERHOUSE RENOVATIONS	
000L	LICENCE RENEWAL	50
000W	SUPPORT BUILDING RENOVATIONS	20
000M	COMBUSTION TURBINE OVERHAULS	10
1125Z	COMMUNITY DEVELOPMENT COSTS	81
1140Z	COMMUNITY DEVELOPMENT COSTS	80
1160Z	COMMUNITY DEVELOPMENT COSTS	10
1165Z	COMMUNITY DEVELOPMENT COSTS	10
1300C	BUILDING RENOVATIONS	15
1300M	ENGINES AND GENERATORS - OVERHAULS	5
3000C	BUILDING RENOVATIONS	20
4000K	GROUND LINE TREATMENT	10
4000V	ELECTRONIC EQUIPMENT	10
5000C	BUILDING RENOVATIONS	20
5000K	OPERATIONAL IT EQUIPMENT	5
5000M	MOBILE RADIO, TELEPHONE AND VIDEO CONFERENCING	8
5000N	OPERATIONAL DATA NETWORK	8
8000C	BUILDING RENOVATIONS	20
9000H	TOOLS, SHOP AND GARAGE EQUIPMENT	15
9000K	COMPUTER EQUIPMENT	5
9000L	OFFICE FURNITURE AND EQUIPMENT	20
9000M	HOT WATER TANKS	6
A200H	COMPUTER DEVELOPMENT - SMALL SYSTEMS	10
A200J	COMPUTER SOFTWARE - GENERAL	5
A200K	COMMUNICATION/OPERATIONAL	5

For the purpose of calculating annual amortization amounts as of March 31, 2010, the book depreciation reserve for each plant account or subaccount is assigned or allocated to vintages. The book reserve assigned to vintages with an age greater than the amortization period is equal to the vintage's original cost. The remaining book reserve is allocated among vintages with an age less than the amortization period in proportion to the calculated accrued amortization. The calculated accrued amortization is equal to the original cost multiplied by the ratio of the vintage's age to its amortization period. The annual amortization amount is determined by dividing the future amortizations (original cost less allocated book reserve) by the remaining period of amortization for the vintage.

MONITORING OF BOOK ACCUMULATED DEPRECIATION

The calculated accrued depreciation or amortization represents that portion of the depreciable cost which will not be allocated to expense through future depreciation accruals, if current forecasts of service life characteristics and net salvage materialize and are used as a basis for depreciation accounting. Thus, the calculated accrued depreciation provides a measure of the book accumulated depreciation. The use of this measure is recommended in the amortization of book accumulated depreciation variances to insure complete recovery of capital over the life of the property.

The recommended amortization of the variance between the book accumulated depreciation and the calculated accrued depreciation is based on an amortization period equal to the composite remaining life for each property group where the variance exceeds five percent of the calculated accrued depreciation.

The composite remaining life for use in the calculation of accumulated depreciation variances is derived by developing the composite sum of the individual equal life group remaining lives in accordance with the following equation:

$$\text{Composite Remaining Life} = \frac{\sum\left(\frac{\text{Book Cost}}{\text{Life}} \text{ x Remaining Life}\right)}{\sum \frac{\text{Book Cost}}{\text{Life}}}.$$

The book costs and lives of the several equal life groups, which are summed in the foregoing equation, are defined by the estimated future survivor curve.

Inasmuch as book cost divided by life equals the whole life annual accrual, the foregoing equation reduces to the following form:

$$\text{Composite Remaining Life} = \frac{\sum \text{Whole Life Future Accruals}}{\sum \text{Whole Life Annual Accruals}}$$

or

$$\text{Composite Remaining Life} = \frac{\sum \text{Book Cost - Calc. Reserve}}{\sum \text{Whole Life Annual Accrual}}.$$

PART III. RESULTS OF STUDY

PART III. RESULTS OF STUDY

QUALIFICATION OF RESULTS

The calculated annual and accrued depreciation are the principal results of the study. Continued surveillance and periodic revisions are normally required to maintain continued use of appropriate annual depreciation accrual rates. An assumption that accrual rates can remain unchanged over a long period of time implies a disregard for the inherent variability in service lives and salvage and for the change of the composition of property in service. The annual accrual rates and the accrued depreciation were calculated in accordance with the straight line method, using the equal life group procedure based on estimates which reflect considerations of current historical evidence and expected future conditions.

DESCRIPTION OF DETAILED TABULATIONS

The service life estimates were based on judgment that incorporated statistical analysis of retirement data, discussions with management and consideration of estimates made for other electric utilities. The results of the statistical analysis of service life are presented in the section beginning on pages IV-2, within the supporting documents of this report.

For each depreciable group analyzed by the retirement rate method, a chart depicting the original and estimated survivor curves followed by a tabular presentation of the original life table(s) plotted on the chart. The survivor curves estimated for the depreciable groups are shown as dark smooth curves on the charts. Each smooth survivor curve is denoted by a numeral followed by the curve type designation. The numeral used is the average life derived from the entire curve from 100 percent to zero

percent surviving. The titles of the chart indicate the group, the symbol used to plot the points of the original life table, and the experience and placement bands of the life tables which where plotted. The experience band indicates the range of years for which retirements were used to develop the stub survivor curve. The placements indicate, for the related experience band, the range of years of installations which appear in the experience.

The tables of the calculated annual depreciation applicable to depreciable assets as of March 31, 2010 are presented in account sequence starting on page V-2 of the supporting documents. The tables indicate the estimated average survivor curves and net salvage percents used in the calculations. The tables set forth, for each installation year, the original cost, calculated accrued depreciation, and the calculated annual accrual.

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

									TOTAL DEPRECIATION			
		LIFE	ESTIMATED	ESTIMATED	SURVIVING	CALCULATED ANNUAL ACCRUAL		ANNUAL	RELATED TO LIFE		RELATED TO COST OF REMOVAL	
ACCOUNT	DEPRECIABLE WORK	SPAN DATE	SURVIVOR CURVE	NET SALVAGE	ORIGINAL COST AT 03/31/2010	AMOUNT	RATE (%)	PROVISION FOR TRUE-UP	EXPENSE	RATE (%)	AMOUNT	RATE (%)
	(1)		(2)	(3)	(4)	(5)	(6)=(5)/(4)	(7)	(8)=(5)+(7)	(9)=(8)/(4)	(10)=(3)*(4)/(2)	(11)=(10)/(4)
10000	**GENERATION**											
11000	**HYDRAULIC GENERATION**											
11050	**GREAT FALLS**											
1105A	DAMS, DYKES AND WEIRS	2063	125-R4	(10)	17,302,772	218,229	1.26	(27,263)	190,966	1.10	13,842	0.08
1105B	POWERHOUSE	2063	125-R4	(10)	7,990,993	99,815	1.25	(13,045)	86,770	1.09	6,393	0.08
1105C	POWERHOUSE RENOVATIONS	2063 *	25-SQ	(10)						4.00		0.40 **
1105D	SPILLWAY	2063	75-R2	(10)	9,676,327	151,875	1.57	(6,958)	144,917	1.50	12,902	0.13
1105E	WATER CONTROL SYSTEMS	2063	50-S4	(10)	24,245,253	497,229	2.05	(50,814)	446,415	1.84	48,491	0.20
1105F	ROADS AND SITE IMPROVEMENTS	2063	50-R3	(10)	213,964	5,129	2.40	(24)	5,105	2.39	428	0.20
1105G	TURBINES AND GENERATORS	2063	65-S3	(10)	25,128,789	433,087	1.72	(30,373)	402,714	1.60	38,660	0.15
1105H	GOVERNORS AND EXCITATION SYSTEM	2063	50-R4	(10)	492,218	10,048	2.04	(811)	9,237	1.88	984	0.20
1105L	LICENCE RENEWAL	2063 *	50-SQ	0						2.00		0.00 **
1105P	A/C ELECTRICAL POWER SYSTEMS	2063	50-R3	(10)	9,493,088	201,933	2.13	(12,866)	189,067	1.99	18,986	0.20
1105Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2063	23-L2	(10)	19,271,956	955,210	4.96	(7,499)	947,711	4.92	83,791	0.43
1105R	AUXILIARY STATION PROCESSES	2063	40-R2.5	(10)	8,345,798	224,470	2.69	(9,108)	215,362	2.58	20,864	0.25
1105X	SUPPORT BUILDINGS	2063	65-R3	(10)	1,495,253	24,424	1.63	(2,820)	21,604	1.44	2,300	0.15
1105W	SUPPORT BUILDING RENOVATIONS	2063 *	20-SQ	(10)						5.00		0.50 **
	TOTAL GREAT FALLS				**123,656,412**	**2,821,449**	**2.28**	**(161,581)**	**2,659,868**	**2.15**	**247,641**	**0.20**
11100	**POINTE DU BOIS**											
1110A	DAMS, DYKES AND WEIRS	2031	125-R4	(10)	11,263,332	446,825	3.97	(91,296)	355,529	3.16	9,011	0.08
1110B	POWERHOUSE	2031	125-R4	(10)	6,242,749	271,010	4.34	(26,759)	244,251	3.91	4,994	0.08
1110C	POWERHOUSE RENOVATIONS	2031 *	25-SQ	(10)						4.84		0.40 **
1110D	SPILLWAY - ORIGINAL	2017	75-R2	0	3,104,842	345,659	11.13	(84,531)	261,128	8.41	0	0.00
1110E	WATER CONTROL SYSTEMS	2031	50-S4	(10)	4,027,603	152,884	3.80	(39,522)	113,362	2.81	8,055	0.20
1110F	ROADS AND SITE IMPROVEMENTS	2031	50-R3	(10)	28,533	1,113	3.90	(295)	818	2.87	57	0.20
1110G	TURBINES AND GENERATORS	2031	65-S3	(10)	24,610,324	1,022,300	4.15	(153,096)	869,204	3.53	37,862	0.15
1110H	GOVERNORS AND EXCITATION SYSTEMS	2031 *	50-R4	(10)						5.04		0.20
1110L	LICENCE RENEWAL	2031 *	50-SQ	0						4.76		0.00 **
1110P	A/C ELECTRICAL POWER SYSTEMS	2031	50-R3	(10)	6,057,709	274,987	4.54	(22,954)	252,033	4.16	12,115	0.20
1110Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2031	23-L2	(10)	355,559	20,840	5.86	(2,581)	18,259	5.14	1,546	0.43
1110R	AUXILIARY STATION PROCESSES	2031	40-R2.5	(10)	1,377,014	62,068	4.51	(11,335)	50,733	3.68	3,443	0.25
1110X	SUPPORT BUILDINGS	2031	65-R3	(10)	2,616,290	95,041	3.63	(32,110)	62,931	2.41	4,025	0.15
1110W	SUPPORT BUILDING RENOVATIONS	2031 *	20-SQ	(10)						5.00		0.50 **
1111D	SPILLWAY - NEW	*	75-R2	(10)						1.33		0.13
	TOTAL POINTE DU BOIS				**59,683,956**	**2,692,727**	**4.51**	**(464,480)**	**2,228,247**	**3.73**	**81,108**	**0.14**
11150	**SEVEN SISTERS**											
1115A	DAMS, DYKES AND WEIRS	2072	125-R4	(10)	31,497,995	353,966	1.12	(76,205)	277,761	0.88	25,198	0.08
1115B	POWERHOUSE	2072	125-R4	(10)	13,653,945	143,721	1.05	(40,679)	103,042	0.75	10,923	0.08
1115C	POWERHOUSE RENOVATIONS	2072 *	25-SQ	(10)						4.00		0.40 **
1115D	SPILLWAY	2072	75-R2	(10)	2,841,355	39,847	1.40	(5,275)	34,572	1.22	3,788	0.13
1115E	WATER CONTROL SYSTEMS	2072	50-S4	(10)	4,296,891	81,034	1.89	(23,695)	57,339	1.33	8,594	0.20
1115F	ROADS AND SITE IMPROVEMENTS	2072	50-R3	(10)	201,701	3,718	1.84	(1,185)	2,533	1.26	403	0.20
1115G	TURBINES AND GENERATORS	2072	65-S3	(10)	41,208,963	689,938	1.67	(75,531)	614,407	1.49	63,398	0.15
1115H	GOVERNORS AND EXCITATION SYSTEM	2072	50-R4	(10)	6,860	125	1.82	(451)	(326)	2.00	14	0.20
1115L	LICENCE RENEWAL	2072 *	50-SQ	0						2.00		0.00 **
1115P	A/C ELECTRICAL POWER SYSTEMS	2072	50-R3	(10)	10,648,619	223,532	2.10	(36,104)	187,428	1.76	21,297	0.20
1115Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2072	23-L2	(10)	3,821,416	163,482	4.28	(29,620)	133,862	3.50	16,615	0.43
1115R	AUXILIARY STATION PROCESSES	2072	40-R2.5	(10)	5,224,958	131,285	2.51	(25,391)	105,894	2.03	13,062	0.25
1115X	SUPPORT BUILDINGS	2072	65-R3	(10)	608,294	11,021	1.81	(676)	10,345	1.70	936	0.15
1115W	SUPPORT BUILDING RENOVATIONS	2072 *	20-SQ	(10)						5.00		0.50 **
	TOTAL SEVEN SISTERS				**114,010,998**	**1,841,669**	**1.62**	**(314,814)**	**1,526,855**	**1.34**	**164,230**	**0.14**

MH Exhibit #22

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

									TOTAL DEPRECIATION			
		LIFE	ESTIMATED	ESTIMATED	SURVIVING	CALCULATED ANNUAL ACCRUAL		ANNUAL	RELATED TO LIFE		RELATED TO COST OF REMOVAL	
ACCOUNT	DEPRECIABLE WORK	SPAN DATE	SURVIVOR CURVE	NET SALVAGE	ORIGINAL COST AT 03/31/2010	AMOUNT	RATE (%)	PROVISION FOR TRUE-UP	EXPENSE	RATE (%)	AMOUNT	RATE (%)
	(1)		(2)	(3)	(4)	(5)	(6)=(5)/(4)	(7)	(8)=(5)+(7)	(9)=(8)/(4)	(10)=(3)*(4)/(2)	(11)=(10)/(4)
11200	**SLAVE FALLS**											
1120A	DAMS, DYKES AND WEIRS	2072	125-R4	(10)	954,684	14,817	1.55	(153)	14,664	1.54	764	0.08
1120B	POWERHOUSE	2072	125-R4	(10)	45,692,194	663,677	1.45	(17,065)	646,612	1.42	36,554	0.08
1120C	POWERHOUSE RENOVATIONS	2072 *	25-SQ	(10)						4.00		0.40 **
1120D	SPILLWAY	2072	75-R2	(10)	760,201	15,394	2.03	58	15,452	2.03	1,014	0.13
1120E	WATER CONTROL SYSTEMS	2072	50-S4	(10)	318,933	6,602	2.07	(96)	6,506	2.04	638	0.20
1120F	ROADS AND SITE IMPROVEMENTS	2072	50-R3	(10)	769,506	17,545	2.28	(107)	17,438	2.27	1,539	0.20
1120G	TURBINES AND GENERATORS	2072	65-S3	(10)	11,630,909	200,112	1.72	(4,924)	195,188	1.68	17,894	0.15
1120H	GOVERNORS AND EXCITATION SYSTEMS	2072 *	50-R4	(10)						2.00		0.20
1120L	LICENCE RENEWAL	2072 *	50-SQ	0						2.00		0.00 **
1120P	A/C ELECTRICAL POWER SYSTEMS	2072	50-R3	(10)	21,815,741	505,179	2.32	(2,972)	502,207	2.30	43,631	0.20
1120Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2072	23-L2	(10)	786,382	42,365	5.39	217	42,582	5.41	3,419	0.43
1120R	AUXILIARY STATION PROCESSES	2072	40-R2.5	(10)	2,201,466	68,661	3.12	262	68,923	3.13	5,504	0.25
1120X	SUPPORT BUILDINGS	2072	65-R3	(10)	3,724,095	67,791	1.82	(955)	66,836	1.79	5,729	0.15
1120W	SUPPORT BUILDING RENOVATIONS	2072 *	20-SQ	(10)						5.00		0.50 **
	TOTAL SLAVE FALLS				**88,654,109**	**1,602,143**	**1.81**	**(25,735)**	**1,576,408**	**1.78**	**116,685**	**0.13**
11250	**PINE FALLS**											
1125A	DAMS, DYKES AND WEIRS	2092	125-R4	(10)	14,110,589	156,702	1.11	(6,323)	150,379	1.07	11,288	0.08
1125B	POWERHOUSE	2092	125-R4	(10)	10,060,843	87,828	0.87	(15,968)	71,860	0.71	8,049	0.08
1125C	POWERHOUSE RENOVATIONS	2092 *	25-SQ	(10)						4.00		0.40 **
1125D	SPILLWAY	2092	75-R2	(10)	93,376	1,804	1.93	8	1,812	1.94	125	0.13
1125E	WATER CONTROL SYSTEMS	2092	50-S4	(10)	3,564,106	67,205	1.89	(15,006)	52,199	1.46	7,128	0.20
1125F	ROADS AND SITE IMPROVEMENTS	2092	50-R3	(10)	1,178,575	19,598	1.66	(18,921)	677	0.06	2,357	0.20
1125G	TURBINES AND GENERATORS	2092	65-S3	(10)	9,464,220	145,587	1.54	(25,177)	120,410	1.27	14,560	0.15
1125H	GOVERNORS AND EXCITATION SYSTEMS	2092 *	50-R4	(10)						2.00		0.20
1125L	LICENCE RENEWAL	2092 *	50-SQ	0						2.00		0.00 **
1125P	A/C ELECTRICAL POWER SYSTEMS	2092	50-R3	(10)	5,071,108	104,504	2.06	(9,469)	95,035	1.87	10,142	0.20
1125Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2092	23-L2	(10)	2,156,586	99,187	4.60	(3,305)	95,882	4.45	9,376	0.43
1125R	AUXILIARY STATION PROCESSES	2092	40-R2.5	(10)	3,790,230	99,575	2.63	(7,530)	92,045	2.43	9,476	0.25
1125X	SUPPORT BUILDINGS	2092	65-R3	(10)	336,412	5,683	1.69	(241)	5,442	1.62	518	0.15
1125W	SUPPORT BUILDING RENOVATIONS	2092 *	20-SQ	(10)						5.00		0.50 **
1125Z	COMMUNITY DEVELOPMENT COSTS	2092	81-SQ	0	4,425,543	54,434	1.23	(2,471)	51,963	1.17	0	0.00 **
	TOTAL PINE FALLS				**54,251,587**	**842,107**	**1.55**	**(104,404)**	**737,703**	**1.36**	**73,019**	**0.13**
11300	**MCARTHUR FALLS**											
1130A	DAMS, DYKES AND WEIRS	2095	125-R4	(10)	3,578,068	32,928	0.92	(3,695)	29,233	0.82	2,862	0.08
1130B	POWERHOUSE	2095	125-R4	(10)	9,523,798	83,002	0.87	(12,467)	70,535	0.74	7,619	0.08
1130C	POWERHOUSE RENOVATIONS	2095 *	25-SQ	(10)						4.00		0.40 **
1130D	SPILLWAY	2095	75-R2	(10)	2,351,438	28,217	1.20	(4,929)	23,288	0.99	3,135	0.13
1130E	WATER CONTROL SYSTEMS	2095	50-S4	(10)	11,703,203	238,168	2.04	(26,096)	212,072	1.81	23,406	0.20
1130F	ROADS AND SITE IMPROVEMENTS	2095	50-R3	(10)	234,820	4,758	2.03	(551)	4,207	1.79	470	0.20
1130G	TURBINES AND GENERATORS	2095	65-S3	(10)	5,096,367	72,094	1.41	(44,855)	27,239	0.53	7,841	0.15
1130H	GOVERNORS AND EXCITATION SYSTEM	2095	50-R4	(10)	119,315	2,513	2.11	(166)	2,347	1.97	239	0.20
1130L	LICENCE RENEWAL	2095 *	50-SQ	0						2.00		0.00 **
1130P	A/C ELECTRICAL POWER SYSTEMS	2095	50-R3	(10)	2,480,539	45,912	1.85	(9,219)	36,693	1.48	4,961	0.20
1130Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2095	23-L2	(10)	1,245,885	49,056	3.94	(4,082)	44,974	3.61	5,417	0.43
1130R	AUXILIARY STATION PROCESSES	2095	40-R2.5	(10)	3,440,197	90,405	2.63	(5,443)	84,962	2.47	8,600	0.25
1130X	SUPPORT BUILDINGS	2095	65-R3	(10)	227,212	3,840	1.69	(133)	3,707	1.63	350	0.15
1130W	SUPPORT BUILDING RENOVATIONS	2095 *	20-SQ	(10)						5.00		0.50 **
	TOTAL MCARTHUR FALLS				**40,000,842**	**650,893**	**1.63**	**(111,636)**	**539,257**	**1.35**	**64,900**	**0.16**

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DEPRECIABLE WORK	LIFE SPAN DATE	ESTIMATED SURVIVOR CURVE	ESTIMATED NET SALVAGE	SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE (%)	ANNUAL PROVISION FOR TRUE-UP	TOTAL DEPRECIATION RELATED TO LIFE EXPENSE	TOTAL DEPRECIATION RELATED TO LIFE RATE (%)	TOTAL DEPRECIATION RELATED TO COST OF REMOVAL AMOUNT	TOTAL DEPRECIATION RELATED TO COST OF REMOVAL RATE (%)
	(1)		(2)	(3)	(4)	(5)	(6)=(5)/(4)	(7)	(8)=(5)+(7)	(9)=(8)/(4)	(10)=(3)*(4)/(2)	(11)=(10)/(4)
11350	**KELSEY**											
1135A	DAMS, DYKES AND WEIRS	2101	125-R4	(10)	11,066,409	110,124	1.00	(3,623)	106,501	0.96	8,853	0.08
1135B	POWERHOUSE	2101	125-R4	(10)	27,569,817	239,892	0.87	(19,889)	220,003	0.80	22,056	0.08
1135C	POWERHOUSE RENOVATIONS	2101 *	25-SQ	(10)						4.00		0.40 **
1135D	SPILLWAY	2101	75-R2	(10)	5,331,929	66,116	1.24	(2,091)	64,025	1.20	7,109	0.13
1135E	WATER CONTROL SYSTEMS	2101	50-S4	(10)	11,792,566	233,252	1.98	(20,286)	212,966	1.81	23,585	0.20
1135F	ROADS AND SITE IMPROVEMENTS	2101	50-R3	(10)	6,442,928	126,660	1.97	(12,225)	114,435	1.78	12,886	0.20
1135G	TURBINES AND GENERATORS	2101	65-S3	(10)	130,323,693	2,139,901	1.64	(18,996)	2,120,905	1.63	200,498	0.15
1135H	GOVERNORS AND EXCITATION SYSTEM	2101	50-R4	(10)	88,651	1,871	2.11	(87)	1,784	2.01	177	0.20
1135L	LICENCE RENEWAL	2101 *	50-SQ	0						2.00		0.00 **
1135P	A/C ELECTRICAL POWER SYSTEMS	2101	50-R3	(10)	5,751,610	113,771	1.98	(12,141)	101,630	1.77	11,503	0.20
1135Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2101	23-L2	(10)	3,595,490	162,610	4.52	3,100	165,710	4.61	15,633	0.43
1135R	AUXILIARY STATION PROCESSES	2101	40-R2.5	(10)	7,788,815	203,179	2.61	(4,650)	198,529	2.55	19,472	0.25
1135X	SUPPORT BUILDINGS	2101	65-R3	(10)	9,953,977	170,743	1.72	(2,021)	168,722	1.70	15,314	0.15
1135W	SUPPORT BUILDING RENOVATIONS	2101 *	20-SQ	(10)						5.00		0.50 **
	TOTAL KELSEY				**219,705,886**	**3,568,119**	**1.62**	**(92,910)**	**3,475,209**	**1.58**	**337,086**	**0.15**
11400	**GRAND RAPIDS**											
1140A	DAMS, DYKES AND WEIRS	2091	125-R4	(10)	53,468,974	514,944	0.96	(46,792)	468,152	0.88	42,775	0.08
1140B	POWERHOUSE	2091	125-R4	(10)	24,506,522	223,336	0.91	(25,953)	197,383	0.81	19,605	0.08
1140C	POWERHOUSE RENOVATIONS	2091 *	25-SQ	(10)						4.00		0.40 **
1140D	SPILLWAY	2091	75-R2	(10)	5,308,334	68,207	1.28	(4,198)	64,009	1.21	7,078	0.13
1140E	WATER CONTROL SYSTEMS	2091	50-S4	(10)	15,982,492	309,243	1.93	(61,544)	247,699	1.55	31,965	0.20
1140F	ROADS AND SITE IMPROVEMENTS	2091	50-R3	(10)	2,581,475	47,126	1.83	(15,904)	31,222	1.21	5,163	0.20
1140G	TURBINES AND GENERATORS	2091	65-S3	(10)	113,066,160	1,856,605	1.64	(81,564)	1,775,041	1.57	173,948	0.15
1140H	GOVERNORS AND EXCITATION SYSTEM	2091	50-R4	(10)	42,718	897	2.10	(44)	853	2.00	85	0.20
1140L	LICENCE RENEWAL	2091 *	50-SQ	0						2.00		0.00 **
1140P	A/C ELECTRICAL POWER SYSTEMS	2091	50-R3	(10)	8,240,545	173,871	2.11	(12,341)	161,530	1.96	16,481	0.20
1140Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2091	23-L2	(10)	4,674,247	165,394	3.54	(17,828)	147,566	3.16	20,323	0.43
1140R	AUXILIARY STATION PROCESSES	2091	40-R2.5	(10)	5,600,506	153,945	2.75	(3,785)	150,160	2.68	14,001	0.25
1140X	SUPPORT BUILDINGS	2091	65-R3	(10)	6,190,376	106,722	1.72	(2,100)	104,622	1.69	9,524	0.15
1140W	SUPPORT BUILDING RENOVATIONS	2091 *	20-SQ	(10)						5.00		0.50 **
1140Z	COMMUNITY DEVELOPMENT COSTS	2091	80-SQ	0	101,442,997	1,268,037	1.25	(90,628)	1,177,409	1.16	0	0.00 **
	TOTAL GRAND RAPIDS				**341,105,346**	**4,888,327**	**1.43**	**(362,682)**	**4,525,645**	**1.33**	**340,948**	**0.10**
11450	**KETTLE**											
1145A	DAMS, DYKES AND WEIRS	2111	125-R4	(10)	45,280,663	390,107	0.86	(34,169)	355,938	0.79	36,225	0.08
1145B	POWERHOUSE	2111	125-R4	(10)	146,207,420	1,262,257	0.86	(108,788)	1,153,469	0.79	116,966	0.08
1145C	POWERHOUSE RENOVATIONS	2111 *	25-SQ	(10)						4.00		0.40 **
1145D	SPILLWAY	2111	75-R2	(10)	25,406,960	337,913	1.33	(11,392)	326,521	1.29	33,876	0.13
1145E	WATER CONTROL SYSTEMS	2111	50-S4	(10)	17,834,945	355,361	1.99	(173,994)	181,367	1.02	35,670	0.20
1145F	ROADS AND SITE IMPROVEMENTS	2111	50-R3	(10)	10,591	235	2.22	(5)	230	2.17	21	0.20
1145G	TURBINES AND GENERATORS	2111	65-S3	(10)	70,740,028	1,123,607	1.59	(208,486)	915,121	1.29	108,831	0.15
1145H	GOVERNORS AND EXCITATION SYSTEM	2111	50-R4	(10)	3,304,326	64,753	1.96	(26,160)	38,593	1.17	6,609	0.20
1145L	LICENCE RENEWAL	2111 *	50-SQ	0						2.00		0.00 **
1145P	A/C ELECTRICAL POWER SYSTEMS	2111	50-R3	(10)	6,771,761	141,808	2.09	(11,636)	130,172	1.92	13,544	0.20
1145Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2111	23-L2	(10)	12,001,279	430,663	3.59	(34,185)	396,478	3.30	52,179	0.43
1145R	AUXILIARY STATION PROCESSES	2111	40-R2.5	(10)	15,361,985	379,871	2.47	(50,094)	329,777	2.15	38,405	0.25
1145X	SUPPORT BUILDINGS	2111	65-R3	(10)	3,908,404	60,260	1.54	(10,284)	49,976	1.28	6,013	0.15
1145W	SUPPORT BUILDING RENOVATIONS	2111 *	20-SQ	(10)						5.00		0.50 **
	TOTAL KETTLE				**346,828,362**	**4,546,835**	**1.31**	**(669,194)**	**3,877,641**	**1.12**	**448,338**	**0.13**

MH Exhibit #22

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

									TOTAL DEPRECIATION			
		LIFE	ESTIMATED	ESTIMATED	SURVIVING	CALCULATED ANNUAL ACCRUAL		ANNUAL	RELATED TO LIFE		RELATED TO COST OF REMOVAL	
ACCOUNT	DEPRECIABLE WORK	SPAN DATE	SURVIVOR CURVE	NET SALVAGE	ORIGINAL COST AT 03/31/2010	AMOUNT	RATE (%)	PROVISION FOR TRUE-UP	EXPENSE	RATE (%)	AMOUNT	RATE (%)
	(1)		(2)	(3)	(4)	(5)	(6)=(5)/(4)	(7)	(8)=(5)+(7)	(9)=(8)/(4)	(10)=(3)*(4)/(2)	(11)=(10)/(4)
11500	**LAURIE RIVER**											
1150A	DAMS, DYKES AND WEIRS	2032	125-R4	(10)	355,538	8,089	2.28	2,634	10,723	3.02	284	0.08
1150B	POWERHOUSE	2032	125-R4	(10)	7,664,146	263,014	3.43	27,948	290,962	3.80	6,131	0.08
1150C	POWERHOUSE RENOVATIONS	2032 *	25-SQ	(10)						4.55		0.40 **
1150D	SPILLWAY	2032	75-R2	(10)	870,000	24,012	2.76	6,380	30,392	3.49	1,160	0.13
1150E	WATER CONTROL SYSTEMS	2032	50-S4	(10)	458,033	12,783	2.79	2,722	15,505	3.39	916	0.20
1150F	ROADS AND SITE IMPROVEMENTS	2032	50-R3	(10)	1,441,914	41,644	2.89	10,679	52,323	3.63	2,884	0.20
1150G	TURBINES AND GENERATORS	2032	65-S3	(10)	4,603,136	174,447	3.79	11,639	186,086	4.04	7,082	0.15
1150H	GOVERNORS AND EXCITATION SYSTEM	2032	50-R4	(10)	882,653	36,143	4.09	1,427	37,570	4.26	1,765	0.20
1150L	LICENCE RENEWAL	2032 *	50-SQ	0						4.55		0.00 **
1150P	A/C ELECTRICAL POWER SYSTEMS	2032	50-R3	(10)	1,441,945	44,385	3.08	9,003	53,388	3.70	2,884	0.20
1150Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2032	23-L2	(10)	1,220,047	49,483	4.06	39,641	89,124	7.30	5,305	0.43
1150R	AUXILIARY STATION PROCESSES	2032	40-R2.5	(10)	308,504	9,748	3.16	2,697	12,445	4.03	771	0.25
1150X	SUPPORT BUILDINGS	2032	65-R3	(10)	355,919	9,254	2.60	2,622	11,876	3.34	548	0.15
1150W	SUPPORT BUILDING RENOVATIONS	2032 *	20-SQ	(10)						5.00		0.50 **
	TOTAL LAURIE RIVER				**19,601,835**	**673,002**	**3.43**	**117,391**	**790,393**	**4.03**	**29,730**	**0.15**
11550	**JENPEG**											
1155A	DAMS, DYKES AND WEIRS	2118	125-R4	(10)	15,295,318	135,504	0.89	(3,801)	131,703	0.86	12,236	0.08
1155B	POWERHOUSE	2118	125-R4	(10)	76,905,294	663,443	0.86	(24,816)	638,627	0.83	61,524	0.08
1155C	POWERHOUSE RENOVATIONS	2118 *	25-SQ	(10)						4.00		0.40 **
1155D	SPILLWAY	2118	75-R2	(10)	14,942,733	206,583	1.38	10,126	216,709	1.45	19,924	0.13
1155E	WATER CONTROL SYSTEMS	2118	50-S4	(10)	16,762,099	342,073	2.04	(72,470)	269,603	1.61	33,524	0.20
1155F	ROADS AND SITE IMPROVEMENTS	2118	50-R3	(10)	1,563,205	32,252	2.06	(1,292)	30,960	1.98	3,126	0.20
1155G	TURBINES AND GENERATORS	2118	65-S3	(10)	79,641,550	1,287,144	1.62	(88,046)	1,199,098	1.51	122,525	0.15
1155H	GOVERNORS AND EXCITATION SYSTEMS	2118 *	50-R4	(10)						2.00		0.20
1155L	LICENCE RENEWAL	2118 *	50-SQ	0						2.00		0.00 **
1155P	A/C ELECTRICAL POWER SYSTEMS	2118	50-R3	(10)	19,308,049	377,217	1.95	(35,925)	341,292	1.77	38,616	0.20
1155Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2118	23-L2	(10)	3,343,800	130,993	3.92	15,464	146,457	4.38	14,538	0.43
1155R	AUXILIARY STATION PROCESSES	2118	40-R2.5	(10)	9,796,258	253,561	2.59	(4,392)	249,169	2.54	24,491	0.25
1155X	SUPPORT BUILDINGS	2118	65-R3	(10)	7,885,397	131,668	1.67	(1,490)	130,178	1.65	12,131	0.15
1155W	SUPPORT BUILDING RENOVATIONS	2118 *	20-SQ	(10)						5.00		0.50 **
	TOTAL JENPEG				**245,443,703**	**3,560,438**	**1.45**	**(206,644)**	**3,353,794**	**1.37**	**342,637**	**0.14**
11600	**LAKE WINNIPEG REGULATION**											
1160A	DAMS, DYKES AND WEIRS		125-R4	(10)	96,807,065	813,275	0.84	(79,651)	733,624	0.76	77,446	0.08
1160L	LICENCE RENEWAL	*	50-SQ	0						2.00		0.00 **
1160Z	COMMUNITY DEVELOPMENT COSTS		100-SQ	0	387,802,871	3,878,029	1.00	(223,323)	3,654,706	0.94	0	0.00 **
	TOTAL LAKE WINNIPEG REGULATION				**484,609,937**	**4,691,304**	**0.97**	**(302,973)**	**4,388,331**	**0.91**	**77,446**	**0.02**
11650	**CHURCHILL RIVER DIVERSION**											
1165A	DAMS, DYKES AND WEIRS		125-R4	(10)	114,718,213	964,090	0.84	(13,751)	950,339	0.83	91,775	0.08
1165D	SPILLWAY		75-R2	(10)	56,442,246	778,903	1.38	67,622	846,525	1.50	75,256	0.13
1165E	WATER CONTROL SYSTEMS		50-S4	(10)	17,583,551	358,391	2.04	(42,591)	315,800	1.80	35,167	0.20
1165F	ROADS AND SITE IMPROVEMENTS		50-R3	(10)	6,799,023	132,832	1.95	(1,007)	131,825	1.94	13,598	0.20
1165L	LICENCE RENEWAL	*	50-SQ	0						2.00		0.00 **
1165P	A/C ELECTRICAL POWER SYSTEMS		50-R3	(10)	1,596,593	31,177	1.95	(247)	30,930	1.94	3,193	0.20
1165Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		23-L2	(10)	1,417,862	36,897	2.60	14,977	51,874	3.66	6,165	0.43
1165R	AUXILIARY STATION PROCESSES		40-R2.5	(10)	1,799,312	50,377	2.80	1,435	51,812	2.88	4,498	0.25
1165X	SUPPORT BUILDINGS		65-R3	(10)	28,361	491	1.73	4	495	1.75	44	0.15
1165W	SUPPORT BUILDING RENOVATIONS	*	20-SQ	(10)						5.00		0.50 **
1165Z	COMMUNITY DEVELOPMENT COSTS		100-SQ	0	305,036,524	3,050,365	1.00	(228,014)	2,822,351	0.93	0	0.00 **
	TOTAL CHURCHILL RIVER DIVERSION				**505,421,684**	**5,403,523**	**1.07**	**(201,571)**	**5,201,952**	**1.03**	**229,696**	**0.05**

MH Exhibit #22

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

									TOTAL DEPRECIATION			
		LIFE	ESTIMATED	ESTIMATED	SURVIVING	CALCULATED ANNUAL ACCRUAL		ANNUAL	RELATED TO LIFE		RELATED TO COST OF REMOVAL	
ACCOUNT	DEPRECIABLE WORK	SPAN DATE	SURVIVOR CURVE	NET SALVAGE	ORIGINAL COST AT 03/31/2010	AMOUNT	RATE (%)	PROVISION FOR TRUE-UP	EXPENSE	RATE (%)	AMOUNT	RATE (%)
	(1)		(2)	(3)	(4)	(5)	(6)=(5)/(4)	(7)	(8)=(5)+(7)	(9)=(8)/(4)	(10)=(3)*(4)/(2)	(11)=(10)/(4)
11700	**LONG SPRUCE**											
1170A	DAMS, DYKES AND WEIRS	2118	125-R4	(10)	64,744,494	558,569	0.86	(19,500)	539,069	0.83	51,796	0.08
1170B	POWERHOUSE	2118	125-R4	(10)	143,780,355	1,240,493	0.86	(43,364)	1,197,129	0.83	115,024	0.08
1170C	POWERHOUSE RENOVATIONS	2118 *	25-SQ	(10)						4.00		0.40 **
1170D	SPILLWAY	2118	75-R2	(10)	42,273,617	584,041	1.38	28,146	612,187	1.45	56,365	0.13
1170E	WATER CONTROL SYSTEMS	2118	50-S4	(10)	57,946,281	1,182,124	2.04	(242,437)	939,687	1.62	115,893	0.20
1170F	ROADS AND SITE IMPROVEMENTS	2118	50-R3	(10)	1,172,867	23,483	2.00	(1,383)	22,100	1.88	2,346	0.20
1170G	TURBINES AND GENERATORS	2118	65-S3	(10)	143,328,643	2,323,085	1.62	(165,333)	2,157,752	1.51	220,506	0.15
1170H	GOVERNORS AND EXCITATION SYSTEM	2118	50-R4	(10)	145,844	3,092	2.12	(40)	3,052	2.09	292	0.20
1170L	LICENCE RENEWAL	2118 *	50-SQ	0						2.00		0.00 **
1170P	A/C ELECTRICAL POWER SYSTEMS	2118	50-R3	(10)	30,503,528	605,258	1.98	(41,664)	563,594	1.85	61,007	0.20
1170Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2118	23-L2	(10)	4,409,200	127,168	2.88	20,949	148,117	3.36	19,170	0.43
1170R	AUXILIARY STATION PROCESSES	2118	40-R2.5	(10)	12,199,119	300,072	2.46	(12,642)	287,430	2.36	30,498	0.25
1170X	SUPPORT BUILDINGS	2118	65-R3	(10)	160,484	2,815	1.75	1	2,816	1.75	247	0.15
1170W	SUPPORT BUILDING RENOVATIONS	2118 *	20-SQ	(10)						5.00		0.50 **
	TOTAL LONG SPRUCE				**500,664,431**	**6,950,200**	**1.39**	**(477,268)**	**6,472,932**	**1.29**	**673,142**	**0.13**
11750	**LIMESTONE**											
1175A	DAMS, DYKES AND WEIRS	2131	125-R4	(10)	33,258,073	288,035	0.87	(3,907)	284,128	0.85	26,606	0.08
1175B	POWERHOUSE	2131	125-R4	(10)	461,430,334	3,997,313	0.87	(53,896)	3,943,417	0.85	369,144	0.08
1175C	POWERHOUSE RENOVATIONS	2131 *	25-SQ	(10)				0		4.00		0.40 **
1175D	SPILLWAY	2131	75-R2	(10)	201,240,773	3,035,196	1.51	156,773	3,191,969	1.59	268,321	0.13
1175E	WATER CONTROL SYSTEMS	2131	50-S4	(10)	116,224,392	2,405,845	2.07	(132,827)	2,273,018	1.96	232,449	0.20
1175F	ROADS AND SITE IMPROVEMENTS	2131	50-R3	(10)	17,164,432	363,550	2.12	(1,281)	362,269	2.11	34,329	0.20
1175G	TURBINES AND GENERATORS	2131	65-S3	(10)	403,825,745	6,663,125	1.65	(141,734)	6,521,391	1.61	621,270	0.15
1175H	GOVERNORS AND EXCITATION SYSTEM	2131	50-R4	(10)	16,584,271	346,998	2.09	(13,989)	333,009	2.01	33,169	0.20
1175L	LICENCE RENEWAL	2131 *	50-SQ	0				0		2.00		0.00 **
1175P	A/C ELECTRICAL POWER SYSTEMS	2131	50-R3	(10)	144,317,307	3,056,641	2.12	(10,784)	3,045,857	2.11	288,635	0.20
1175Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2131	23-L2	(10)	8,333,373	339,021	4.07	50,445	389,466	4.67	36,232	0.43
1175R	AUXILIARY STATION PROCESSES	2131	40-R2.5	(10)	36,054,205	940,241	2.61	22,659	962,900	2.67	90,136	0.25
1175X	SUPPORT BUILDINGS	2131	65-R3	(10)	5,703,494	95,625	1.68	222	95,847	1.68	8,775	0.15
1175W	SUPPORT BUILDING RENOVATIONS	2131 *	20-SQ	(10)				0		5.00		0.50 **
	TOTAL LIMESTONE				**1,444,136,399**	**21,531,590**	**1.49**	**(128,319)**	**21,403,271**	**1.48**	**2,009,065**	**0.14**
11800	**WUSKWATIM**											
1180A	DAMS, DYKES AND WEIRS	2152 *	125-R4	(10)						0.80		0.08
1180B	POWERHOUSE	2152 *	125-R4	(10)						0.80		0.08
1180C	POWERHOUSE RENOVATIONS	2152 *	25-SQ	(10)						4.00		0.40 **
1180D	SPILLWAY	2152 *	75-R2	(10)						1.33		0.13
1180E	WATER CONTROL SYSTEMS	2152 *	50-S4	(10)						2.00		0.20
1180F	ROADS AND SITE IMPROVEMENTS	2152 *	50-R3	(10)						2.00		0.20
1180G	TURBINES AND GENERATORS	2152 *	65-S3	(10)						1.54		0.15
1180H	GOVERNORS AND EXCITATION SYSTEM	2152 *	50-R4	(10)						2.00		0.20
1180P	A/C ELECTRICAL POWER SYSTEMS	2152 *	50-R3	(10)						2.00		0.20
1180Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2152 *	23-L2	(10)						4.35		0.43
1180R	AUXILIARY STATION PROCESSES	2152 *	40-R2.5	(10)						2.50		0.25
1180X	SUPPORT BUILDINGS	2152 *	65-R3	(10)						1.54		0.15
1180W	SUPPORT BUILDING RENOVATIONS	2152 *	20-SQ	(10)						5.00		0.50 **
	TOTAL WUSKWATIM				**0**	**0**		**0**	**0**			
11990	**INFRASTRUCTURE SUPPORTING GENERATION**											
1199F	PROVINCIAL ROADS		50-R3	0	25,380,938	507,851	2.00	25,909	533,760	2.10	0	0.00
1199V	TOWN SITE BUILDINGS		65-L3	(5)	63,280,714	1,067,664	1.69	77,766	1,145,430	1.81	48,677	0.08
1199W	TOWN SITE BUILDINGS RENOVATIONS		20-SQ	(5)	13,502,581	674,829	5.00	79,558	754,387	5.59	33,756	0.25 **
1199Y	TOWN SITE OTHER INFRASTRUCTURE		45-R3	(5)	26,527,464	643,245	2.42	19,722	662,967	2.50	29,475	0.11
	TOTAL INFRASTRUCTURE SUPPORTING GENERATION				**128,691,696**	**2,893,589**	**2.25**	**202,955**	**3,096,544**	**2.41**	**111,909**	**0.09**
	TOTAL HYDRAULIC GENERATION				**4,716,467,183**	**69,157,915**	**1.47**	**(3,303,866)**	**65,854,049**	**1.40**	**5,347,580**	**0.11**

MH Exhibit #22

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DEPRECIABLE WORK	LIFE SPAN DATE	ESTIMATED SURVIVOR CURVE	ESTIMATED NET SALVAGE	SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE (%)	ANNUAL PROVISION FOR TRUE-UP	TOTAL DEPRECIATION RELATED TO LIFE EXPENSE	TOTAL DEPRECIATION RELATED TO LIFE RATE (%)	TOTAL DEPRECIATION RELATED TO COST OF REMOVAL AMOUNT	TOTAL DEPRECIATION RELATED TO COST OF REMOVAL RATE (%)
	(1)		(2)	(3)	(4)	(5)	(6)=(5)/(4)	(7)	(8)=(5)+(7)	(9)=(8)/(4)	(10)=(3)*(4)/(2)	(11)=(10)/(4)
12000	**THERMAL GENERATION**											
12050	**BRANDON UNIT 5 (COAL)**											
1205B	POWERHOUSE	2020	65-R4	0	11,729,518	421,297	3.59	33,269	454,566	3.88		0.00
1205C	POWERHOUSE RENOVATIONS	2020 *	25-SQ	0						10.00		0.00 **
1205F	ROADS AND SITE IMPROVEMENTS	2020	50-R3	0	4,012,331	172,888	4.31	10,876	183,764	4.58		0.00
1205G	THERMAL TURBINES AND GENERATORS	2020	50-S3	0	19,611,168	943,669	4.81	43,658	987,327	5.03		0.00
1205H	GOVERNORS AND EXCITATION SYSTEM	2020	50-R4	0	2,343,861	114,615	4.89	4,453	119,068	5.08		0.00
1205J	STEAM GENERATOR AND AUXILIARIES	2020	65-R2.5	0	14,827,183	537,727	3.63	48,406	586,133	3.95		0.00
1205L	LICENCE RENEWAL	2020 *	50-SQ	0				0		10.00		0.00 **
1205P	A/C ELECTRICAL POWER SYSTEMS	2020	50-R3	0	8,009,703	298,720	3.73	26,752	325,472	4.06		0.00
1205Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2020	23-L2	0	26,389,775	1,187,090	4.50	325,754	1,512,844	5.73		0.00
1205R	AUXILIARY STATION PROCESSES	2020	40-R2.5	0	47,306,417	2,029,000	4.29	194,813	2,223,813	4.70		0.00
1205X	SUPPORT BUILDINGS	2020	65-R3	0	7,253,899	290,663	4.01	18,192	308,855	4.26		0.00
1205W	SUPPORT BUILDING RENOVATIONS	2020 *	20-SQ	0						10.00		0.00 **
	TOTAL BRANDON UNIT 5 (COAL)				**141,483,855**	**5,995,669**	**4.24**	**706,173**	**6,701,842**	**4.74**		**0.00**
12100	**BRANDON UNITS 6 AND 7**											
1210B	POWERHOUSE		65-R4	(10)	14,925,029	243,278	1.63	(8,469)	234,809	1.57	22,962	0.15
1210C	POWERHOUSE RENOVATIONS	*	25-SQ	(10)						4.00		0.40 **
1210G	THERMAL TURBINES AND GENERATORS		50-S3	(10)	9,823,758	210,228	2.14	(9,612)	200,616	2.04	19,648	0.20
1210H	GOVERNORS AND EXCITATION SYSTEM	*	50-R4	(10)						2.00		0.20
1210K	COMBUSTION TURBINE		25-R3	(10)	143,284,091	6,209,411	4.33	(491,857)	5,717,554	3.99	573,136	0.40
1210L	LICENCE RENEWAL	*	50-SQ	0				0		2.00		0.00 **
1210M	COMBUSTION TURBINE OVERHAULS	*	10-SQ	(10)						10.00		1.00 **
1210P	A/C ELECTRICAL POWER SYSTEMS		50-R3	(10)	6,252,586	140,103	2.24	(4,300)	135,803	2.17	12,505	0.20
1210Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		23-L2	(10)	1,114,338	58,917	5.29	(954)	57,963	5.20	4,845	0.43
1210R	AUXILIARY STATION PROCESSES		40-R2.5	(10)	10,639,560	303,938	2.86	(6,089)	297,849	2.80	26,599	0.25
	TOTAL BRANDON UNITS 6 AND 7				**186,039,362**	**7,165,875**	**3.85**	**(521,281)**	**6,644,594**	**3.57**	**659,694**	**0.35**
12150	**SELKIRK**											
1215B	POWERHOUSE		65-R4	(10)	6,808,812	103,363	1.52	(103,363)	0	0.00	10,475	0.15
1215C	POWERHOUSE RENOVATIONS	*	25-SQ	(10)						4.00		0.40 **
1215F	ROADS AND SITE IMPROVEMENTS		50-R3	(10)	1,630,443	33,192	2.04	(11,996)	21,196	1.30	3,261	0.20
1215G	THERMAL TURBINES AND GENERATORS		50-S3	(10)	22,750,003	463,219	2.04	(131,847)	331,372	1.46	45,500	0.20
1215H	GOVERNORS AND EXCITATION SYSTEM		50-R4	(10)	17,307	363	2.10	0	363	2.10	35	0.20
1215J	STEAM GENERATOR AND AUXILIARIES		65-R2.5	(10)	48,630,259	875,389	1.80	(90,184)	785,205	1.61	74,816	0.15
1215L	LICENCE RENEWAL	*	50-SQ	0				0		2.00		0.00 **
1215P	A/C ELECTRICAL POWER SYSTEMS		50-R3	(10)	3,171,700	60,074	1.89	(60,074)	0	0.00	6,343	0.20
1215Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		23-L2	(10)	5,257,468	230,742	4.39	(86,725)	144,017	2.74	22,859	0.43
1215R	AUXILIARY STATION PROCESSES		40-R2.5	(10)	13,791,022	347,456	2.52	(131,794)	215,662	1.56	34,478	0.25
1215X	SUPPORT BUILDINGS		65-R3	(10)	1,033,229	16,411	1.59	(5,711)	10,700	1.04	1,590	0.15
1215W	SUPPORT BUILDING RENOVATIONS	*	20-SQ	(10)						5.00		0.50 **
	TOTAL SELKIRK				**103,090,244**	**2,130,209**	**2.07**	**(621,693)**	**1,508,516**	**1.46**	**199,355**	**0.19**
	TOTAL THERMAL GENERATION				**430,613,460**	**15,291,753**	**3.55**	**(436,801)**	**14,854,952**	**3.45**	**859,050**	**0.20**
	TOTAL GENERATION				**5,147,080,643**	**84,449,668**	**1.64**	**(3,740,667)**	**80,709,001**	**1.57**	**6,206,630**	**0.12**
	DIESEL GENERATION											
1300B	BUILDINGS		30-R3	(5)	9,191,362	326,843	3.56	(86,671)	240,172	2.61	15,319	0.17
1300C	BUILDING RENOVATIONS		15-SQ	0	17,685	1,180	6.67	0	1,180	6.67	0	0.00 **
1300M	ENGINES AND GENERATORS - OVERHAULS	*	5-SQ	0						20.00	0	0.00 **
1300N	ENGINES AND GENERATORS		25-R2	0	18,152,912	786,200	4.33	(417,080)	369,120	2.03	0	0.00
1300Q	ACCESSORY STATION EQUIPMENT		20-R3	(5)	13,457,225	691,488	5.14	(324,773)	366,715	2.73	33,643	0.25
1300T	FUEL STORAGE AND HANDLING		30-R2	(5)	3,803,695	132,221	3.48	(44,685)	87,536	2.30	6,339	0.17
	TOTAL DIESEL GENERATION				**44,622,878**	**1,938,166**	**4.34**	**(873,894)**	**1,064,272**	**2.39**	**55,301**	**0.12**

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DEPRECIABLE WORK	LIFE SPAN DATE	ESTIMATED SURVIVOR CURVE	ESTIMATED NET SALVAGE	SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE (%)	ANNUAL PROVISION FOR TRUE-UP	TOTAL DEPRECIATION RELATED TO LIFE EXPENSE	TOTAL DEPRECIATION RELATED TO LIFE RATE (%)	TOTAL DEPRECIATION RELATED TO COST OF REMOVAL AMOUNT	TOTAL DEPRECIATION RELATED TO COST OF REMOVAL RATE (%)
	(1)		(2)	(3)	(4)	(5)	(6)=(5)/(4)	(7)	(8)=(5)+(7)	(9)=(8)/(4)	(10)=(3)*(4)/(2)	(11)=(10)/(4)
	TRANSMISSION											
2000F	ROADS, TRAILS AND BRIDGES		45-R2.5	0	4,045,718	99,873	2.47	6,361	106,234	2.63		0.00
2000G	METAL TOWERS AND CONCRETE POLES		85-R4	0	340,022,220	4,214,624	1.24	(161,184)	4,053,440	1.19		0.00
2000J	POLES AND FIXTURES		55-R3	0	104,983,312	2,062,273	1.96	(148,017)	1,914,256	1.82		0.00
2000K	GROUND LINE TREATMENT		10-SQ	0	1,410,002	141,000	10.00	0	141,000	10.00		0.00 **
2000L	OVERHEAD CONDUCTOR AND DEVICES		65-R4	0	304,577,152	4,878,544	1.60	(678,291)	4,200,253	1.38		0.00
2000M	UNDERGROUND CABLE AND DEVICES		45-R3	0	1,167,763	25,632	2.20	(55)	25,577	2.19		0.00
	TOTAL TRANSMISSION				**756,206,167**	**11,421,946**	**1.51**	**(981,186)**	**10,440,760**	**1.38**		**0.00**
	SUBSTATIONS											
3000B	BUILDINGS		65-R4	(5)	109,491,690	1,744,398	1.59	(139,988)	1,604,410	1.47	84,224	0.08
3000C	BUILDING RENOVATIONS		20-SQ	(5)	32,047	1,602	5.00	(154)	1,448	4.52	80	0.25 **
3000F	ROADS, STEEL STRUCTURES AND CIVIL SITE WORK		50-R4	(5)	109,211,425	2,277,088	2.09	(154,010)	2,123,078	1.94	109,211	0.10
3000J	POLES AND FIXTURES		40-R2	(5)	7,810,315	226,063	2.89	(18,563)	207,500	2.66	9,763	0.13
3100R	POWER TRANSFORMERS		50-R2	(5)	287,449,387	6,655,180	2.32	(111,017)	6,544,163	2.28	287,449	0.10
3100S	OTHER TRANSFORMERS		35-R2	(5)	72,153,356	2,236,110	3.10	(136,576)	2,099,534	2.91	103,076	0.14
3100T	INTERRUPTING EQUIPMENT		45-R2	(5)	156,214,257	3,796,877	2.43	(188,410)	3,608,467	2.31	173,571	0.11
3100U	OTHER STATION EQUIPMENT		43-R2	(5)	503,404,372	12,895,343	2.56	(535,320)	12,360,023	2.46	585,354	0.12
3100V	ELECTRONIC EQUIPMENT AND BATTERIES		20-R2	(5)	151,238,104	7,387,316	4.88	(587,409)	6,799,907	4.50	378,095	0.25
3200M	SYNCHRONOUS CONDENSERS AND TRANSFORMERS - HVDC		65-R2	(5)	111,737,981	1,868,055	1.67	(33,295)	1,834,760	1.64	85,952	0.08
3200N	SYNCHRONOUS CONDENSER OVERHAULS - HVDC		15-R2	(5)	11,320,594	872,949	7.71	(4,157)	868,792	7.67	37,735	0.33
3200P	CONVERTER EQUIPMENT - HVDC		25-R3	(5)	214,981,687	8,345,612	3.88	(1,677,703)	6,667,909	3.10	429,963	0.20
3200S	SERIALIZED EQUIPMENT - HVDC		25-R2	(5)	646,219,985	25,602,847	3.96	(2,939,742)	22,663,105	3.51	1,292,440	0.20
3200U	ACCESSORY STATION EQUIPMENT - HVDC		37-R4	(5)	55,177,090	1,517,320	2.75	(224,782)	1,292,538	2.34	74,564	0.14
3200V	ELECTRONIC EQUIPMENT AND BATTERIES - HVDC		20-R2	(5)	10,401,883	475,612	4.57	(71,832)	403,780	3.88	26,005	0.25
	TOTAL SUBSTATIONS				**2,446,844,172**	**75,902,372**	**3.10**	**(6,822,958)**	**69,079,414**	**2.82**	**3,677,484**	**0.15**
	DISTRIBUTION											
4000A	UNDERGROUND DUCT AND CONDUIT - CONCRETE		75-R4	0	63,964,331	1,527,948	2.39	(25,537)	1,502,410	2.35		0.00
4000C	UNDERGROUND DUCT - ROOF		50-R3	0	2,908,307	67,443	2.32	(180)	67,263	2.31		0.00
4000G	METAL TOWERS		50-R4	0	4,571,448	95,692	2.09	(31,968)	63,724	1.39		0.00
4000J	POLES AND FIXTURES		55-R3	0	566,174,558	11,372,345	2.01	(3,393,713)	7,978,632	1.41		0.00
4000K	GROUND LINE TREATMENT		10-SQ	0	33,145,019	3,175,797	9.58	0	3,175,797	9.58		0.00 **
4000L	OVERHEAD CONDUCTOR AND DEVICES		60-R2	0	613,820,471	12,240,277	1.99	(2,758,926)	9,481,351	1.54		0.00
4000M	UNDERGROUND CABLE AND DEVICES - 66 KV		70-R3	0	19,523,432	315,800	1.62	(2,459)	313,341	1.60		0.00
4000N	UNDERGROUND CABLE AND DEVICES - PRIMARY		60-R4	0	255,063,759	4,481,143	1.76	(175,275)	4,305,868	1.69		0.00
4000P	UNDERGROUND CABLE AND DEVICES - SECONDARY		45-R4	0	193,755,072	4,515,645	2.33	(231,986)	4,283,659	2.21		0.00
4000Q	SERIALIZED EQUIPMENT - OVERHEAD		35-R3	0	175,924,348	5,338,957	3.03	(961,308)	4,377,649	2.49		0.00
4000R	DSC - HIGH VOLTAGE TRANSFORMERS		50-R2	0	5,415,940	141,158	2.61	(5,659)	135,499	2.50		0.00
4000S	SERIALIZED EQUIPMENT - UNDERGROUND		40-R3	0	174,049,772	4,765,046	2.74	(543,161)	4,221,885	2.43		0.00
4000V	ELECTRONIC EQUIPMENT	*	10-SQ	0						10.00		0.00 **
4000W	SERVICES		30-R2	0	123,228,795	4,491,301	3.64	(783,649)	3,707,652	3.01		0.00
4000X	STREET LIGHTING		35-R3	0	147,121,573	4,368,898	2.97	(529,097)	3,839,801	2.61		0.00
	TOTAL DISTRIBUTION				**2,378,666,825**	**56,897,450**	**2.39**	**(9,442,919)**	**47,454,531**	**2.00**		**0.00**
	METERS											0.00
4900V	METERS - ELECTRONIC		20-R1.5	0	16,111,185	926,414	5.75	345,036	1,271,450	7.89		0.00
4900Y	METERS - ANALOG		25-R3	0	22,469,156	747,164	3.33	2,484,180	3,231,344	14.38		0.00
4900Z	METERING TRANSFORMERS		40-R1.5	0	8,984,899	252,210	2.81	(4,448)	247,762	2.76		0.00
	TOTAL METERS				**47,565,240**	**1,925,788**	**4.05**	**2,824,768**	**4,750,556**	**9.99**		**0.00**

MANITOBA HYDRO

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS AT ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION	SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE AMOUNT	ACCUMULATED DEPRECIATION VARIANCE PERCENT	PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP
	(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)
10000	**GENERATION**							
11000	**HYDRAULIC GENERATION**							
11050	**GREAT FALLS**							
1105A	DAMS, DYKES AND WEIRS	17,302,772	6,214,538	7,613,124	(1,398,586)	(0.23)	51.3	(27,263)
1105B	POWERHOUSE	7,990,993	3,038,329	3,698,385	(660,056)	(0.22)	50.6	(13,045)
1105C	POWERHOUSE RENOVATIONS *							**
1105D	SPILLWAY	9,676,327	3,727,033	3,999,802	(272,769)	(0.07)	39.2	(6,958)
1105E	WATER CONTROL SYSTEMS	24,245,253	8,269,309	9,971,579	(1,702,270)	(0.21)	33.5	(50,814)
1105F	ROADS AND SITE IMPROVEMENTS	213,964	10,408	11,365	(957)	(0.09)	39.7	(24)
1105G	TURBINES AND GENERATORS	25,128,789	7,085,426	8,424,895	(1,339,469)	(0.19)	44.1	(30,373)
1105H	GOVERNORS AND EXCITATION SYSTEM	492,218	161,825	193,442	(31,617)	(0.20)	39.0	(811)
1105L	LICENCE RENEWAL *							**
1105P	A/C ELECTRICAL POWER SYSTEMS	9,493,088	3,314,653	3,714,794	(400,141)	(0.12)	31.1	(12,866)
1105Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	19,271,956	6,679,465	6,778,449	(98,984)	(0.01)	13.2	(7,499)
1105R	AUXILIARY STATION PROCESSES	8,345,798	3,026,374	3,244,974	(218,600)	(0.07)	24.0	(9,108)
1105X	SUPPORT BUILDINGS	1,495,253	638,944	750,898	(111,954)	(0.18)	39.7	(2,820)
1105W	SUPPORT BUILDING RENOVATIONS *							**
	TOTAL GREAT FALLS	**123,656,412**	**42,166,304**	**48,401,707**	**(6,235,403)**	**(0.15)**		**(161,581)**
11100	**POINTE DU BOIS**							
1110A	DAMS, DYKES AND WEIRS	11,263,332	1,889,913	3,807,139	(1,917,226)	(1.01)	21.0	(91,296)
1110B	POWERHOUSE	6,242,749	552,108	1,114,041	(561,933)	(1.02)	21.0	(26,759)
1110C	POWERHOUSE RENOVATIONS *							**
1110D	SPILLWAY - ORIGINAL	3,104,842	717,684	1,300,951	(583,267)	(0.81)	6.9	(84,531)
1110E	WATER CONTROL SYSTEMS							
1110F	ROADS AND SITE IMPROVEMENTS	4,027,603	814,575	1,644,546	(829,971)	(1.02)	21.0	(39,522)
1110G	TURBINES AND GENERATORS	28,533	6,120	12,046	(5,926)	(0.97)	20.1	(295)
1110H	GOVERNORS AND EXCITATION SYSTEMS *	24,610,324	3,159,817	6,374,825	(3,215,008)	(1.02)	21.0	(153,096)
1110L	LICENCE RENEWAL *							**
1110P	A/C ELECTRICAL POWER SYSTEMS							
1110Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	6,057,709	481,479	947,448	(465,969)	(0.97)	20.3	(22,954)
1110R	AUXILIARY STATION PROCESSES	355,559	50,269	88,467	(38,198)	(0.76)	14.8	(2,581)
1110X	SUPPORT BUILDINGS	1,377,014	239,152	448,852	(209,700)	(0.88)	18.5	(11,335)
1110W	SUPPORT BUILDING RENOVATIONS *	2,616,290	666,189	1,324,449	(658,260)	(0.99)	20.5	(32,110) **
1111D	SPILLWAY - NEW *							
	TOTAL POINTE DU BOIS	**59,683,956**	**8,577,306**	**17,062,765**	**(8,485,459)**	**(0.99)**		**(464,480)**
11150	**SEVEN SISTERS**							
1115A	DAMS, DYKES AND WEIRS	31,497,995	10,903,236	15,406,970	(4,503,734)	(0.41)	59.1	(76,205)
1115B	POWERHOUSE	13,653,945	5,953,556	8,292,614	(2,339,058)	(0.39)	57.5	(40,679)
1115C	POWERHOUSE RENOVATIONS *							**
1115D	SPILLWAY	2,841,355	1,392,766	1,607,456	(214,690)	(0.15)	40.7	(5,275)
1115E	WATER CONTROL SYSTEMS	4,296,891	2,019,990	2,839,823	(819,833)	(0.41)	34.6	(23,695)
1115F	ROADS AND SITE IMPROVEMENTS	201,701	102,573	142,642	(40,069)	(0.39)	33.8	(1,185)
1115G	TURBINES AND GENERATORS	41,208,963	9,885,456	13,488,286	(3,602,830)	(0.36)	47.7	(75,531)
1115H	GOVERNORS AND EXCITATION SYSTEM	6,860	5,805	8,062	(2,257)	(0.39)	5.0	(451)
1115L	LICENCE RENEWAL *							**
1115P	A/C ELECTRICAL POWER SYSTEMS	10,648,619	3,796,763	4,966,536	(1,169,773)	(0.31)	32.4	(36,104)
1115Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	3,821,416	2,049,090	2,386,760	(337,670)	(0.16)	11.4	(29,620)
1115R	AUXILIARY STATION PROCESSES	5,224,958	2,217,975	2,809,589	(591,614)	(0.27)	23.3	(25,391)
1115X	SUPPORT BUILDINGS	608,294	105,899	137,334	(31,435)	(0.30)	46.5	(676)
1115W	SUPPORT BUILDING RENOVATIONS *							**
	TOTAL SEVEN SISTERS	**114,010,998**	**38,433,109**	**52,086,073**	**(13,652,964)**	**(0.36)**		**(314,814)**

MANITOBA HYDRC

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP FOR THE TWELVE MONTHS AT ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION (1)		SURVIVING ORIGINAL COST AT 03/31/2010 (2)	CALCULATED ACCRUED DEPRECIATION (3)	BOOK ACCUMULATED DEPRECIATION (4)	ACCUMULATED DEPRECIATION VARIANCE AMOUNT (5) = (3)-(4)	ACCUMULATED DEPRECIATION VARIANCE PERCENT (6) = (5)/(3)	PROBABLE REMAINING LIFE (7)	ANNUAL PROVISION FOR TRUE-UP (8)=(5)/(7)	
11200	**SLAVE FALLS**									
1120A	DAMS, DYKES AND WEIRS		954,684	44,764	54,185	(9,421)	(0.21)	61.4	(153)	
1120B	POWERHOUSE		45,692,194	4,903,168	5,952,681	(1,049,513)	(0.21)	61.5	(17,065)	
1120C	POWERHOUSE RENOVATIONS	*								**
1120D	SPILLWAY		760,201	61,294	58,657	2,637	0.04	45.4	58	
1120E	WATER CONTROL SYSTEMS		318,933	24,068	28,347	(4,279)	(0.18)	44.7	(96)	
1120F	ROADS AND SITE IMPROVEMENTS		769,506	78,949	83,156	(4,207)	(0.05)	39.4	(107)	
1120G	TURBINES AND GENERATORS		11,630,909	1,490,317	1,739,984	(249,667)	(0.17)	50.7	(4,924)	
1120H	GOVERNORS AND EXCITATION SYSTEMS	*								
1120L	LICENCE RENEWAL	*								**
1120P	A/C ELECTRICAL POWER SYSTEMS		21,815,741	1,944,102	2,060,897	(116,795)	(0.06)	39.3	(2,972)	
1120Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		786,382	108,358	104,882	3,476	0.03	16.0	217	
1120R	AUXILIARY STATION PROCESSES		2,201,466	179,198	171,468	7,730	0.04	29.5	262	
1120X	SUPPORT BUILDINGS		3,724,095	507,079	552,458	(45,379)	(0.09)	47.5	(955)	
1120W	SUPPORT BUILDING RENOVATIONS	*								**
	TOTAL SLAVE FALLS		**88,654,109**	**9,341,297**	**10,806,713**	**(1,465,416)**	**(0.16)**		**(25,735)**	
11250	**PINE FALLS**									
1125A	DAMS, DYKES AND WEIRS		14,110,589	2,084,324	2,573,116	(488,792)	(0.23)	77.3	(6,323)	
1125B	POWERHOUSE		10,060,843	4,528,984	5,542,973	(1,013,989)	(0.22)	63.5	(15,968)	
1125C	POWERHOUSE RENOVATIONS	*								**
1125D	SPILLWAY		93,376	3,551	3,149	402	0.11	49.8	8	
1125E	WATER CONTROL SYSTEMS		3,564,106	1,925,975	2,388,172	(462,197)	(0.24)	30.8	(15,006)	
1125F	ROADS AND SITE IMPROVEMENTS		1,178,575	932,226	1,130,898	(198,672)	(0.21)	10.5	(18,921)	
1125G	TURBINES AND GENERATORS		9,464,220	4,932,555	5,889,287	(956,732)	(0.19)	38.0	(25,177)	
1125H	GOVERNORS AND EXCITATION SYSTEMS	*								
1125L	LICENCE RENEWAL	*								**
1125P	A/C ELECTRICAL POWER SYSTEMS		5,071,108	1,827,772	2,169,610	(341,838)	(0.19)	36.1	(9,469)	
1125Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		2,156,586	1,110,121	1,145,153	(35,032)	(0.03)	10.6	(3,305)	
1125R	AUXILIARY STATION PROCESSES		3,790,230	1,523,378	1,704,847	(181,469)	(0.12)	24.1	(7,530)	
1125X	SUPPORT BUILDINGS		336,412	88,521	99,028	(10,507)	(0.12)	43.6	(241)	
1125W	SUPPORT BUILDING RENOVATIONS	*								**
1125Z	COMMUNITY DEVELOPMENT COSTS		4,425,543	533,832	710,240	(176,408)	(0.33)	71.4	(2,471)	**
	TOTAL PINE FALLS		**54,251,587**	**19,491,239**	**23,356,474**	**(3,865,235)**	**(0.20)**		**(104,404)**	
11300	**MCARTHUR FALLS**									
1130A	DAMS, DYKES AND WEIRS		3,578,068	1,327,762	1,583,088	(255,326)	(0.19)	69.1	(3,695)	
1130B	POWERHOUSE		9,523,798	4,217,087	5,018,727	(801,640)	(0.19)	64.3	(12,467)	
1130C	POWERHOUSE RENOVATIONS	*								**
1130D	SPILLWAY		2,351,438	1,566,058	1,703,092	(137,034)	(0.09)	27.8	(4,929)	
1130E	WATER CONTROL SYSTEMS		11,703,203	4,138,832	5,007,819	(868,987)	(0.21)	33.3	(26,096)	
1130F	ROADS AND SITE IMPROVEMENTS		234,820	111,788	127,773	(15,985)	(0.14)	29.0	(551)	
1130G	TURBINES AND GENERATORS		5,096,367	3,966,488	4,670,712	(704,224)	(0.18)	15.7	(44,855)	
1130H	GOVERNORS AND EXCITATION SYSTEM		119,315	32,237	38,021	(5,784)	(0.18)	34.9	(166)	
1130L	LICENCE RENEWAL	*								**
1130P	A/C ELECTRICAL POWER SYSTEMS		2,480,539	1,548,716	1,818,844	(270,128)	(0.17)	29.3	(9,219)	
1130Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		1,245,885	697,673	747,884	(50,211)	(0.07)	12.3	(4,082)	
1130R	AUXILIARY STATION PROCESSES		3,440,197	1,347,401	1,483,474	(136,073)	(0.10)	25.0	(5,443)	
1130X	SUPPORT BUILDINGS		227,212	59,529	65,327	(5,798)	(0.10)	43.7	(133)	
1130W	SUPPORT BUILDING RENOVATIONS	*								**
	TOTAL MCARTHUR FALLS		**40,000,842**	**19,013,571**	**22,264,760**	**(3,251,189)**	**(0.17)**		**(111,636)**	

MANITOBA HYDRC

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS AT ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION	SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE AMOUNT	ACCUMULATED DEPRECIATION VARIANCE PERCENT	PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP
	(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)
11350	**KELSEY**							
1135A	DAMS, DYKES AND WEIRS	11,066,409	2,091,406	2,388,154	(296,748)	(0.14)	81.9	(3,623)
1135B	POWERHOUSE	27,569,817	10,369,448	11,797,459	(1,428,011)	(0.14)	71.8	(19,889)
1135C	POWERHOUSE RENOVATIONS *							**
1135D	SPILLWAY	5,331,929	3,272,738	3,337,776	(65,038)	(0.02)	31.1	(2,091)
1135E	WATER CONTROL SYSTEMS	11,792,566	5,095,822	5,858,592	(762,770)	(0.15)	37.6	(20,286)
1135F	ROADS AND SITE IMPROVEMENTS	6,442,928	3,327,136	3,675,535	(348,399)	(0.10)	28.5	(12,225)
1135G	TURBINES AND GENERATORS	130,323,693	9,810,603	10,889,594	(1,078,991)	(0.11)	56.8	(18,996)
1135H	GOVERNORS AND EXCITATION SYSTEM	88,651	25,248	28,203	(2,955)	(0.12)	33.9	(87)
1135L	LICENCE RENEWAL *							**
1135P	A/C ELECTRICAL POWER SYSTEMS	5,751,610	3,144,625	3,442,084	(297,459)	(0.09)	24.5	(12,141)
1135Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	3,595,490	1,573,603	1,535,475	38,128	0.02	12.3	3,100
1135R	AUXILIARY STATION PROCESSES	7,788,815	3,256,761	3,361,853	(105,092)	(0.03)	22.6	(4,650)
1135X	SUPPORT BUILDINGS	9,953,977	1,934,994	2,030,173	(95,179)	(0.05)	47.1	(2,021)
1135W	SUPPORT BUILDING RENOVATIONS *							**
	TOTAL KELSEY	**219,705,886**	**43,902,384**	**48,344,899**	**(4,442,515)**	**(0.10)**		**(92,910)**
11400	**GRAND RAPIDS**							
1140A	DAMS, DYKES AND WEIRS	53,468,974	16,904,945	20,241,182	(3,336,237)	(0.20)	71.3	(46,792)
1140B	POWERHOUSE	24,506,522	9,074,278	10,870,236	(1,795,958)	(0.20)	69.2	(25,953)
1140C	POWERHOUSE RENOVATIONS *							**
1140D	SPILLWAY	5,308,334	2,984,459	3,127,598	(143,139)	(0.05)	34.1	(4,198)
1140E	WATER CONTROL SYSTEMS	15,982,492	10,781,268	12,935,293	(2,154,025)	(0.20)	35.0	(61,544)
1140F	ROADS AND SITE IMPROVEMENTS	2,581,475	1,853,663	2,151,076	(297,413)	(0.16)	18.7	(15,904)
1140G	TURBINES AND GENERATORS	113,066,160	24,914,070	28,837,308	(3,923,238)	(0.16)	48.1	(81,564)
1140H	GOVERNORS AND EXCITATION SYSTEM	42,718	9,742	11,420	(1,678)	(0.17)	37.8	(44)
1140L	LICENCE RENEWAL *							**
1140P	A/C ELECTRICAL POWER SYSTEMS	8,240,545	2,996,076	3,393,467	(397,391)	(0.13)	32.2	(12,341)
1140Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	4,674,247	3,162,334	3,344,181	(181,847)	(0.06)	10.2	(17,828)
1140R	AUXILIARY STATION PROCESSES	5,600,506	1,772,923	1,867,556	(94,633)	(0.05)	25.0	(3,785)
1140X	SUPPORT BUILDINGS	6,190,376	1,167,718	1,266,627	(98,909)	(0.08)	47.1	(2,100)
1140W	SUPPORT BUILDING RENOVATIONS *							**
1140Z	COMMUNITY DEVELOPMENT COSTS	101,442,997	11,399,379	17,852,104	(6,452,725)	(0.57)	71.2	(90,628)
	TOTAL GRAND RAPIDS	**341,105,346**	**87,020,855**	**105,898,046**	**(18,877,191)**	**(0.22)**		**(362,682)**
11450	**KETTLE**							
1145A	DAMS, DYKES AND WEIRS	45,280,663	14,457,365	17,156,728	(2,699,363)	(0.19)	79.0	(34,169)
1145B	POWERHOUSE	146,207,420	46,205,345	54,832,267	(8,626,922)	(0.19)	79.3	(108,788)
1145C	POWERHOUSE RENOVATIONS *							**
1145D	SPILLWAY	25,406,960	12,672,991	13,102,475	(429,484)	(0.03)	37.7	(11,392)
1145E	WATER CONTROL SYSTEMS	17,834,945	12,943,500	15,570,815	(2,627,315)	(0.20)	15.1	(173,994)
1145F	ROADS AND SITE IMPROVEMENTS	10,591	2,234	2,424	(190)	(0.08)	35.5	(5)
1145G	TURBINES AND GENERATORS	70,740,028	38,119,760	44,332,641	(6,212,881)	(0.16)	29.8	(208,486)
1145H	GOVERNORS AND EXCITATION SYSTEM	3,304,326	2,291,949	2,718,363	(426,414)	(0.19)	16.3	(26,160)
1145L	LICENCE RENEWAL *							**
1145P	A/C ELECTRICAL POWER SYSTEMS	6,771,761	2,715,301	3,063,216	(347,915)	(0.13)	29.9	(11,636)
1145Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	12,001,279	7,812,908	8,161,591	(348,683)	(0.04)	10.2	(34,185)
1145R	AUXILIARY STATION PROCESSES	15,361,985	8,293,267	9,355,269	(1,062,002)	(0.13)	21.2	(50,094)
1145X	SUPPORT BUILDINGS	3,908,404	2,242,225	2,527,081	(284,856)	(0.13)	27.7	(10,284)
1145W	SUPPORT BUILDING RENOVATIONS *							**
	TOTAL KETTLE	**346,828,362**	**147,756,845**	**170,822,869**	**(23,066,024)**	**(0.16)**		**(669,194)**

MANITOBA HYDRC

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS AT ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION		SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE AMOUNT	ACCUMULATED DEPRECIATION VARIANCE PERCENT	PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP	
	(1)		(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)	
11500	**LAURIE RIVER**									
1150A	DAMS, DYKES AND WEIRS		355,538	177,539	119,594	57,945	0.33	22.0	2,634	
1150B	POWERHOUSE		7,664,146	1,880,047	1,265,197	614,850	0.33	22.0	27,948	
1150C	POWERHOUSE RENOVATIONS	*								**
1150D	SPILLWAY		870,000	372,186	240,118	132,068	0.35	20.7	6,380	
1150E	WATER CONTROL SYSTEMS		458,033	180,347	121,277	59,070	0.33	21.7	2,722	
1150F	ROADS AND SITE IMPROVEMENTS		1,441,914	607,104	394,599	212,505	0.35	19.9	10,679	
1150G	TURBINES AND GENERATORS		4,603,136	777,293	522,394	254,899	0.33	21.9	11,639	
1150H	GOVERNORS AND EXCITATION SYSTEM		882,653	94,232	63,131	31,101	0.33	21.8	1,427	
1150L	LICENCE RENEWAL	*								**
1150P	A/C ELECTRICAL POWER SYSTEMS		1,441,945	532,317	347,758	184,559	0.35	20.5	9,003	
1150Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		1,220,047	769,647	436,660	332,987	0.43	8.4	39,641	
1150R	AUXILIARY STATION PROCESSES		308,504	130,042	80,696	49,346	0.38	18.3	2,697	
1150X	SUPPORT BUILDINGS		355,919	161,943	106,876	55,067	0.34	21.0	2,622	
1150W	SUPPORT BUILDING RENOVATIONS	*								**
	TOTAL LAURIE RIVER		**19,601,835**	**5,682,697**	**3,698,298**	**1,984,399**	**0.35**		**117,391**	
11550	**JENPEG**									
1155A	DAMS, DYKES AND WEIRS		15,295,318	3,325,195	3,661,242	(336,047)	(0.10)	88.4	(3,801)	
1155B	POWERHOUSE		76,905,294	21,018,339	23,110,365	(2,092,026)	(0.10)	84.3	(24,816)	
1155C	POWERHOUSE RENOVATIONS	*								**
1155D	SPILLWAY		14,942,733	6,657,678	6,251,622	406,056	0.06	40.1	10,126	
1155E	WATER CONTROL SYSTEMS		16,762,099	10,865,384	12,126,362	(1,260,978)	(0.12)	17.4	(72,470)	
1155F	ROADS AND SITE IMPROVEMENTS		1,563,205	735,898	769,243	(33,345)	(0.05)	25.8	(1,292)	
1155G	TURBINES AND GENERATORS		79,641,550	36,965,814	39,906,553	(2,940,739)	(0.08)	33.4	(88,046)	
1155H	GOVERNORS AND EXCITATION SYSTEMS	*								
1155L	LICENCE RENEWAL	*								**
1155P	A/C ELECTRICAL POWER SYSTEMS		19,308,049	12,128,595	12,814,770	(686,175)	(0.06)	19.1	(35,925)	
1155Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		3,343,800	2,154,070	2,014,895	139,175	0.06	9.0	15,464	
1155R	AUXILIARY STATION PROCESSES		9,796,258	4,363,099	4,457,960	(94,861)	(0.02)	21.6	(4,392)	
1155X	SUPPORT BUILDINGS		7,885,397	2,301,830	2,365,167	(63,337)	(0.03)	42.5	(1,490)	
1155W	SUPPORT BUILDING RENOVATIONS	*								**
	TOTAL JENPEG		**245,443,703**	**100,515,902**	**107,478,180**	**(6,962,278)**	**(0.07)**		**(206,644)**	
11600	**LAKE WINNIPEG REGULATION**									
1160A	DAMS, DYKES AND WEIRS		96,807,065	26,325,352	33,231,067	(6,905,715)	(0.26)	86.7	(79,651)	
1160L	LICENCE RENEWAL	*								**
1160Z	COMMUNITY DEVELOPMENT COSTS		387,802,871	54,108,862	73,448,592	(19,339,730)	(0.36)	86.6	(223,323)	**
	TOTAL LAKE WINNIPEG REGULATION		**484,609,937**	**80,434,214**	**106,679,659**	**(26,245,445)**	**(0.33)**		**(302,973)**	
11650	**CHURCHILL RIVER DIVERSION**									
1165A	DAMS, DYKES AND WEIRS		114,718,213	30,724,065	31,921,746	(1,197,681)	(0.04)	87.1	(13,751)	
1165D	SPILLWAY		56,442,246	25,314,347	22,609,467	2,704,880	0.11	40.0	67,622	
1165E	WATER CONTROL SYSTEMS		17,583,551	11,612,927	12,324,199	(711,272)	(0.06)	16.7	(42,591)	
1165F	ROADS AND SITE IMPROVEMENTS		6,799,023	4,272,805	4,291,935	(19,130)	(0.00)	19.0	(1,007)	
1165L	LICENCE RENEWAL	*								**
1165P	A/C ELECTRICAL POWER SYSTEMS		1,596,593	1,005,012	1,009,712	(4,700)	(0.00)	19.0	(247)	
1165Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		1,417,862	1,197,658	1,107,794	89,864	0.08	6.0	14,977	
1165R	AUXILIARY STATION PROCESSES		1,799,312	498,971	462,083	36,888	0.07	25.7	1,435	
1165X	SUPPORT BUILDINGS		28,361	4,169	3,968	201	0.05	49.3	4	
1165W	SUPPORT BUILDING RENOVATIONS	*								**
1165Z	COMMUNITY DEVELOPMENT COSTS		305,036,524	55,319,169	74,130,320	(18,811,151)	(0.34)	82.5	(228,014)	**
	TOTAL CHURCHILL RIVER DIVERSION		**505,421,684**	**129,949,123**	**147,861,224**	**(17,912,101)**	**(0.14)**		**(201,571)**	

MANITOBA HYDRC

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS AT ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION	SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE AMOUNT	ACCUMULATED DEPRECIATION VARIANCE PERCENT	PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP
	(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)
11700	**LONG SPRUCE**							
1170A	DAMS, DYKES AND WEIRS	64,744,494	17,136,124	18,797,519	(1,661,395)	(0.10)	85.2	(19,500)
1170B	POWERHOUSE	143,780,355	38,092,455	41,787,059	(3,694,604)	(0.10)	85.2	(43,364)
1170C	POWERHOUSE RENOVATIONS	*						**
1170D	SPILLWAY	42,273,617	18,296,252	17,142,264	1,153,988	0.06	41.0	28,146
1170E	WATER CONTROL SYSTEMS	57,946,281	37,207,115	41,449,762	(4,242,647)	(0.11)	17.5	(242,437)
1170F	ROADS AND SITE IMPROVEMENTS	1,172,867	657,177	687,609	(30,432)	(0.05)	22.0	(1,383)
1170G	TURBINES AND GENERATORS	143,328,643	72,028,075	77,103,787	(5,075,712)	(0.07)	30.7	(165,333)
1170H	GOVERNORS AND EXCITATION SYSTEM	145,844	20,097	21,732	(1,635)	(0.08)	40.7	(40)
1170L	LICENCE RENEWAL	*						**
1170P	A/C ELECTRICAL POWER SYSTEMS	30,503,528	17,655,095	18,542,547	(887,452)	(0.05)	21.3	(41,664)
1170Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	4,409,200	3,518,156	3,373,611	144,545	0.04	6.9	20,949
1170R	AUXILIARY STATION PROCESSES	12,199,119	6,909,582	7,135,875	(226,293)	(0.03)	17.9	(12,642)
1170X	SUPPORT BUILDINGS	160,484	18,662	18,618	44	0.00	50.4	1
1170W	SUPPORT BUILDING RENOVATIONS	*						**
	TOTAL LONG SPRUCE	**500,664,431**	**211,538,790**	**226,060,384**	**(14,521,594)**	**(0.07)**		**(477,268)**
11750	**LIMESTONE**							
1175A	DAMS, DYKES AND WEIRS	33,258,073	5,378,081	5,756,238	(378,157)	(0.07)	96.8	(3,907)
1175B	POWERHOUSE	461,430,334	74,262,785	79,485,351	(5,222,566)	(0.07)	96.9	(53,896)
1175C	POWERHOUSE RENOVATIONS	*						**
1175D	SPILLWAY	201,240,773	56,703,974	49,241,598	7,462,376	0.13	47.6	156,773
1175E	WATER CONTROL SYSTEMS	116,224,392	44,988,138	48,919,806	(3,931,668)	(0.09)	29.6	(132,827)
1175F	ROADS AND SITE IMPROVEMENTS	17,164,432	6,795,781	6,832,303	(36,522)	(0.01)	28.5	(1,281)
1175G	TURBINES AND GENERATORS	403,825,745	124,076,655	130,029,479	(5,952,824)	(0.05)	42.0	(141,734)
1175H	GOVERNORS AND EXCITATION SYSTEM	16,584,271	6,439,021	6,847,507	(408,486)	(0.06)	29.2	(13,989)
1175L	LICENCE RENEWAL	*						**
1175P	A/C ELECTRICAL POWER SYSTEMS	144,317,307	57,149,653	57,457,004	(307,351)	(0.01)	28.5	(10,784)
1175Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	8,333,373	5,237,449	4,778,396	459,053	0.09	9.1	50,445
1175R	AUXILIARY STATION PROCESSES	36,054,205	16,111,470	15,631,104	480,366	0.03	21.2	22,659
1175X	SUPPORT BUILDINGS	5,703,494	1,625,607	1,616,130	9,477	0.01	42.6	222
1175W	SUPPORT BUILDING RENOVATIONS	*						**
	TOTAL LIMESTONE	**1,444,136,399**	**398,768,614**	**406,594,917**	**(7,826,303)**	**(0.02)**		**(128,319)**
11800	**WUSKWATIM**							
1180A	DAMS, DYKES AND WEIRS	*						
1180B	POWERHOUSE	*						
1180C	POWERHOUSE RENOVATIONS	*						**
1180D	SPILLWAY	*						
1180E	WATER CONTROL SYSTEMS	*						
1180F	ROADS AND SITE IMPROVEMENTS	*						
1180G	TURBINES AND GENERATORS	*						
1180H	GOVERNORS AND EXCITATION SYSTEM	*						
1180P	A/C ELECTRICAL POWER SYSTEMS	*						
1180Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	*						
1180R	AUXILIARY STATION PROCESSES	*						
1180X	SUPPORT BUILDINGS	*						
1180W	SUPPORT BUILDING RENOVATIONS	*						**
	TOTAL WUSKWATIM	**0**	**0**	**0**	**0**	**0.00**		**0**
11990	**INFRASTRUCTURE SUPPORTING GENERATION**							
1199F	PROVINCIAL ROADS	25,380,938	14,256,798	13,691,986	564,812	0.04	21.8	25,909
1199V	TOWN SITE BUILDINGS	63,280,714	21,821,338	18,850,678	2,970,660	0.14	38.2	77,766
1199W	TOWN SITE BUILDINGS RENOVATIONS	13,502,581	2,082,369	809,439	1,272,930	0.61	16.0	79,558 **
1199Y	TOWN SITE OTHER INFRASTRUCTURE	26,527,464	6,785,574	6,187,988	597,586	0.09	30.3	19,722
	TOTAL INFRASTRUCTURE SUPPORTING GENERATION	**128,691,696**	**44,946,079**	**39,540,091**	**5,405,988**	**0.12**		**202,955**
	TOTAL HYDRAULIC GENERATION	**4,716,467,183**	**1,387,538,329**	**1,536,957,059**	**(149,418,730)**	**(0.11)**		**(3,303,866)**

MH Exhibit #22

MANITOBA HYDRC

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS AT ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION		SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE AMOUNT	ACCUMULATED DEPRECIATION VARIANCE PERCENT	PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP	
	(1)		(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)	
12000	**THERMAL GENERATION**									
12050	**BRANDON UNIT 5 (COAL)**									
1205B	POWERHOUSE		11,729,518	7,632,440	7,309,729	322,711	0.04	9.7	33,269	
1205C	POWERHOUSE RENOVATIONS	*								**
1205F	ROADS AND SITE IMPROVEMENTS		4,012,331	2,328,563	2,223,066	105,497	0.05	9.7	10,876	
1205G	THERMAL TURBINES AND GENERATORS		19,611,168	10,357,790	9,929,941	427,849	0.04	9.8	43,658	
1205H	GOVERNORS AND EXCITATION SYSTEM		2,343,861	1,203,338	1,159,256	44,082	0.04	9.9	4,453	
1205J	STEAM GENERATOR AND AUXILIARIES		14,827,183	9,606,334	9,136,797	469,537	0.05	9.7	48,406	
1205L	LICENCE RENEWAL	*								**
1205P	A/C ELECTRICAL POWER SYSTEMS		8,009,703	5,163,840	4,909,693	254,147	0.05	9.5	26,752	
1205Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		26,389,775	18,364,654	16,247,252	2,117,402	0.12	6.5	325,754	
1205R	AUXILIARY STATION PROCESSES		47,306,417	28,484,735	26,692,451	1,792,284	0.06	9.2	194,813	
1205X	SUPPORT BUILDINGS		7,253,899	4,385,802	4,205,706	180,096	0.04	9.9	18,192	
1205W	SUPPORT BUILDING RENOVATIONS	*								**
	TOTAL BRANDON UNIT 5 (COAL)		**141,483,855**	**87,527,496**	**81,813,891**	**5,713,605**	**0.07**		**706,173**	
12100	**BRANDON UNITS 6 AND 7**									
1210B	POWERHOUSE		14,925,029	1,823,651	2,280,114	(456,463)	(0.25)	53.9	(8,469)	
1210C	POWERHOUSE RENOVATIONS	*								**
1210G	THERMAL TURBINES AND GENERATORS		9,823,758	1,575,357	1,952,163	(376,806)	(0.24)	39.2	(9,612)	
1210H	GOVERNORS AND EXCITATION SYSTEM	*								
1210K	COMBUSTION TURBINE		143,284,091	44,692,977	52,513,510	(7,820,533)	(0.17)	15.9	(491,857)	
1210L	LICENCE RENEWAL	*								**
1210M	COMBUSTION TURBINE OVERHAULS	*								**
1210P	A/C ELECTRICAL POWER SYSTEMS		6,252,586	1,040,520	1,200,472	(159,952)	(0.15)	37.2	(4,300)	
1210Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		1,114,338	244,755	258,878	(14,123)	(0.06)	14.8	(954)	
1210R	AUXILIARY STATION PROCESSES		10,639,560	2,211,095	2,379,753	(168,658)	(0.08)	27.7	(6,089)	
	TOTAL BRANDON UNITS 6 AND 7		**186,039,362**	**51,588,355**	**60,584,890**	**(8,996,535)**	**(0.17)**		**(521,281)**	
12150	**SELKIRK**									
1215B	POWERHOUSE		6,808,812	4,128,965	6,606,843	(2,477,878)	(0.60)	15.4	(103,363)	****
1215C	POWERHOUSE RENOVATIONS	*								**
1215F	ROADS AND SITE IMPROVEMENTS		1,630,443	707,589	1,096,260	(388,671)	(0.55)	32.4	(11,996)	
1215G	THERMAL TURBINES AND GENERATORS		22,750,003	8,478,353	13,369,871	(4,891,518)	(0.58)	37.1	(131,847)	
1215H	GOVERNORS AND EXCITATION SYSTEM		17,307	6,360	10,050	(3,690)	(0.58)	30.1		***
1215J	STEAM GENERATOR AND AUXILIARIES		48,630,259	10,023,062	14,243,657	(4,220,595)	(0.42)	46.8	(90,184)	
1215L	LICENCE RENEWAL	*								**
1215P	A/C ELECTRICAL POWER SYSTEMS		3,171,700	1,919,424	3,013,273	(1,093,849)	(0.57)	17.2	(60,074)	****
1215Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		5,257,468	2,814,592	3,837,942	(1,023,350)	(0.36)	11.8	(86,725)	
1215R	AUXILIARY STATION PROCESSES		13,791,022	6,369,464	9,558,873	(3,189,409)	(0.50)	24.2	(131,794)	
1215X	SUPPORT BUILDINGS		1,033,229	450,923	691,355	(240,432)	(0.53)	42.1	(5,711)	**
1215W	SUPPORT BUILDING RENOVATIONS	*								**
	TOTAL SELKIRK		**103,090,244**	**34,898,732**	**52,428,124**	**(17,529,392)**	**(0.50)**		**(621,438)**	
	TOTAL THERMAL GENERATION		**430,613,460**	**174,014,583**	**194,826,905**	**(20,812,322)**	**(0.12)**		**(436,546)**	
	TOTAL GENERATION		**5,147,080,643**	**1,561,552,912**	**1,731,783,964**	**(170,231,052)**	**(0.11)**		**(3,740,412)**	
	DIESEL GENERATION									
1300B	BUILDINGS		9,191,362	3,251,508	4,906,932	(1,655,424)	(50.91)	19.1	(86,671)	
1300C	BUILDING RENOVATIONS		17,685	4,497	7,587	(3,090)	(68.71)	11.4	0	**/***
1300M	ENGINES AND GENERATORS - OVERHAULS	*								**
1300N	ENGINES AND GENERATORS		18,152,912	6,799,275	13,597,682	(6,798,407)	(99.99)	16.3	(417,080)	
1300Q	ACCESSORY STATION EQUIPMENT		13,457,225	6,246,425	10,143,698	(3,897,273)	(62.39)	12.0	(324,773)	
1300T	FUEL STORAGE AND HANDLING		3,803,695	1,628,376	2,410,356	(781,980)	(48.02)	17.5	(44,685)	
	TOTAL DIESEL GENERATION		**44,622,878**	**17,920,450**	**31,066,255**	**(13,145,805)**	**(73.36)**		**(873,894)**	

MANITOBA HYDRO

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS AT ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION	SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE AMOUNT	ACCUMULATED DEPRECIATION VARIANCE PERCENT	PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP
	(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)
	TRANSMISSION							
2000F	ROADS, TRAILS AND BRIDGES	4,045,718	1,118,735	937,453	181,282	16.20	28.5	6,361
2000G	METAL TOWERS AND CONCRETE POLES	340,022,220	90,153,172	99,791,962	(9,638,790)	(10.69)	59.8	(161,184)
2000J	POLES AND FIXTURES	104,983,312	31,662,039	37,079,466	(5,417,427)	(17.11)	36.6	(148,017)
2000K	GROUND LINE TREATMENT	1,410,002	406,685	384,224	22,461	5.52	7.1	**
2000L	OVERHEAD CONDUCTOR AND DEVICES	304,577,152	101,223,234	131,135,862	(29,912,628)	(29.55)	44.1	(678,291)
2000M	UNDERGROUND CABLE AND DEVICES	1,167,763	668,351	669,421	(1,070)	(0.16)	19.5	(55)
	TOTAL TRANSMISSION	**756,206,167**	**225,232,216**	**269,998,388**	**(44,766,172)**	**(19.88)**		**(981,186)**
	SUBSTATIONS							
3000B	BUILDINGS	109,491,690	43,169,830	48,643,362	(5,473,532)	(12.68)	39.1	(139,988)
3000C	BUILDING RENOVATIONS	32,047	13,582	15,351	(1,769)	(13.03)	11.5	(154) **
3000F	ROADS, STEEL STRUCTURES AND CIVIL SITE WORK	109,211,425	30,704,401	36,248,752	(5,544,351)	(18.06)	36.0	(154,010)
3000J	POLES AND FIXTURES	7,810,315	2,159,493	2,630,995	(471,502)	(21.83)	25.4	(18,563)
3100R	POWER TRANSFORMERS	287,449,387	81,301,746	84,754,364	(3,452,618)	(4.25)	31.1	(111,017)
3100S	OTHER TRANSFORMERS	72,153,356	28,485,678	31,244,518	(2,758,840)	(9.69)	20.2	(136,576)
3100T	INTERRUPTING EQUIPMENT	156,214,257	57,460,857	62,510,255	(5,049,398)	(8.79)	26.8	(188,410)
3100U	OTHER STATION EQUIPMENT	503,404,372	177,009,144	190,927,472	(13,918,328)	(7.86)	26.0	(535,320)
3100V	ELECTRONIC EQUIPMENT AND BATTERIES	151,238,104	72,646,527	79,225,503	(6,578,976)	(9.06)	11.2	(587,409)
3200M	SYNCHRONOUS CONDENSERS AND TRANSFORMERS - HVDC	111,737,981	39,137,448	40,432,632	(1,295,184)	(3.31)	38.9	(33,295)
3200N	SYNCHRONOUS CONDENSER OVERHAULS - HVDC	11,320,594	2,820,878	2,861,617	(40,739)	(1.44)	9.8	(4,157)
3200P	CONVERTOR EQUIPMENT - HVDC	214,981,687	114,636,506	138,795,432	(24,158,926)	(21.07)	14.4	(1,677,703)
3200S	SERIALIZED EQUIPMENT - HVDC	646,219,985	325,860,262	367,310,621	(41,450,359)	(12.72)	14.1	(2,939,742)
3200U	ACCESSORY STATION EQUIPMENT - HVDC	55,177,090	23,419,465	29,083,976	(5,664,511)	(24.19)	25.2	(224,782)
3200V	ELECTRONIC EQUIPMENT AND BATTERIES - HVDC	10,401,883	6,589,238	7,206,990	(617,752)	(9.38)	8.6	(71,832)
	TOTAL SUBSTATIONS	**2,446,844,172**	**1,005,415,055**	**1,121,891,841**	**(116,476,786)**	**(11.58)**		**(6,822,958)**
	DISTRIBUTION *							
4000A	UNDERGROUND DUCT AND CONDUIT - CONCRETE	63,964,331	11,217,533	12,951,513	(1,733,980)	(15.46)	67.9	(25,537)
4000C	UNDERGROUND DUCT - ROOF	2,908,307	145,836	153,212	(7,376)	(5.06)	41.0	(180)
4000G	METAL TOWERS	4,571,448	1,173,035	2,355,833	(1,182,798)	(100.83)	37.0	(31,968)
4000J	POLES AND FIXTURES	566,174,558	127,369,656	264,136,310	(136,766,654)	(107.38)	40.3	(3,393,713)
4000K	GROUND LINE TREATMENT	33,145,019	15,894,039	16,746,756	(852,717)	(5.37)	5.7	**
4000L	OVERHEAD CONDUCTOR AND DEVICES	613,820,471	134,801,042	245,433,977	(110,632,935)	(82.07)	40.1	(2,758,926)
4000M	UNDERGROUND CABLE AND DEVICES - 66 KV	19,523,432	2,161,937	2,297,161	(135,224)	(6.25)	55.0	(2,459)
4000N	UNDERGROUND CABLE AND DEVICES - PRIMARY	255,063,759	51,410,314	59,472,977	(8,062,663)	(15.68)	46.0	(175,275)
4000P	UNDERGROUND CABLE AND DEVICES - SECONDARY	193,755,072	48,230,397	55,909,148	(7,678,751)	(15.92)	33.1	(231,986)
4000Q	SERIALIZED EQUIPMENT - OVERHEAD	175,924,348	60,006,665	82,981,927	(22,975,262)	(38.29)	23.9	(961,308)
4000S	SERIALIZED EQUIPMENT - UNDERGROUND	174,049,772	43,083,841	58,998,471	(15,914,630)	(36.94)	29.3	(543,161)
4000R	DSC - HIGH VOLTAGE TRANSFORMERS	5,415,940	509,552	706,487	(196,935)	(38.65)	34.8	(5,659)
4000V	ELECTRONIC EQUIPMENT *							**
4000W	SERVICES	123,228,795	44,884,752	59,460,620	(14,575,868)	(32.47)	18.6	(783,649)
4000X	STREET LIGHTING	147,121,573	61,545,017	72,708,967	(11,163,950)	(18.14)	21.1	(529,097)
	TOTAL DISTRIBUTION	**2,378,666,825**	**602,433,616**	**934,313,358**	**(331,879,742)**	**(55.09)**		**(9,442,919)**
	METERS							
4900V	METERS - ELECTRONIC	16,111,185	5,320,309	1,490,413	3,829,896	71.99	11.1	345,036
4900Y	METERS - ANALOG	22,469,156	16,861,536	5,931,142	10,930,394	64.82	4.4	2,484,180
4900Z	METERING TRANSFORMERS	8,984,899	3,313,305	3,413,836	(100,531)	(3.03)	22.6	(4,448)
	TOTAL METERS	**47,565,240**	**25,495,150**	**10,835,391**	**14,659,759**	**57.50**		**2,824,768**

MH Exhibit #22

MANITOBA HYDRC

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS AT ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION	SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE AMOUNT	ACCUMULATED DEPRECIATION VARIANCE PERCENT	PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP
	(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)
	COMMUNICATION							
5000B	BUILDINGS	4,154,458	699,804	574,811	124,993	17.86	50.9	2,456
5000C	BUILDING RENOVATIONS	2,741,652	887,750	773,028	114,722	12.92	12.7	9,033 **
5000D	BUILDING - SYSTEM CONTROL CENTRE	15,857,686	2,970,157	2,435,337	534,820	18.01	49.9	10,718
5000G	COMMUNICATION TOWERS	8,733,929	1,827,718	1,324,964	502,754	27.51	40.4	12,444
5000H	FIBRE OPTIC AND METALLIC CABLE	117,999,925	25,692,882	15,180,344	10,512,538	40.92	22.0	477,843
5000J	CARRIER EQUIPMENT	119,230,804	53,498,641	37,005,633	16,493,008	30.83	7.4	2,228,785
5000K	OPERATIONAL IT EQUIPMENT	2,197,495	1,401,781	1,220,632	181,149	12.92	2.5	72,460 **
5000M	MOBILE RADIO, TELEPHONE AND VIDEO CONFERENCING	22,085,412	15,627,104	13,607,649	2,019,456	12.92	5.1	395,972 **
5000N	OPERATIONAL DATA NETWORK	8,530,264	2,447,746	2,131,429	316,317	12.92	5.4	58,577 **
5000R	POWER SYSTEM CONTROL	7,738,280	5,228,135	4,187,570	1,040,565	19.90	4.1	253,796
	TOTAL COMMUNICATION	**309,269,905**	**110,281,718**	**78,441,398**	**31,840,320**	**28.87**		**3,522,083**
	MOTOR VEHICLES							
6000E	PASSENGER VEHICLES	1,304,413	524,561	278,987	245,574	46.82	4.0	61,394
6000F	LIGHT TRUCKS	52,299,249	23,436,917	22,656,047	780,870	3.33	4.7	166,143
6000G	HEAVY TRUCKS	61,004,014	25,444,402	21,612,533	3,831,869	15.06	7.4	517,820
6000H	CONSTRUCTION EQUIPMENT	17,016,205	6,026,089	5,037,993	988,096	16.40	7.5	131,746
6000I	LARGE SOFT-TRACK EQUIPMENT	13,146,265	4,170,185	2,827,041	1,343,144	32.21	11.5	116,795
6000J	TRAILERS	15,996,331	3,513,147	4,034,578	(521,431)	(14.84)	23.7	(22,001)
6000K	MISCELLANEOUS VEHICLES	5,724,654	2,531,307	2,945,366	(414,059)	(16.36)	5.1	(81,188)
	TOTAL MOTOR VEHICLES	**166,491,131**	**65,646,608**	**59,392,546**	**6,254,062**	**9.53**		**890,708**
	BUILDINGS							
8000B	BUILDINGS - GENERAL	88,797,107	25,336,746	26,367,552	(1,030,806)	(4.07)	44.7	(23,061)
8000C	BUILDING RENOVATIONS	46,779,508	17,543,869	8,199,943	9,343,926	53.26	11.1	841,795 **
8000D	BUILDING - 360 PORTAGE - CIVIL	207,292,785	3,134,499	3,297,099	(162,600)	(5.19)	92.8	(1,752)
8000E	BUILDING - 360 PORTAGE - ELECTRO/MECHANICAL	65,888,581	2,864,820	2,097,639	767,181	26.78	31.2	24,589
	TOTAL BUILDINGS	**408,757,981**	**48,879,934**	**39,962,233**	**8,917,701**	**18.24**		**841,572**
	GENERAL EQUIPMENT							
9000H	TOOLS, SHOP AND GARAGE EQUIPMENT	78,461,837	32,266,768	25,609,471	6,657,297	20.63	7.9	842,696 **
9000K	COMPUTER EQUIPMENT	48,379,758	21,246,665	10,308,698	10,937,967	51.48	2.5	4,375,187 **
9000L	OFFICE FURNITURE AND EQUIPMENT	21,726,896	4,008,883	4,689,826	(680,943)	(16.99)	16.6	(41,021) **
9000M	HOT WATER TANKS	4,511,783	3,821,910	2,226,719	1,595,191	41.74	2.1	759,615 **
	TOTAL GENERAL EQUIPMENT	**153,080,275**	**61,344,226**	**42,834,715**	**18,509,511**	**30.17**		**5,936,477**
	EASEMENTS							
A100A	EASEMENTS	50,612,345	9,406,803	9,974,853	(568,050)	(6.04)	54.8	(10,366)
	TOTAL EASEMENTS	**50,612,345**	**9,406,803**	**9,974,853**	**(568,050)**	**(6.04)**		**(10,366)**
	COMPUTER SOFTWARE AND DEVELOPMENT							
A200G	COMPUTER DEVELOPMENT - MAJOR SYSTEMS	100,980,015	51,486,494	49,927,029	1,559,465	3.03	4.8	324,889
A200H	COMPUTER DEVELOPMENT - SMALL SYSTEMS	42,827,602	20,884,256	22,172,434	(1,288,178)	(6.17)	5.8	**
A200J	COMPUTER SOFTWARE - GENERAL	5,076,404	1,864,607	1,979,619	(115,012)	(6.17)	3.5	**
A200K	COMPUTER SOFTWARE - COMMUNICATION/OPERATIONAL	3,639,540	2,483,317	2,059,432	423,885	17.07	2.9	146,167 **
A200L	OPERATIONAL SYSTEM MAJOR SOFTWARE - EMS/SCADA	6,016,817	4,636,876	3,655,008	981,868	21.18	1.7	577,570
	TOTAL COMPUTER SOFTWARE AND DEVELOPMENT	**158,540,378**	**81,355,550**	**79,793,523**	**1,562,027**	**1.92**		**1,048,625**
	TOTAL DEPRECIABLE ASSETS	**12,067,737,939**	**3,814,964,238**	**4,410,288,464**	**(595,324,226)**	**(15.60)**		**(6,807,501)**

* The account has no balance as of March 31, 2010 and will be used on a go-forward basis for future additions.
** On amortized account any true-up of less than 10% is not considered significant.
*** True-up was deemed as not significantor or has been limited to the annual depreciation expenses.

MH Exhibit #22

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DEPRECIABLE WORK	LIFE SPAN DATE	ESTIMATED SURVIVOR CURVE	ESTIMATED NET SALVAGE	SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE (%)	ANNUAL PROVISION FOR TRUE-UP	TOTAL DEPRECIATION RELATED TO LIFE EXPENSE	TOTAL DEPRECIATION RELATED TO LIFE RATE (%)	TOTAL DEPRECIATION RELATED TO COST OF REMOVAL AMOUNT	TOTAL DEPRECIATION RELATED TO COST OF REMOVAL RATE (%)
	(1)		(2)	(3)	(4)	(5)	(6)=(5)/(4)	(7)	(8)=(5)+(7)	(9)=(8)/(4)	(10)=(3)*(4)/(2)	(11)=(10)/(4)
	COMMUNICATION											
5000B	BUILDINGS		65-R4	0	4,154,458	67,568	1.63	2,456	70,024	1.69		0.00
5000C	BUILDING RENOVATIONS		20-SQ	0	2,741,652	135,856	4.96	9,033	144,889	5.28		0.00 **
5000D	BUILDING - SYSTEM CONTROL CENTRE		65-R4	0	15,857,686	258,480	1.63	10,718	269,198	1.70		0.00
5000G	COMMUNICATION TOWERS		60-R2.5	0	8,733,929	169,211	1.94	12,444	181,655	2.08		0.00
5000H	FIBRE OPTIC AND METALLIC CABLE		35-R1.5	0	117,999,925	4,182,599	3.54	477,843	4,660,442	3.95		0.00
5000J	CARRIER EQUIPMENT		15-S0.5	0	119,230,804	8,327,782	6.98	2,228,785	10,556,567	8.85		0.00
5000K	OPERATIONAL IT EQUIPMENT		5-SQ	0	2,197,495	366,710	16.69	72,460	439,170	19.99		0.00 **
5000M	MOBILE RADIO, TELEPHONE AND VIDEO CONFERENCING		8-SQ	0	22,085,412	1,412,806	6.40	395,972	1,808,778	8.19		0.00 **
5000N	OPERATIONAL DATA NETWORK		8-SQ	0	8,530,264	1,066,283	12.50	58,577	1,124,860	13.19		0.00 **
5000R	POWER SYSTEM CONTROL		10-R2	0	7,738,280	572,474	7.40	253,796	826,270	10.68		0.00
	TOTAL COMMUNICATION				**309,269,905**	**16,559,769**	**5.35**	**3,522,083**	**20,081,852**	**6.49**		**0.00**
	MOTOR VEHICLES											
6000E	PASSENGER VEHICLES		9-L2	20	1,304,413	116,873	8.96	61,394	178,267	13.67		0.00
6000F	LIGHT TRUCKS		10-L3	15	52,299,249	4,431,892	8.47	166,143	4,598,035	8.79		0.00
6000G	HEAVY TRUCKS		15-L2	10	61,004,014	3,855,518	6.32	517,820	4,373,338	7.17		0.00
6000H	CONSTRUCTION EQUIPMENT		15-L2	20	17,016,205	941,112	5.53	131,746	1,072,858	6.30		0.00
6000I	LARGE SOFT-TRACK EQUIPMENT		22-L2.5	15	13,146,265	536,840	4.08	116,795	653,635	4.97		0.00
6000J	TRAILERS		35-R3	25	15,996,331	370,448	2.32	(22,001)	348,447	2.18		0.00
6000K	MISCELLANEOUS VEHICLES		10-L1.5	15	5,724,654	481,594	8.41	(81,188)	400,406	6.99		0.00
	TOTAL MOTOR VEHICLES				**166,491,131**	**10,734,277**	**6.45**	**890,708**	**11,624,985**	**6.98**		**0.00**
	BUILDINGS											
8000B	BUILDINGS - GENERAL		65-R4	(5)	88,797,107	1,428,579	1.61	(23,061)	1,405,518	1.58	68,305.47	0.08
8000C	BUILDING RENOVATIONS		20-SQ	(5)	46,779,508	2,272,271	4.86	841,795	3,114,066	6.66	116,948.77	0.25 **
8000D	BUILDING - 360 PORTAGE - CIVIL		100-R4	0	207,292,785	2,198,841	1.06	(1,752)	2,197,089	1.06		0.00
8000E	BUILDING - 360 PORTAGE - ELECTRO/MECHANICAL		45-R2	0	65,888,581	2,016,603	3.06	24,589	2,041,192	3.10		0.00
	TOTAL BUILDINGS				**408,757,981**	**7,916,294**	**1.94**	**841,572**	**8,757,866**	**2.14**	**185,254**	**0.05**
	GENERAL EQUIPMENT											
9000H	TOOLS, SHOP AND GARAGE EQUIPMENT		15-SQ	0	78,461,837	5,233,405	6.67	842,696	6,076,101	7.74		0.00 **
9000K	COMPUTER EQUIPMENT		5-SQ	0	48,379,758	9,401,982	19.43	4,375,187	13,777,169	28.48		0.00 **
9000L	OFFICE FURNITURE AND EQUIPMENT		20-SQ	0	21,726,896	1,086,345	5.00	(41,021)	1,045,324	4.81		0.00 **
9000M	HOT WATER TANKS		6-SQ	0	4,511,783	197,108	4.37	759,615	956,723	21.20		0.00 **
	TOTAL GENERAL EQUIPMENT				**153,080,275**	**15,918,840**	**10.40**	**5,936,477**	**21,855,317**	**14.28**		**0.00**
	EASEMENTS											
A100A	EASEMENTS		75-R3	0	50,612,345	752,850	1.49	(10,366)	742,484	1.47		0.00
	TOTAL EASEMENTS				**50,612,345**	**752,850**	**1.49**	**(10,366)**	**742,484**	**1.47**		**0.00**
	COMPUTER SOFTWARE AND DEVELOPMENT											
A200G	COMPUTER DEVELOPMENT - MAJOR SYSTEMS		10-R3	0	100,980,015	10,205,232	10.11	324,889	10,530,121	10.43		0.00
A200H	COMPUTER DEVELOPMENT - SMALL SYSTEMS		10-SQ	0	42,827,602	4,282,760	10.00	0	4,282,760	10.00		0.00 **
A200J	COMPUTER SOFTWARE - GENERAL		5-SQ	0	5,076,404	1,002,927	19.76	0	1,002,927	19.76		0.00 **
A200K	COMPUTER SOFTWARE - COMMUNICATION/OPERATIONAL		5-SQ	0	3,639,540	360,800	9.91	146,167	506,967	13.93		0.00 **
A200L	OPERATIONAL SYSTEM MAJOR SOFTWARE - EMS/SCADA		6-R3	0	6,016,817	811,282	13.48	577,570	1,388,852	23.08		0.00
	TOTAL COMPUTER SOFTWARE AND DEVELOPMENT				**158,540,378**	**16,663,001**	**10.51**	**1,048,625**	**17,711,626**	**11.17**		**0.00**
	TOTAL DEPRECIABLE ASSETS				**12,067,737,939**	**301,080,421**	**2.49**	**(6,807,756)**	**294,272,664**	**2.44**	**10,124,670**	**0.08**

* The account has no balance as of March 31, 2010 and will be used on a go-forward basis for future additions.
** On amortized accounts any true-up of less than 10% is not considered significant.

MANITOBA HYDRO
WINNIPEG, MANITOBA

DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION ACCRUAL RATES APPLICABLE TO DEPRECIABLE ASSETS IN SERVICE AS OF MARCH 31, 2010

DRAFT

Gannett Fleming
Valuation and Rate Division
Excellence Delivered As Promised

Harrisburg, Pennsylvania ***Calgary, Alberta*** ***Valley Forge, Pennsylvania***

Gannett Fleming

Excellence Delivered ***As Promised***

October 21, 2011

Manitoba Hydro
360 Portage Avenue
Winnipeg, Manitoba R3C 0G8

Attention: Mr. Vince Warden, Vice President
Finance & Administration
And Chief Financial Officer

Gentlemen:

Pursuant to your request, we have conducted a depreciation study related to the electric generation, transmission, substation, distribution and general plant systems of Manitoba Hydro as of March 31, 2010. Our report presents a description of the methods used in the estimation of depreciation, the statistical analyses of service life and the summary and detailed tabulations of annual and accrued depreciation.

The calculated annual depreciation accrual rates presented in the report are applicable to plant in service as of March 31, 2010. The depreciation rates are based on the straight-line method, equal life group procedure applied on a whole life basis, using the equal life group procedure, with any accumulated depreciation variances amortized over the estimated remaining life of the assets.

Respectfully submitted,
GANNETT FLEMING, INC.

DRAFT

LARRY E. KENNEDY
Director, Canadian Services
Valuation and Rate Division

LEK/hac
Project: 052988.100

Gannett Fleming, Inc.
Valuation and Rate Division
Suite 277 • 200 Rivercrest Drive S.E. • Calgary, AB T2C 2X5 • Canada
t: 403.257.5946 • f: 403.257.5947
www.gannettfleming.com www.gfvrd.com

TABLE OF CONTENTS

PART I. INTRODUCTION

PART II. METHODS USED IN THE ESTIMATION OF DEPRECIATION

PART III RESULTS OF STUDY

TABLE OF CONTENTS, Cont'd.

PART I. INTRODUCTION

MANITOBA HYDRO
DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION ACCRUAL RATES APPLICABLE TO DEPRECIABLE ASSETS IN SERVICE AS OF MARCH 31, 2010

PART I. INTRODUCTION

SCOPE

This report sets forth the results of the depreciation study conducted for the depreciable assets of Manitoba Hydro ("Company") to determine the annual depreciation accrual rates and amounts for financial reporting purposes applicable to the original cost of plant as of March 31, 2010.

The depreciation accrual rates presented herein are based on generally-accepted methods and procedures for calculating depreciation. The estimated survivor curves used in this report are based on studies incorporating data through 2010.

Part I, Introduction, contains statements with respect to the scope of the report and the basis of the study. Part II, Methods Used in the Estimation of Depreciation, presents the methods used in the estimation of average service lives and survivor curves used in the calculation of depreciation. Part III, Results of Study, presents a summary of annual depreciation. Included in the Supporting Materials is Part IV, Service Life Statistics which represent the statistical analyses of service lives and Part V, Detailed Depreciation Calculations, which provides the detailed tabulations of annual depreciation, for all accounts.

BASIS OF THE STUDY

Depreciation. The depreciation accrual rates and accrued depreciation were calculated using the straight line method, the equal life group (ELG) procedure, applied on a whole life basis. The calculation was based on the attained ages and estimated service life for each depreciable group of assets.

Service Life Estimates. The method of estimating service life consisted of compiling the service life history of the plant accounts and subaccounts, reducing this history to trends through the use of analytical techniques that have been generally accepted in various regulatory jurisdictions, and forecasting the trend of survivors for each depreciable group on the basis of interpretations of past trends and consideration of Company plans for the future. The combination of the historical trend and the estimated future trend yielded a complete pattern of life characteristics from which the average service life was derived. The service life estimates used in the depreciation calculation incorporated historical data compiled through March 31, 2010. Such data included plant additions, retirements, transfers and other plant activity.

A general understanding of the function of the plant and information with respect to the reasons for past retirements and the expected future causes of retirement was confirmed through contact with Company personnel.

International Financial Reporting Standards The Canadian Accounting Standards Board has announced that Canadian Generally Accepted Accounting Principles (GAAP) will be converged to comply, for reporting purposes, with the International Financial Reporting Standards (IFRS) by 2011[1]. Gannett Fleming views

[1] In September 2010, the Canadian Accounting Standards Board announced that a one-year exception for the implementation of IFRS is available for Rate Regulated Entities.

the depreciation methods and procedures as recommended in this report will, in addition to better matching the depreciation expense to the consumption of the service value of the Manitoba Hydro assets, better comply with the IFRS.

As such, and in preparation for this change, Gannett Fleming has developed depreciation rates and parameters that are in compliance with the new standard. In the view of Gannett Fleming, group accounting methods using the ELG procedure are compliant with the new standard.

Additionally, Gannett Fleming has reviewed the depreciable groupings established by Manitoba Hydro and believes that the groups, as provided to Gannett Fleming, are in conformance with the componentization requirements of IFRS and continue to provide a reasonable grouping of homogeneous assets for regulatory purposes.

RECOMMENDATIONS

The calculated annual depreciation accrual rates set forth herein apply specifically to plant in service as of March 31, 2010. Continued surveillance and periodic revisions are normally required to maintain continued use of appropriate depreciation rates, and to comply with the standards as set out in International Accounting Standard ("IAS") 16 of the IFRS.

The depreciation rates should be reviewed periodically to reflect the changes that result from plant and reserve account activity. A depreciation reserve deficiency or surplus will develop if future capital expenditures vary significantly from those anticipated in this study.

PART II. METHODS USED IN THE ESTIMATION OF DEPRECIATION

PART II. METHODS USED IN THE ESTIMATION OF DEPRECIATION

DEPRECIATION

Depreciation, in public utility regulation, is the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of utility plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among causes to be given consideration are wear and tear, deterioration, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand, and the requirements of public authorities.

Depreciation, as used in accounting, is a method of distributing fixed capital costs, less net salvage, over a period of time by allocating annual amounts to expense. Each annual amount of such depreciation expense is part of that year's total cost of providing electric transmission service. Normally, the period of time over which the fixed capital cost is allocated to the cost of service is equal to the period of time over which an item renders service, that is, the item's service life. The most prevalent method of allocation is to distribute an equal amount of cost to each year of service life. This method is known as the straight-line method of depreciation.

The calculation of annual and accrued depreciation based on the straight line method requires the estimation of survivor curves and the selection of group depreciation procedures. These subjects are discussed in the sections that follow.

ESTIMATION OF SURVIVOR CURVES

Survivor Curves. The use of an average service life for a property group implies that the various units in the group have different lives. Thus, the average life may be obtained by determining the separate lives of each of the units, or by constructing a survivor curve by plotting the number of units which survive at successive ages. A discussion of the general concept of survivor curves is presented. Also, the Iowa type survivor curves are reviewed.

The survivor curve graphically depicts the amount of property existing at each age throughout the life of an original group. From the survivor curve, the average life of the group, the remaining life expectancy, the probable life, and the frequency curve can be calculated. In Figure 1, a typical smooth survivor curve and the derived curves are illustrated. The average life is obtained by calculating the area under the survivor curve, from age zero to the maximum age, and dividing this area by the ordinate at age zero. The remaining life expectancy at any age can be calculated by obtaining the area under the curve, from the observation age to the maximum age, and dividing this area by the percent surviving at the observation age. For example, in Figure 1, the remaining life at age 30 is equal to the crosshatched area under the survivor curve divided by 29.5 percent surviving at age 30. The probable life at any age is developed by adding the age and remaining life. If the probable life of the property is calculated for each year of age, the probable life curve shown in the chart can be developed. The frequency curve presents the number of units retired in each age interval and is derived by obtaining the. differences between the amount of property surviving at the beginning and at the end of each interval.

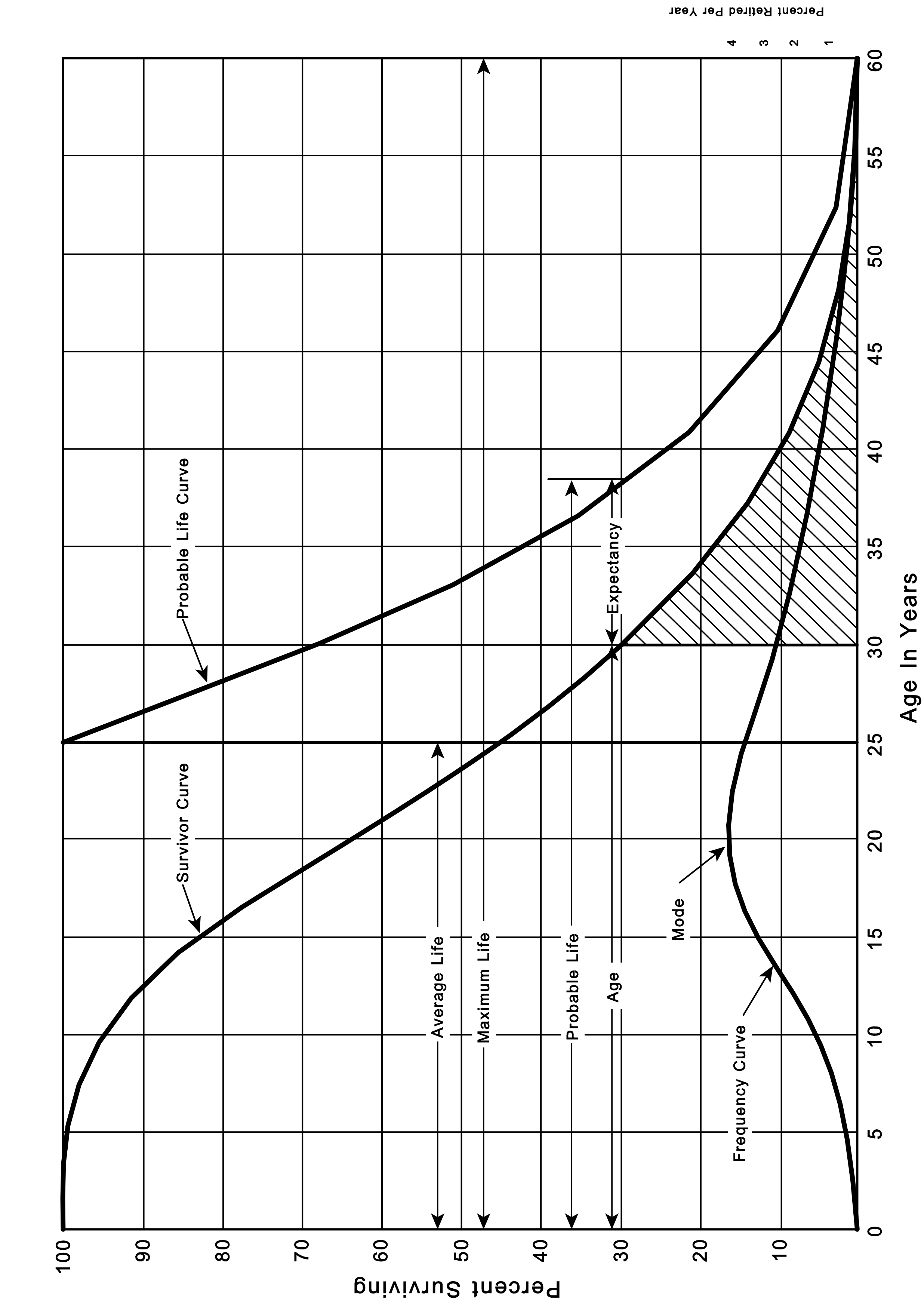


Figure 1. A Typical Survivor Curve and Derived Curves

Iowa Type Curves. The range of survivor characteristics usually experienced by utility and industrial properties is encompassed by a system of generalized survivor curves known as the Iowa type curves. There are four families in the Iowa system, labeled in accordance with the location of the modes of the retirements in relationship to the average life and the relative height of the modes. The left moded curves, presented in Figure 2, are those in which the greatest frequency of retirement occurs to the left of, or prior to, average service life. The symmetrical moded curves, presented in Figure 3, are those in which the greatest frequency of retirement occurs at average service life. The right moded curves, presented in Figure 4, are those in which the greatest frequency occurs to the right of, or after, average service life. The origin moded curves, presented in Figure 5, are those in which the greatest frequency of retirement occurs at the origin, or immediately after age zero. The letter designation of each family of curves (L, S, R or O) represents the location of the mode of the associated frequency curve with respect to the average service life. The numbers represent the relative heights of the modes of the frequency curves within each family.

The Iowa curves were developed at the Iowa State College Engineering Experiment Station through an extensive process of observation and classification of the ages at which industrial property had been retired. A report of the study which resulted in the classification of property survivor characteristics into 18 type curves, which constitute three of the four families, was published in 1935 in the form of the

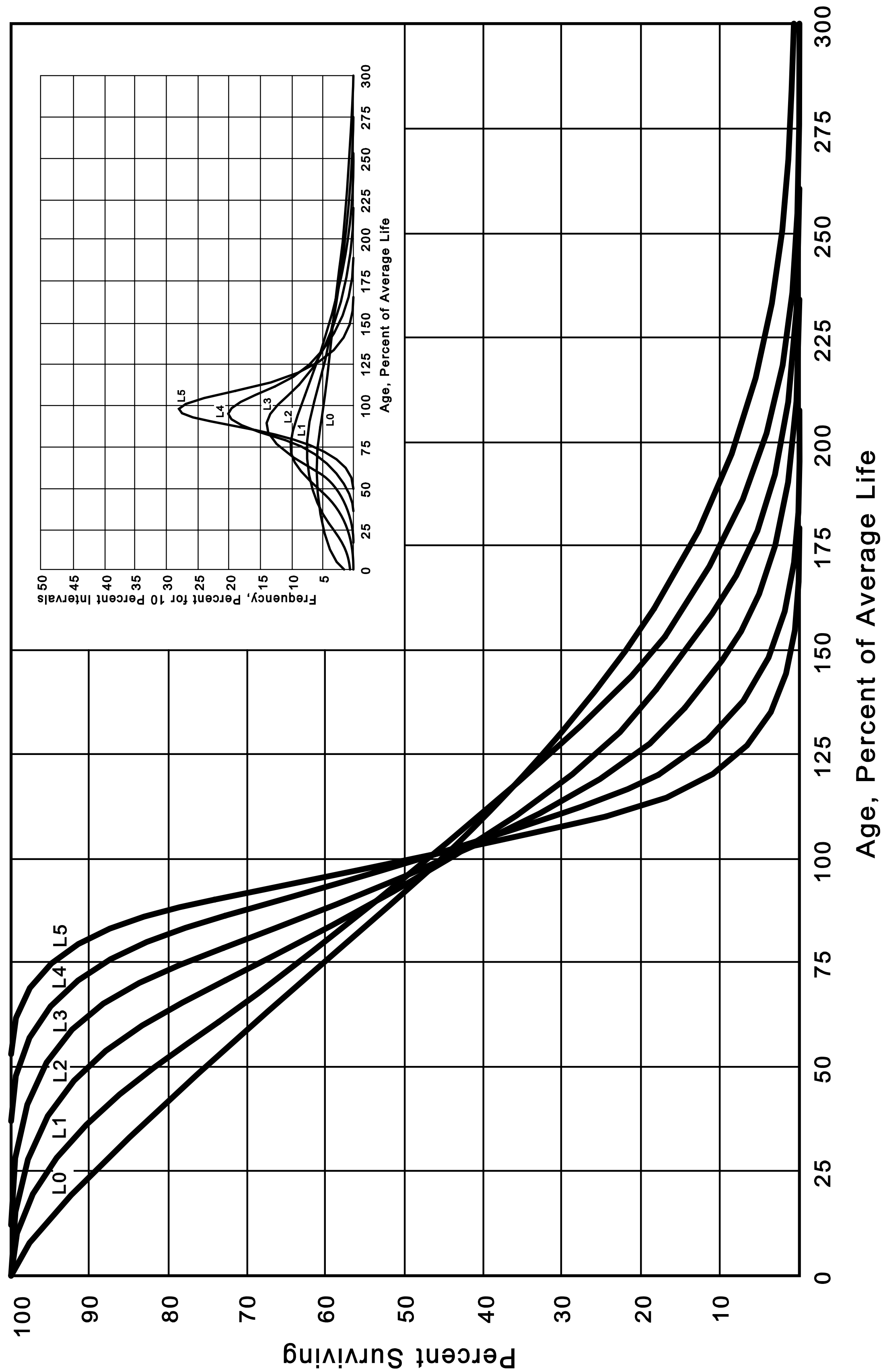


Figure 2. Left Modal or "L" Iowa Type Survivor Curves

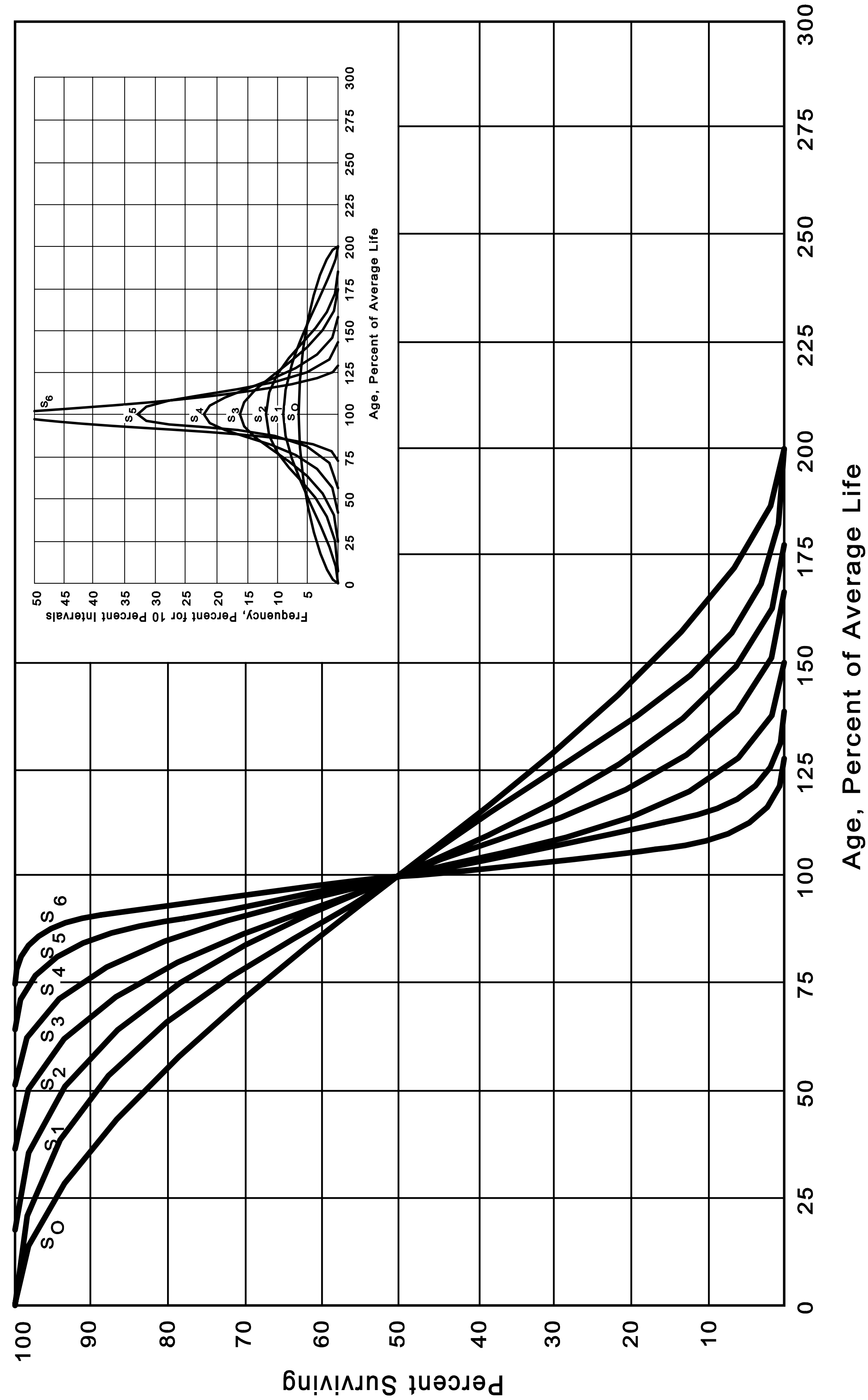


Figure 3. Symmetrical or "S" Iowa Type Survivor Curves

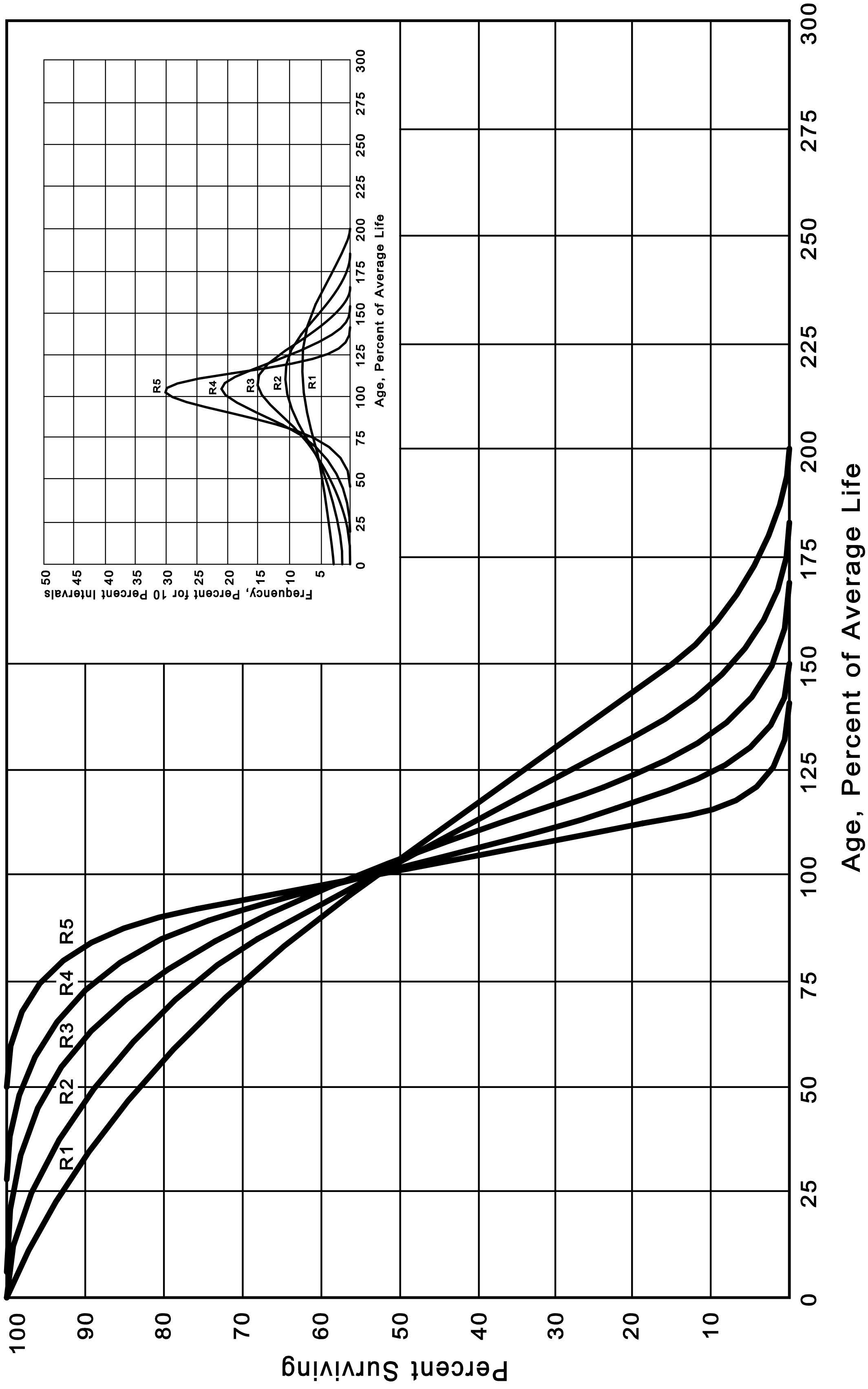


Figure 4. Right Modal or "R" Iowa Type Survivor Curves

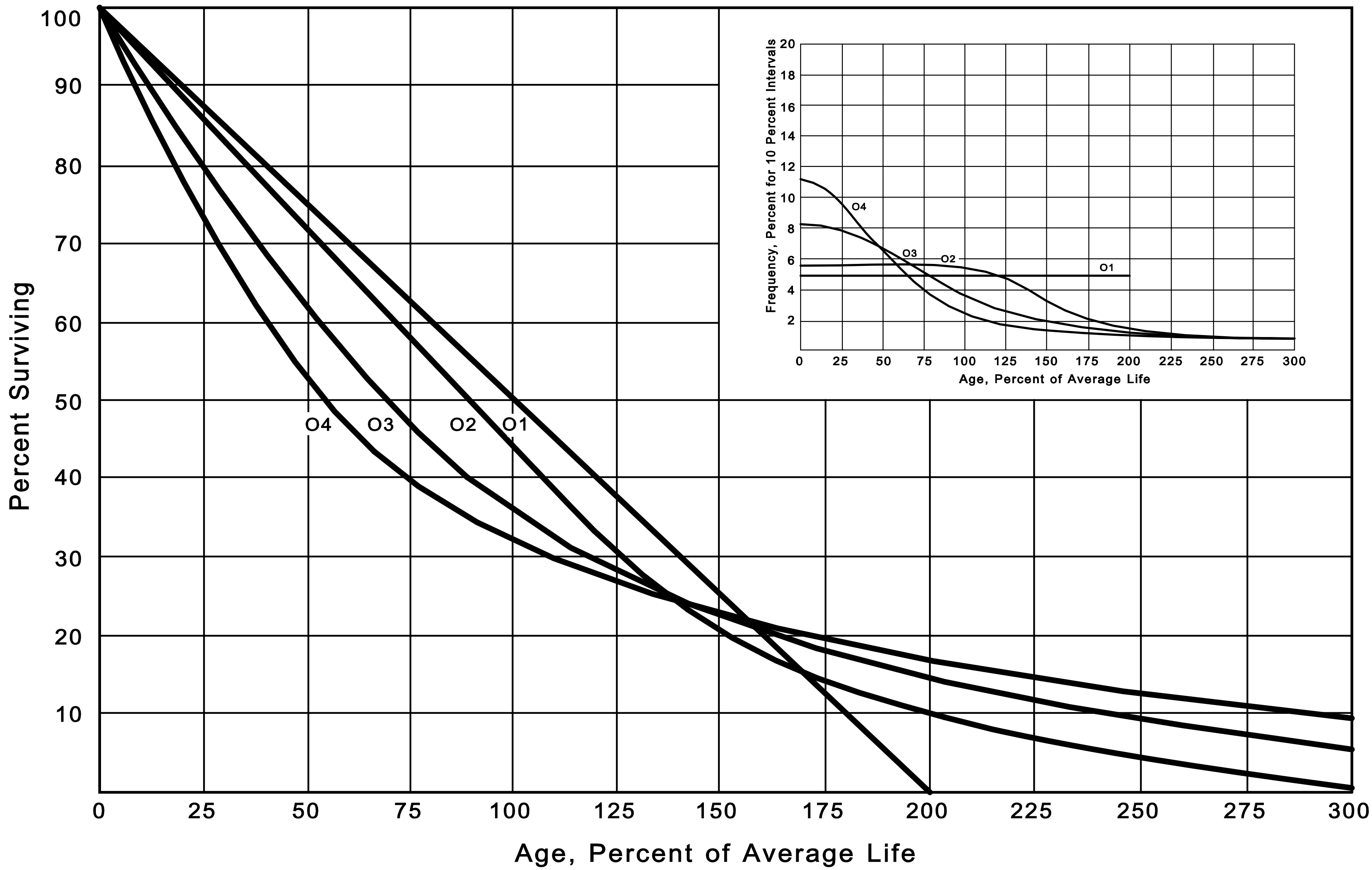


Figure 5. Origin Modal or "O" Iowa Type Survivor Curves

Experiment Station's Bulletin 125.[2] These curve types have also been presented in subsequent Experiment Station bulletins and in the text, "Engineering Valuation and Depreciation."[3] In 1957, Frank V. B. Couch, Jr., an Iowa State College graduate student, submitted a thesis[4] presenting his development of the fourth family consisting of the four O type survivor curves.

Retirement Rate Method of Analysis. The retirement rate method is an actuarial method of deriving survivor curves using the average rates at which property of each age group is retired. The method relates to property groups for which aged accounting experience is available and is the method used to develop the original stub survivor curves in this study. The method (also known as the annual rate method) is illustrated through the use of an example in the following text, and is also explained in several publications, including "Statistical Analyses of Industrial Property Retirements,"[5] "Engineering Valuation and Depreciation,"[6] and "Depreciation Systems."[7]

The average rate of retirement used in the calculation of the percent surviving for the survivor curve (life table) requires two sets of data: first, the property retired during a period of observation, identified by the property's age at retirement; and second, the property exposed to retirement at the beginnings of the age intervals during the same period. The period of observation is referred to as the experience band, and the band of years which represent the installation dates of the property exposed to retirement the

[2] Winfrey, Robley. Statistical Analyses of Industrial Property Retirements. Iowa State College, Engineering Experiment Station, Bulletin 125. 1935.
[3] Marston, Anson, Robley Winfrey and Jean C. Hempstead. Engineering Valuation and Depreciation, 2nd Edition. New York, McGraw-Hill Book Company. 1953.
[4] Couch, Frank V. B., Jr. "Classification of Type O Retirement Characteristics of Industrial Property." Unpublished M.S. thesis (Engineering Valuation). Library, Iowa State College, Ames, Iowa. 1957.
[5] Winfrey, Robley, Supra Note 1.
[6] Marston, Anson, Robley Winfrey, and Jean C. Hempstead, Supra Note 2.
[7] Wolf, Frank K. and W. Chester Fitch. Depreciation Systems. Iowa State University Press. 1994

band of years which represent the installation dates of the property exposed to retirement during the experience band is referred to as the placement band. An example of the calculations used in the development of a life table follows. The example includes schedules of annual aged property transactions, a schedule of plant exposed to retirement, a life table and illustrations of smoothing the stub survivor curve.

Schedules of Annual Transactions in Plant Records. The property group used to illustrate the retirement rate method is observed for the experience band 2001-2010 during which there were placements during the years 1996-2010. In order to illustrate the summation of the aged data by age interval, the data were compiled in the manner presented in Tables 1 and 2 on pages II-12 and II-14. In Table 1, the year of installation (year placed) and the year of retirement are shown. The age interval during which a retirement occurred is determined from this information. In the example which follows, $10,000 of the dollars invested in 1996 were retired in 2001. The $10,000 retirement occurred during the age interval between 4½ and 5½ years on the basis that approximately one-half of the amount of property was installed prior to and subsequent to July 1 of each year. That is, on the average, property installed during a year is placed in service at the midpoint of the year for the purpose of the analysis. All retirements also are stated as occurring at the midpoint of a one-year age interval of time, except the first age interval which encompasses only one-half year.

The total retirements occurring in each age interval in a band are determined by summing the amounts for each transaction year-installation year combination for that age interval. For example, the total of $143,000 retired for age interval 4½-5½ is the

TABLE 1. RETIREMENTS FOR EACH YEAR 2001-2010
SUMMARIZED BY AGE INTERVAL

Experience Band 2001-2010

Placement Band 1996-2010

Year Placed	Retirements, Thousands of Dollars During Year										Total During Age Interval	Age Interval
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1996	10	11	12	13	14	16	23	24	25	26	26	13½-14½
1997	11	12	13	15	16	18	20	21	22	19	44	12½-13½
1998	11	12	13	14	16	17	19	21	22	18	64	11½-12½
1999	8	9	10	11	11	13	14	15	16	17	83	10½-11½
2000	9	10	11	12	13	14	16	17	19	20	93	9½-10½
2001	4	9	10	11	12	13	14	15	16	20	105	8½-9½
2002		5	11	12	13	14	15	16	18	20	113	7½-8½
2003			6	12	13	15	16	17	19	19	124	6½-7½
2004				6	13	15	16	17	19	19	131	5½-6½
2005					7	14	16	17	19	20	143	4½-5½
2006						8	18	20	22	23	146	3½-4½
2007							9	20	22	25	150	2½-3½
2008								11	23	25	151	1½-2½
2009									11	24	153	½-1½
2010	—	—	—	—	—	—	—	—	—	13	80	0-½
Total	53	68	86	106	128	157	196	231	273	308	1,606	

sum of the retirements entered on Table 1 immediately above the stair step line drawn on the table beginning with the 2001 retirements of 1996 installations and ending with the 2010 retirements of the 2005 installations. Thus, the total amount of 143 for age interval 4½-5½ equals the sum of:

$$10 + 12 + 13 + 11 + 13 + 13 + 15 + 17 + 19 + 20.$$

In Table 2, other transactions which affect the group are recorded in a similar manner. The entries illustrated include transfers and sales. The entries which are credits to the plant account are shown in parentheses. The items recorded on this schedule are not totaled with the retirements, but are used in developing the exposures at the beginning of each age interval.

<u>Schedule of Plant Exposed to Retirement</u>. The development of the amount of plant exposed to retirement at the beginning of each age interval is illustrated in Table 3 on page II-15. The surviving plant at the beginning of each year from 2001 through 2010 is recorded by year in the portion of the table headed "Annual Survivors at the Beginning of the Year." The last amount entered in each column is the amount of new plant added to the group during the year. The amounts entered in Table 3 for each successive year following the beginning balance or addition are obtained by adding or subtracting the net entries shown on Tables 1 and 2. For the purpose of determining the plant exposed to retirement, transfers-in are considered as being <u>exposed</u> to retirement in this group <u>at the beginning of the year</u> in which they occurred, and the sales and transfers-out are considered to be removed from the plant exposed to retirement at the <u>beginning of the following year</u>. Thus, the amounts of plant shown

TABLE 2. OTHER TRANSACTIONS FOR EACH YEAR 2001-2010
SUMMARIZED BY AGE INTERVAL

Experience Band 2001-2010 | Placement Band 1996-2010

Placed (1)	Acquisitions, Transfers and Sales, Thousands of Dollars During Year 2001 (2)	2002 (3)	2003 (4)	2004 (5)	2005 (6)	2006 (7)	2007 (8)	2008 (9)	2009 (10)	2010 (11)	Total During Age Interval (12)	Age Interval (13)
1996	-	-	-	-	-	-	60[a]	-	-	-	-	13½-14½
1997	-	-	-	-	-	-	-	-	-	-	-	12½-13½
1998	-	-	-	-	-	-	-	-	-	-	-	11½-12½
1999	-	-	-	-	-	-	-	(5)[b]	-	-	60	10½-11½
2000	-	-	-	-	-	-	-	6[a]	-	-	-	9½-10½
2001		-	-	-	-	-	-	-	-	-	(5)	8½-9½
2002			-	-	-	-	-	-	-	-	-	7½-8½
2003			-	-	-	-	-	-	-	-	-	6½-7½
2004				-	-	-	-	(12)[b]	-	-	-	5½-6½
2005					-	-	-	-	22[a]	-	-	4½-5½
2006						-	-	(19)[b]	-	-	10	3½-4½
2007							-	-	-	-	-	2½-3½
2008								-	-	(102)[c]	(121)	1½-2½
2009									-	-	-	½-1½
2010											-	0-½
Total	-	-	-	-	-	-	60	(30)	22	(102)	(50)	

[a] Transfer Affecting Exposures at Beginning of Year
[b] Transfer Affecting Exposures at End of Year
[c] Sale with Continued Use
Parentheses denote Credit amount.

TABLE 3. PLANT EXPOSED TO RETIREMENT JANUARY 1
OF EACH YEAR 2001-2010
SUMMARIZED BY AGE INTERVAL

Experience Band 2001-2010 | Placement Band 1996-2010

Year Placed (1)	Exposures, Thousands of Dollars — Annual Survivors at the Beginning of the Year 2001 (2)	2002 (3)	2003 (4)	2004 (5)	2005 (6)	2006 (7)	2007 (8)	2008 (9)	2009 (10)	2010 (11)	Total at Beginning of Age Interval (12)	Age Interval (13)
1996	255	245	234	222	209	195	239	216	192	167	167	13½-14½
1997	279	268	256	243	228	212	194	174	153	131	323	12½-13½
1998	307	296	284	271	257	241	224	205	184	162	531	11½-12½
1999	338	330	321	311	300	289	276	262	242	226	823	10½-11½
2000	376	367	357	346	334	321	307	297	280	261	1,097	9½-10½
2001	420[a]	416	407	397	386	374	361	347	332	316	1,503	8½-9½
2002		460[a]	455	444	432	419	405	390	374	356	1,952	7½-8½
2003			510[a]	504	492	479	464	448	431	412	2,463	6½-7½
2004				580[a]	574	561	546	530	501	482	3,057	5½-6½
2005					660[a]	653	639	623	628	609	3,789	4½-5½
2006						750[a]	742	724	685	663	4,332	3½-4½
2007							850[a]	841	821	799	4,955	2½-3½
2008								960[a]	949	926	5,719	1½-2½
2009									1,080[a]	1,069	6,579	½-1½
2010											7,490	0-½
Total	1,975	2,382	2,824	3,318	3,872	4,494	5,247	6,017	6,852	7,799	44,780	

[a] Additions during the year.

at the beginning of each year are the amounts of plant from each placement year considered to be exposed to retirement at the beginning of each successive transaction year. For example, the exposures for the installation year 2006 are calculated in the following manner:

Exposures at age 0	= amount of addition	= $750,000
Exposures at age ½	= $750,000 - $ 8,000	= $742,000
Exposures at age 1½	= $742,000 - $18,000	= $724,000
Exposures at age 2½	= $724,000 - $20,000 - $19,000	= $685,000
Exposures at age 3½	= $685,000 - $22,000	= $663,000

For the entire experience band 2001-2010, the total exposures at the beginning of an age interval are obtained by summing diagonally in a manner similar to the summing of the retirements during an age interval (Table 1). For example, the figure of 3,789, shown as the total exposures at the beginning of age interval 4½-5½, is obtained by summing:

255 + 268 + 284 + 311 + 334 + 374 + 405 + 448 + 501 + 609.

<u>Original Life Table</u>. The original life table, illustrated in Table 4 on page II-17**,** is developed from the totals shown on the schedules of retirements and exposures, Tables 1 and 3, respectively. The exposures at the beginning of the age interval are obtained from the corresponding age interval of the exposure schedule, and the retirements during the age interval are obtained from the corresponding age interval of the retirement schedule. The retirement ratio is the result of dividing the retirements during the age interval by the exposures at the beginning of the age interval. The percent surviving at the beginning of each age interval is derived from survivor ratios,

TABLE 4. ORIGINAL LIFE TABLE
CALCULATED BY THE RETIREMENT RATE METHOD

Experience Band 2001-2010 Placement Band 1996-2010

(Exposure and Retirement Amounts are in Thousands of Dollars)

Age at Beginning of Interval (1)	Exposures at Beginning of Age Interval (2)	Retirements During Age Interval (3)	Retirement Ratio (4)	Survivor Ratio (5)	Percent Surviving at Beginning of Age Interval (6)
0.0	7,490	80	0.0107	0.9893	100.00
0.5	6,579	153	0.0233	0.9767	98.93
1.5	5,719	151	0.0264	0.9736	96.62
2.5	4,955	150	0.0303	0.9697	94.07
3.5	4,332	146	0.0337	0.9663	91.22
4.5	3,789	143	0.0377	0.9623	88.15
5.5	3,057	131	0.0429	0.9571	84.83
6.5	2,463	124	0.0503	0.9497	81.19
7.5	1,952	113	0.0579	0.9421	77.11
8.5	1,503	105	0.0699	0.9301	72.65
9.5	1,097	93	0.0848	0.9152	67.57
10.5	823	83	0.1009	0.8991	61.84
11.5	531	64	0.1205	0.8795	55.60
12.5	323	44	0.1362	0.8638	48.90
13.5	167	26	0.1557	0.8443	42.24
					35.66
Total	44,780	1,606			

Column 2 from Table 3, Column 12, Plant Exposed to Retirement.
Column 3 from Table 1, Column 12, Retirements for Each Year.
Column 4 = Column 3 divided by Column 2.
Column 5 = 1.0000 minus Column 4.
Column 6 = Column 5 multiplied by Column 6 as of the Preceding Age Interval.

each of which equals one minus the retirement ratio. The percent surviving is developed by starting with 100% at age zero and successively multiplying the percent surviving at the beginning of each interval by the survivor ratio, i.e., one minus the retirement ratio for that age interval. The calculations necessary to determine the percent surviving at age 5½ are as follows:

Percent surviving at age 4½	=	88.15				
Exposures at age 4½	=	3,789,000				
Retirements from age 4½ to 5½	=	143,000				
Retirement Ratio	=	143,000	÷	3,789,000	=	0.0377
Survivor Ratio	=	1.000	-	0.0377	=	0.9623
Percent surviving at age 5½	=	(88.15)	x	(0.9623)	=	84.83

The totals of the exposures and retirements (columns 2 and 3) are shown for the purpose of checking with the respective totals in Tables 1 and 3. The ratio of the total retirements to the total exposures, other than for each age interval, is meaningless.

The original survivor curve is plotted from the original life table (column 6, Table 4). When the curve terminates at a percent surviving greater than zero, it is called a stub survivor curve. Survivor curves developed from retirement rate studies generally are stub curves.

Smoothing the Original Survivor Curve. The smoothing of the original survivor curve eliminates any irregularities and serves as the basis for the preliminary extrapolation to zero percent surviving of the original stub curve. Even if the original survivor curve is complete from 100% to zero percent, it is desirable to eliminate any irregularities, as there is still an extrapolation for the vintages which have not yet lived to the age at which the curve reaches zero percent. In this study, the smoothing of the original curve with established type curves was used to eliminate irregularities in the original curve.

The Iowa type curves are used in this study to smooth those original stub curves which are expressed as percents surviving at ages in years. Each original survivor curve was compared to the Iowa curves using visual and mathematical matching in order to determine the better fitting smooth curves. In Figures 6, 7, and 8, the original curve developed in Table 4 is compared with the L, S, and R Iowa type curves which most nearly fit the original survivor curve. In Figure 6, the L1 curve with an average life between 12 and 13 years appears to be the best fit. In Figure 7, the S0 type curve with a 12-year average life appears to be the best fit and appears to be better than the L1 fitting. In Figure 8, the R1 type curve with a 12-year average life appears to be the best fit and appears to be better than either the L1 or the S0.

In Figure 9, the three fittings, 12-L1, 12-S0 and 12-R1 are drawn for comparison purposes. It is probable that the 12-R1 Iowa curve would be selected as the most representative of the plotted survivor characteristics of the group.

Compliance of the Retirement Rate Method of Analysis to IFRS

The Canadian Accounting Standards Board has announced that Canadian Generally Accepted Accounting Principles (GAAP) will cease to exist as of a target date in 2011 (or 2012 for regulated entities that elect to defer implementation for 1 year). As of that date many organizations will be required to report under the International Financial Accounting Standards (IFRS). The International Accounting Standard (IAS) 16 deals with reporting of property, plant and equipment.

This standard requires that the depreciation expense associated with an asset be aligned with the average service expectations of the asset. Gannett Fleming notes that

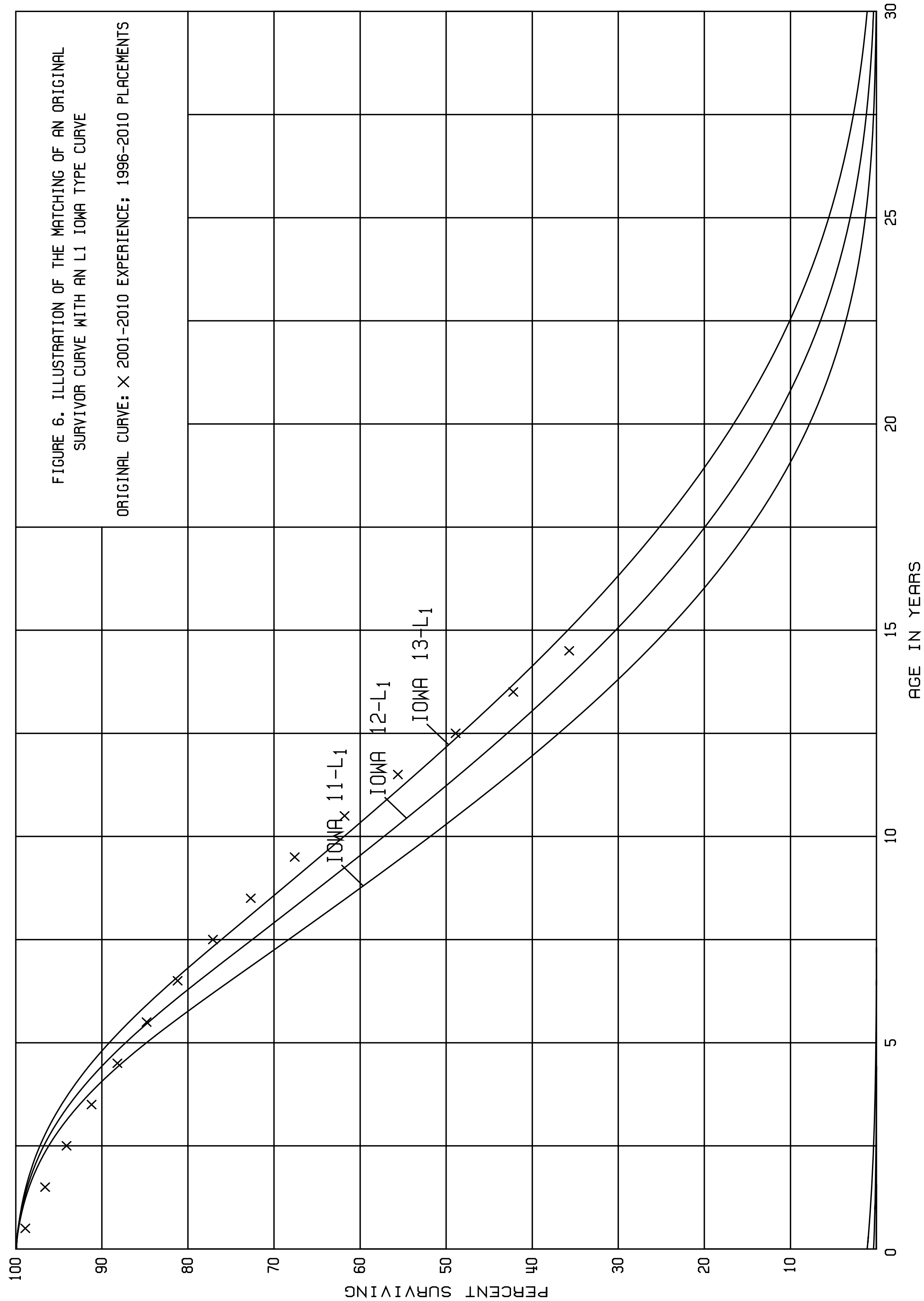


FIGURE 6. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN L1 IOWA TYPE CURVE

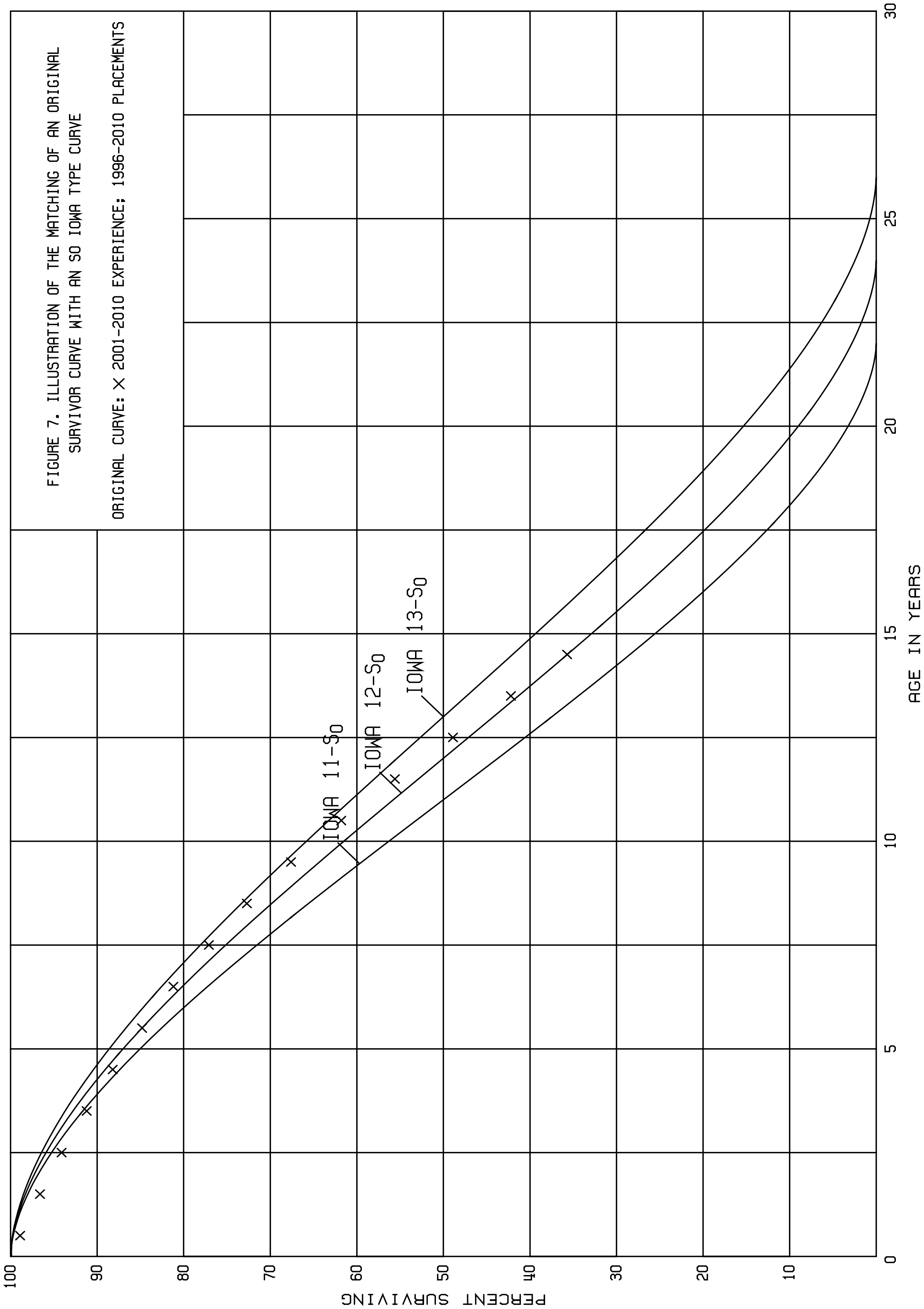


FIGURE 7. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN S0 IOWA TYPE CURVE

ORIGINAL CURVE: × 2001-2010 EXPERIENCE; 1996-2010 PLACEMENTS

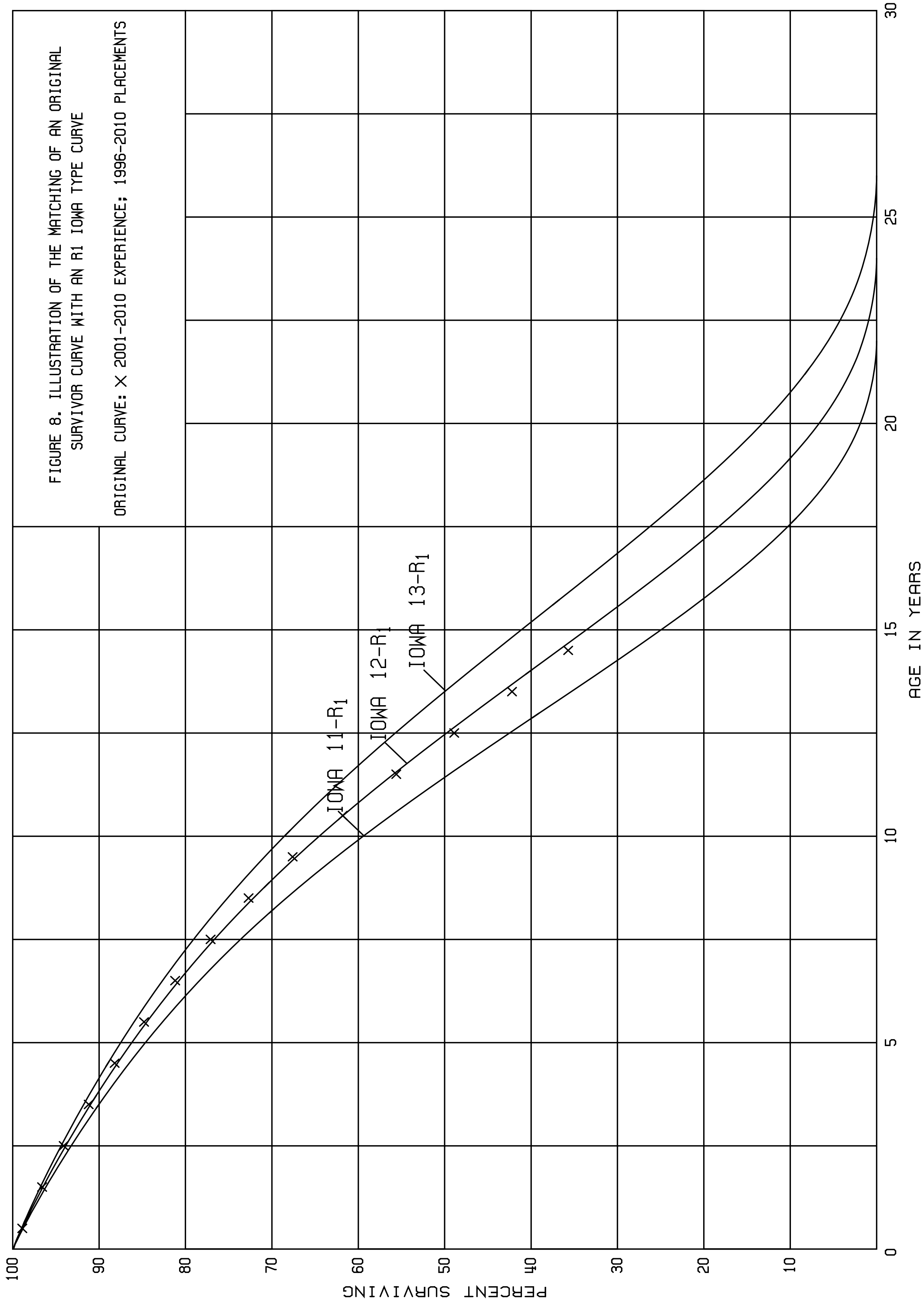


FIGURE 8. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN R1 IOWA TYPE CURVE

ORIGINAL CURVE: × 2001-2010 EXPERIENCE; 1996-2010 PLACEMENTS

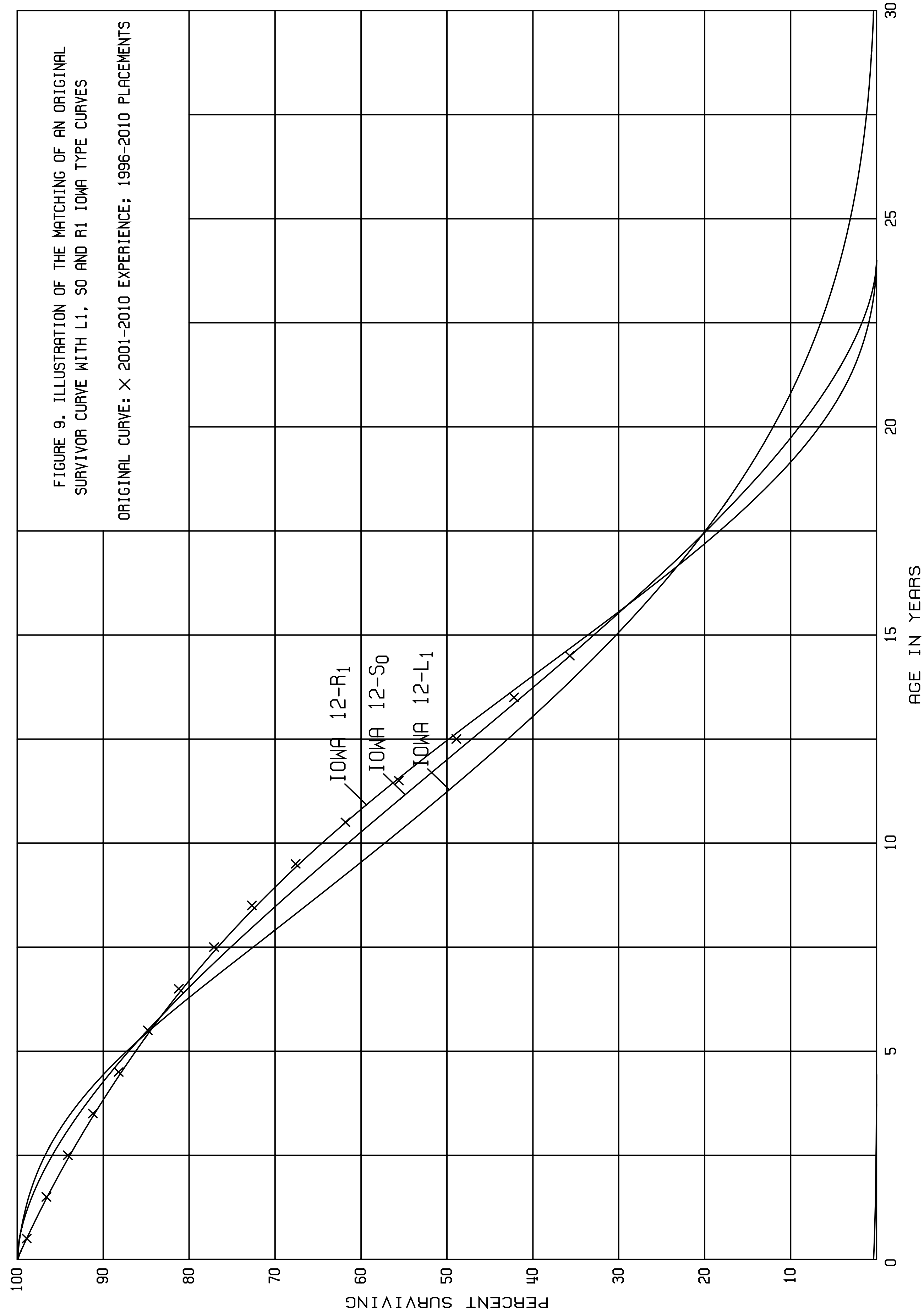


FIGURE 9. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH L1, S0 AND R1 IOWA TYPE CURVES

ORIGINAL CURVE: × 2001-2010 EXPERIENCE; 1996-2010 PLACEMENTS

the requirements and implementation of the IFRS are generally aligned with the appropriate and reasonable depreciation practices and procedures commonly used for regulatory purposes.

In the view of Gannett Fleming, the use of an Iowa curve in the estimation of average service life and retirement expectations of a group of homogenous assets meets the requirements of IAS 16. However, the account structure of the utility must be analyzed to ensure that the assets included in each group are like in nature and service of the asset to the utility is similar. In this manner, it can be expected that any one of the assets in the group are equally likely to be subjected to any of the forces of retirement to which the group of assets are subjected.

In order to better meet the componentization requirements as discussed above, and to continue to use group accounting and depreciation practices, the company reviewed the type of physical assets included in all plant accounts. As a result of this review, Manitoba Hydro has developed a significant number of new accounts, particularly with regard to electric generation plant. Also as part of this development of new accounts, the company has recreated a database of aged plant accounting retirements and balances. Gannett Fleming used this database to perform a detailed retirement rate analysis as described previously in the report. In a limited number of accounts, Manitoba Hydro was not able to develop aged retirement balances. In these circumstances, Gannett Fleming statistically aged the unaged transactions in order that the retirement rate analysis could be completed for all accounts.

Survivor Curve Judgments. The survivor curve estimates were based on judgment which considered a number of factors. The primary factors were the statistical

analysis of data; current policies and outlook as determined during conversations with management personnel and on the knowledge Gannett Fleming developed through the completion of numerous electric utility studies.

GENERATION ACCOUNTS

Gannett Fleming developed unique depreciation rate calculations for each of the hydraulic generation plants in order to specially recognize the life span of each of the plants. However, the retirement rate analysis was prepared on the basis of a grouping at an account level of the plant accounting data related to the combined databases from all hydraulic generation sites. Therefore, the analyses presented in Section IV of the Supporting Documents and as discussed below, are based on the combined data from all locations for each account.

Account Grouping A – Dams, Dykes and Weirs, represents 10% of the generation and 4.3% of depreciable assets studied. The investment in this account related mainly to the geo-technical components, including the earthen structures. Company management and operational staff have indicated that these structures were engineered to a higher standard in order to provide an increased level of safety and longevity. As such, it is expected that the investment in this account would have a longer average life expectation than many of the peer group of Canadian electric generation utilities. Additionally, on a yearly basis the company invests between $4 and $5 million on dam safety programs throughout its system.

The retirement rate analysis as presented on pages IV-3 to IV-5 has reviewed the retirement history from 1952 through 2010. The currently approved Iowa curve related to these assets is the Iowa 100-R3. Based on the retirement rate analysis, and on the expectations of operational staff, Gannett Fleming recommends the extension of the average service life estimate and an increase to the mode of the retirement dispersion curve to the Iowa 125-R4.

Account Grouping B – Powerhouse, represents 20% of the generation assets and 8.4% of the depreciable assets studied. The investment in this account relates to the powerhouses and civil buildings, including the structural and concrete components.

The hydraulic generation powerhouses are normally part of the physical concrete dam structure. However, in the circumstance of the Grand Rapids generation site, the powerhouse is physically located behind the dam in a separate structure. Based on the retirement rate analysis as presented on page IV-7 to IV-9 and on the expectations of operational staff, Gannett Fleming recommends the extension of the average service life estimate for this account to the Iowa 125-R4 from the Iowa 100-R3 curve for the civil assets related to the hydraulic assets. In this recommendation, the average service life characteristics of the powerhouses will be matched to the estimated retirement dispersion related to the Dams, Dykes and Weirs account.

With regard to the powerhouses related to thermal generation plants, the powerhouse is more typical of industrial concrete or steel buildings. As such it is estimated that the average service life associated with powerhouse buildings related to thermal plant locations would have a shorter average service life than the estimates for the hydraulic generation sites. Therefore, based on the expectations of operational staff, Gannett Fleming recommends continuation of the currently approved Iowa 65-R4 curve for thermal assets.

Account Grouping D – Spillway, represents 7% of the generation assets and 3.1% of the depreciable assets studied. The typical average service lives for spillways within the Canadian electric generation industry range from 60 to 100 years. The investment in this account was, in previous deprecation studies, included in the large group of civil assets and depreciated with an Iowa 100-R3 curve. Given the ability to separately analyze this investment, based on the retirement rate analysis as presented on pages IV-11 to IV-13 of the supporting documents and on the expectations of operational staff, Gannett Fleming recommends the reduction of the average service life estimate for this account to the Iowa 75-R2 curve.

Account Grouping E – Water Control Systems, represents 6% of the generation assets and 2.5% of the depreciated assets studied. The investment in this account includes the investment related to gates, guides and hoists. These types of assets are subjected to wear and tear and will require replacement over the life of the generation plant. The average service life estimates among Canadian peer utilities ranges from 45 to 75 years.

Interviews with company operational staff have indicated an expectation of a 50 year life. The investment in this account was, in previous deprecation studies, included in the large group of civil assets and depreciated with an Iowa 100-R3 curve. Based on the retirement rate analysis as presented on page IV-15 to IV-17 of the supporting documents, and on the expectations of operational staff, Gannett Fleming recommends the use of a 50-year average service life estimate and an increase in the mode of the Iowa curve from R3 to S4, resulting in a recommended Iowa 50-S4 curve.

Account Grouping P – A/C Electrical Power Systems, represents 22% of the generation assets and 9.2% of the depreciable assets studied. The investment in this account relates to the station electric transformer and station service. The assets in this account were previously depreciated with the Accessory Station Equipment using the Iowa 50-R3 curve. With the separation of this account, a retirement rate analysis was undertaken. Based on the retirement rate analysis as presented on page IV-34 to IV-36 and on the expectations of operational staff, Gannett Fleming recommends the continued use of the Iowa 50-R3, as shown on page IV-33 of the Supporting Documents.

DIESEL ACCOUNTS

Account 1300B – Buildings, represents 21% of the diesel assets and less than 1% of the depreciable assets studied. The statistical analysis indicates a 30-year average service life expectation. In addition, the Diesel Buildings are subjected to increased amounts of wear and tear than other generation buildings within the Manitoba Hydro system, and therefore will have a shorter life expectation. Based on the retirement rate analysis as presented on page IV-56, and on the expectations of operational staff, Gannett Fleming recommends the extension of the average service life estimate for this account to the 30-R3 from the 18-R2 Iowa curve which was previously used.

Account 1300N – Engines and Generators, represents 41% of the diesel assets and less than 1% of the depreciable assets studied. The statistical analysis indicates a life of approximately 25 years. The operational staff at Manitoba Hydro also confirms the life expectation of 25 years. In addition, the industry peer average service life estimates range from 20 to 30 years. Based on the retirement rate analysis as presented on page IV-58, and on the expectations of operational staff, Gannett Fleming recommends the extension of the average service life estimate for this account to the Iowa 25-R2.

Account 1300Q – Accessory Station Equipment, represents 30% of the diesel assets and less than 1% of the depreciable assets studied. The investment in this account includes the investment related to step-up transformers, and control panels which were all replaced approximately 15 to 20 years ago. Based on the retirement rate analysis presented on page IV-60, and on the expectations of operational staff, Gannett Fleming recommends the extension of the average service life estimate for this account to the Iowa 20-R3.

TRANSMISSION ACCOUNTS

Account 2000G – Metal Towers and Concrete Poles, represents 45% of the transmission assets and 2.8% of the depreciable assets studied. The company had a previously approved life estimate of 85 years for this account. The original survivor curve as shown on page IV-67 indicated a modest level of retirement activity through age 42, with an indication of increased retirement activity thereafter. The transmission towers have historically withstood environmental influences such as ice storms, severe winter conditions, and corrosion. There are some replacements that will be required with the need to replace the 105-year old towers from Point du Bois, but there are no other significant replacement plans over the next 25 to 30 years. The industry average service life ranges from 50 to 65 years.

Interviews with company operational staff have indicated an expectation of a longer life than the industry peers. Based on the retirement rate analysis as presented on page IV-68 to IV-70 of the supporting documents, and on the expectations of operational staff, Gannett Fleming recommends the continued use of an 85-year average service life estimate and an increase in the mode of the Iowa curve from R3 to R4, resulting in a recommended Iowa 85-R4 curve.

Account 2000L – Overhead Conductor and Devices, represents 40% of the transmission assets and 3% of the depreciable assets studied. The retirement pattern shows only modest retirements up until age 22 and retirements increasing at a low rate thereafter. Based on the retirement rate analysis as presented on page IV-75 to V-77, and on the expectations of operational staff, Gannett Fleming recommends the extension of the average service life estimate for this account from a 60-L4 Iowa curve to the Iowa 65-R4.

SUBSTATION ACCOUNTS

Account 3100R – Power Transformers, represents 12% of the substations assets and 2% of the depreciable assets studied. The retirement pattern shows modest retirements starting about year five and increasing thereafter. The operational staff has not identified any problems with Manitoba Hydro's transformers. Manitoba Hydro also has a standard practice to repair through operating budgets for as long of a period as possible in order to extend the lives as long as possible for transformers. Additionally, newer transformers are expected to have shorter lives than the older units, as the new units are being manufactured to tighter capacity tolerances. The typical industry lives range from 40 to 60 years. Based on the retirement rate analysis, and on the expectations of operational staff, Gannett Fleming recommends an Iowa 50-R2 curve.

Account 3100T – Interrupting Equipment, represents 6% of the substations assets and 1% of the depreciable assets studied. The retirement pattern shows modest retirements starting about year five and increasing thereafter. Based on the retirement rate analysis, and on the expectations of operational staff, Gannett Fleming recommends an Iowa 45-R2 curve.

Account 3100U – Other Station Equipment, represents 21% of the substations assets and 4% of the depreciable assets studied. Comparable utilities with the electric industry have lives ranging from 45 to 53 years. The retirement pattern shown at page IV-99 shows modest retirements starting about year five and increasing thereafter. Based on the retirement rate analysis, and on the expectations of operational staff, Gannett Fleming recommends an Iowa 43-R2 curve.

Account 3100V – Electronic Equipment and Batteries, represents 6% of the substations assets and 1% of the depreciable assets studied. Comparable utilities within the electric industry have lives ranging from 15 and 25 years. The retirement pattern as shown at page IV-103 shows modest retirements starting about year five and increasing thereafter. Based on the retirement rate analysis, and on the expectations of operational staff, Gannett Fleming recommends an Iowa curve of 20-R2.

Account 3200P – Convertor Equipment HVDC, represents 9% of the substations assets and 2% of the depreciable assets studied. The retirement pattern as shown on page IV-108 shows modest retirements starting about year nine and slowly increasing until about age 25 and increasing at a faster rate thereafter. Based on the retirement rate analysis, and on the expectations of operational staff, Gannett Fleming recommends an Iowa 25-R3 curve.

Account 3200S – Serialized Equipment-HVDC, represents 26% of the substations assets and 5% of the depreciable assets studied. The retirement pattern as shown on page IV-110 shows retirements starting at year two and then increasing thereafter. Based on the retirement rate analysis, and on the expectations of operational staff, Gannett Fleming recommends an Iowa 25-R2 curve.

DISTRIBUTION ACCOUNTS

Account 4000J – Poles and Fixtures, represents 24% of the distribution assets and 5% of the depreciable assets studied. The poles are a mix of pine and cedar with wood poles making up about 99.5% of the poles in service. Typical industry lives for wood poles range from 38 to 55 years. Based on the retirement rate analysis as shown on pages IV-122 and IV-123, and as confirmed through interviews with operational staff along with industry comparables, Gannett Fleming recommends an Iowa 55-R3 curve.

Account 4000L – Overhead Conductor and Devices, represents 26% of the distribution assets and 5.1% of the depreciable assets studied. Operational staff indicated they are seeing no major issues with conductors and they would expect lives to be longer than the poles. Typical industry averages show lives ranging from 45 and 60 years. Based on the retirement rate analysis as displayed on page IV-125 and IV-126 the expectations of operational staff, and industry comparables, Gannett Fleming recommends an Iowa 60-R2 curve.

Account 4000N – Underground Cable and Devices – Primary, represents 11% of the distribution assets and 2% of the depreciable assets studied. Operations indicated there are no major issues with newer underground cable installed within the last 25 years. However, the older cable previously installed was of inferior quality and is starting to be retired at about 45 years. Typical industry averages show lives ranging from 40 to 80 years. Based on the retirement rate analysis as shown on pages IV-130 and 131 on the expectations of operational staff and industry comparables, Gannett Fleming recommends an Iowa 60-R4 curve.

Account 4000P – Underground Cable and Devices – Secondary, represents 8% of the distribution assets and 2% of the depreciable assets studied. The newer underground cable is about 25 years old and is showing no major issues according to Manitoba Hydro's operational staff. In addition, the older underground cable is starting to retire at about 45 years. Typical industry averages are indicating lives between 40 and 80 years. Based on the retirement rate analysis as shown on pages IV-133 and IV-134 the expectations of operational staff along with industry comparables, Gannett Fleming recommends an Iowa 45-R4 curve.

Account 4000Q – Serialized Equipment – Overhead, represents 8% of the distribution assets and 2% of the depreciable assets studied. The investment in this account primarily relates to pole top transformers. Interviews with operational staff indicated the company intends to continue to refurbish and reuse transformers. Comparable Industry averages range from 27 to 45 years. Expectations of operational staff along with industry comparables, Gannett Fleming recommends an Iowa 35-R3 curve.

Account 4000S – Serialized Equipment – Underground, represents 7% of the distribution assets and 1% of the depreciable assets studied. The investment in this

account primarily relates to pad mounted transformers for underground service. Interviews with operational staff indicated the company intends to continue to refurbish and reuse these transformers. Comparable industry averages range from 27 to 45 years. Expectations of operational staff along with industry comparables, Gannett Fleming recommends an Iowa 40-R3 curve.

The survivor curve estimates for the remaining accounts were based on similar considerations of historical analyses, management outlook and estimates for this company and other electric utilities.

Life Span Estimates

Life expectancy of electric generation plant assets are impacted by not only physical wear and tear of the assets but also on economic factors including the feasibility of the economic replacement of major operating components or the economic viability of the plant as a whole. In circumstances where the replacement of major operating components is not economically feasible, the life of the major component can be the determining factor of the generation plant and all of the assets within the plant. As such, the depreciable remaining life of electric generation plant assets is the lesser of the physical life expectation of the asset or the period at the end of the life span of the generation plant.

The use of life span dates for determining depreciable lives for regulated electric generation plant is common through many North American Regulatory jurisdictions. The basis for the determination of the life span date is usually based on one or all of the following:

- The physical life estimation of the major and vital components of the generating plant;
- The duration of operating licenses;
- Precedent and policy of the regulatory jurisdiction;
- Expiration of the supply source for which the generation plant is dependent; and
- Expiration of market demand upon which the generation plant is dependent.

In prior depreciation reviews, Manitoba Hydro has determined a life span date for each of the regulated hydraulic plants based on an overall life estimate of 100 years. The management and operational staff of Manitoba Hydro have reviewed this policy and determined that the economic life of the generation plants should be extended to 140 years beyond the date of initial construction. The application of this policy was reviewed for its reasonableness at each of the generation plants and was modified in three circumstances as follows:

- Pointe du Bois – March 31, 2031 (125 years)
- Grand Rapids – March 31, 2091 (125 years)
- Laurie River – March 31, 2032 (80 years)

.

CALCULATION OF ANNUAL AND ACCRUED DEPRECIATION

Group Depreciation Procedures. When more than a single item of property is under consideration, a group procedure for depreciation is appropriate because normally all of the items within a group do not have identical service lives, but have lives that are dispersed over a range of time. There are two primary group procedures, namely, average service life and equal life group.

In the average service life procedure, the rate of annual depreciation is based on the average life or average service life of the group, and this rate is applied to the surviving balances of the group's cost. A characteristic of this procedure is that the cost of plant retired prior to average life is not fully recouped at the time of retirement, whereas the cost of plant retired subsequent to average life is more than fully recouped. Over the entire life cycle, the portion of cost not recouped prior to average life is balanced by the cost recouped subsequent to average life. In this procedure, the accrued depreciation is based on the average service life of the group and the average remaining life of each vintage within the group derived from the area under the survivor curve between the attained age of the vintage and the maximum age.

In the equal life group procedure, the property group is subdivided according to service life. That is, each equal life group includes that portion of the property which experiences the life of that specific group. The relative size of each equal life group is determined from the property's life dispersion curve. The calculated depreciation for the property group is the summation of the calculated depreciation based on the service life of each equal life group.

The table on the following page presents an illustration of the calculation of equal life group depreciation using the Iowa 15-R3 survivor curve, 0 percent net salvage and a December 31, 2010 calculation date. In the table, each equal life group is defined by the age interval shown in columns 1 and 2. These are the ages at which the first and last retirement of each group occurs, and the group's equal life, shown in column 3, is the midpoint of the interval. For purposes of the calculation, each vintage is divided into equal life groups arranged so that the midpoint of each one-year age interval coincides with the calculation date, e.g., December 31 in this case. This enables the calculation of annual accruals for a twelve-month period centered on the date of calculation.

The retirement during the age interval, shown in column 4, is the size of each equal life group and is derived from the Iowa 15-R3 survivor curve and 0 percent net salvage. It is the difference between the percents surviving at the beginning and end of the age interval. Each equal life group's annual accrual, shown in column 5, equals the group's size (column 4) divided by its life (column 3).

DETAILED COMPUTATION OF ANNUAL AND ACCRUED FACTORS USING THE EQUAL LIFE GROUP PROCEDURE

INPUT PARAMETERS:
CALCULATION DATE.. 12-31-2010
SURVIVOR CURVE.... 15-R3

AGE INTERVAL BEG (1)	END (2)	LIFE (3)	RETIREMENTS DURING INTERVAL (4)	GROUP ANNUAL ACCRUAL (5)=(4)/(3)	YEAR INST (6)	SUMMATION OF ANNUAL ACCRUALS (7)	AVERAGE PERCENT SURVIVING (8)	ANNUAL FACTOR (9)	ACCRUED FACTOR (10)
0.000	1.000	0.500	0.13204	0.13204000000	2010	7.73951870976	99.939619	0.0774	0.0387
1.000	2.000	1.500	0.22004	0.14669333333	2009	7.53413204309	99.757940	0.0755	0.1133
2.000	3.000	2.500	0.34901	0.13960400000	2008	7.39098337643	99.473416	0.0743	0.1858
3.000	4.000	3.500	0.53168	0.15190857143	2007	7.24522709071	99.033069	0.0732	0.2562
4.000	5.000	4.500	0.77648	0.17255111111	2006	7.08299724944	98.378988	0.0720	0.3240
5.000	6.000	5.500	1.09520	0.19912727273	2005	6.89715805752	97.443149	0.0708	0.3894
6.000	7.000	6.500	1.50085	0.23090000000	2004	6.68214442116	96.145127	0.0695	0.4518
7.000	8.000	7.500	1.99686	0.26624800000	2003	6.43357042116	94.396275	0.0682	0.5115
8.000	9.000	8.500	2.59836	0.30568941176	2002	6.14760171528	92.098663	0.0668	0.5678
9.000	10.000	9.500	3.32846	0.35036421053	2001	5.81957490413	89.135249	0.0653	0.6204
10.000	11.000	10.500	4.20015	0.40001428571	2000	5.44438565601	85.370944	0.0638	0.6699
11.000	12.000	11.500	5.24273	0.45588956522	1999	5.01643373055	80.649505	0.0622	0.7153
12.000	13.000	12.500	6.46397	0.51711760000	1998	4.52993014794	74.796157	0.0606	0.7575
13.000	14.000	13.500	7.78086	0.57636000000	1997	3.98319134794	67.673742	0.0589	0.7952
14.000	15.000	14.500	9.04123	0.62353310345	1996	3.38324479621	59.262695	0.0571	0.8280
15.000	16.000	15.500	9.97724	0.64369290323	1995	2.74963179287	49.753461	0.0553	0.8572
16.000	17.000	16.500	10.26569	0.62216303030	1994	2.11670382611	39.631994	0.0534	0.8811
17.000	18.000	17.500	9.71888	0.55536457143	1993	1.52794002524	29.639708	0.0516	0.9030
18.000	19.000	18.500	8.35418	0.45157729730	1992	1.02446909088	20.603179	0.0497	0.9195
19.000	20.000	19.500	6.50335	0.33350512821	1991	0.63192787812	13.174414	0.0480	0.9360
20.000	21.000	20.500	4.58978	0.22389170732	1990	0.35322946036	7.627850	0.0463	0.9492
21.000	22.000	21.500	2.91547	0.13560325581	1989	0.17348197879	3.875224	0.0448	0.9632
22.000	23.000	22.500	1.61144	0.07161955556	1988	0.06987057311	1.611769	0.0434	0.9765
23.000	24.000	23.500	0.66967	0.02849659574	1987	0.01981249746	0.471215	0.0420	0.9870
24.000	25.000	24.500	0.13425	0.00547959184	1986	0.00282440367	0.069256	0.0408	0.9996
25.000	25.350	25.175	0.00213	0.00008460775	1985	0.00001480636	0.000373	0.0397	1.0000
TOTAL			100.00000						

Columns 6 through 10 show the derivation of the annual and accrued factors for each vintage based on the information developed in the first five columns. The year installed is shown in column 6. For all vintages other than 2010, the summation of annual accruals for each year installed, shown in column 7, is calculated by adding one-half of the group annual accrual (column 5) for that vintage's current age interval plus the group annual accruals for all succeeding age intervals. For example, the figure 7.53413204309 for 2009 equals one-half of 0.14669333333 plus all of the succeeding figures in column 5. Only one-half of the annual accrual for the vintage's current age interval group is included in the summation because the equal life group for that interval has reached the year during which it is expected to be retired.

The summation of annual accruals (column 7) for installations during 2010 is calculated on the basis of an in-service date at the midpoint of the year, i.e., June 30. Inasmuch as the overall calculation is centered on December 31, 2010, the first figure in column 7, for vintage 2010, equals all of the group annual accrual for the first equal life group plus the accruals for all of the subsequent equal life groups.

The average percent surviving derived from the Iowa 15-R3 survivor curve and 0 percent net salvage, is shown in column 8 for each age interval. The annual factor, shown in column 9, is the result of dividing the summation of annual accruals (column 7) by the average percent surviving (column 8). The accrued factor, shown in column 10, equals the annual factor multiplied by the age of the group at December 31, 2010.

CALCULATION OF ANNUAL AND ACCRUED AMORTIZATION

Amortization is the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized. Normally, the distribution of the amount is in equal amounts to each year of the amortization period.

The calculation of annual and accrued amortization requires the selection of an amortization period. The amortization periods used in this report were based on judgment which incorporated a consideration of the period during which the assets will render most of their service, the amortization period and service lives used by other utilities, and the service life estimates previously used for the asset under depreciation accounting.

Amortization accounting is proposed for a number of accounts that represent numerous units of property, but a very small portion of depreciable electrical plant in service. The accounts and their amortization periods are as follows:

ACCOUNT	TITLE	AMORTIZATION PERIOD, YEARS
000C	POWERHOUSE RENOVATIONS	25
000L	LICENCE RENEWAL	50
000W	SUPPORT BUILDING RENOVATIONS	20
000M	COMBUSTION TURBINE OVERHAULS	10
1125Z	COMMUNITY DEVELOPMENT COSTS	81
1140Z	COMMUNITY DEVELOPMENT COSTS	80
1160Z	COMMUNITY DEVELOPMENT COSTS	100
1165Z	COMMUNITY DEVELOPMENT COSTS	100
1300C	BUILDING RENOVATIONS	15
1300M	ENGINES AND GENERATORS - OVERHAULS	5
3000C	BUILDING RENOVATIONS	20
4000K	GROUND LINE TREATMENT	10
4000V	ELECTRONIC EQUIPMENT	10
5000C	BUILDING RENOVATIONS	20
5000K	OPERATIONAL IT EQUIPMENT	5
5000M	MOBILE RADIO, TELEPHONE AND VIDEO CONFERENCING	8
5000N	OPERATIONAL DATA NETWORK	8
8000C	BUILDING RENOVATIONS	20
9000H	TOOLS, SHOP AND GARAGE EQUIPMENT	15
9000K	COMPUTER EQUIPMENT	5
9000L	OFFICE FURNITURE AND EQUIPMENT	20
9000M	HOT WATER TANKS	6
A200H	COMPUTER DEVELOPMENT - SMALL SYSTEMS	10
A200J	COMPUTER SOFTWARE - GENERAL	5
A200K	COMPUTER SOFTWARE - COMMUNICATION/OPERATIONAL	5

For the purpose of calculating annual amortization amounts as of March 31, 2010, the book depreciation reserve for each plant account or subaccount is assigned or allocated to vintages. The book reserve assigned to vintages with an age greater than the amortization period is equal to the vintage's original cost. The remaining book reserve is allocated among vintages with an age less than the amortization period in proportion to the calculated accrued amortization. The calculated accrued amortization is equal to the original cost multiplied by the ratio of the vintage's age to its amortization period. The annual amortization amount is determined by dividing the future amortizations (original cost less allocated book reserve) by the remaining period of amortization for the vintage.

MONITORING OF BOOK ACCUMULATED DEPRECIATION

The calculated accrued depreciation or amortization represents that portion of the depreciable cost which will not be allocated to expense through future depreciation accruals, if current forecasts of service life characteristics and net salvage materialize and are used as a basis for depreciation accounting. Thus, the calculated accrued depreciation provides a measure of the book accumulated depreciation. The use of this measure is recommended in the amortization of book accumulated depreciation variances to insure complete recovery of capital over the life of the property.

The recommended amortization of the variance between the book accumulated depreciation and the calculated accrued depreciation is based on an amortization period equal to the composite remaining life for each property group where the variance exceeds five percent of the calculated accrued depreciation.

The composite remaining life for use in the calculation of accumulated depreciation variances is derived by developing the composite sum of the individual equal life group remaining lives in accordance with the following equation:

$$\text{Composite Remaining Life} = \frac{\sum\left(\frac{\text{Book Cost}}{\text{Life}} \text{ x Remaining Life}\right)}{\sum \frac{\text{Book Cost}}{\text{Life}}}.$$

The book costs and lives of the several equal life groups, which are summed in the foregoing equation, are defined by the estimated future survivor curve.

Inasmuch as book cost divided by life equals the whole life annual accrual, the foregoing equation reduces to the following form:

$$\text{Composite Remaining Life} = \frac{\sum \text{Whole Life Future Accruals}}{\sum \text{Whole Life Annual Accruals}}$$

or

$$\text{Composite Remaining Life} = \frac{\sum \text{Book Cost - Calc. Reserve}}{\sum \text{Whole Life Annual Accrual}}.$$

PART III. RESULTS OF STUDY

PART III. RESULTS OF STUDY

QUALIFICATION OF RESULTS

The calculated annual and accrued depreciation are the principal results of the study. Continued surveillance and periodic revisions are normally required to maintain continued use of appropriate annual depreciation accrual rates. An assumption that accrual rates can remain unchanged over a long period of time implies a disregard for the inherent variability in service lives and salvage and for the change of the composition of property in service. The annual accrual rates and the accrued depreciation were calculated in accordance with the straight line method, using the equal life group procedure based on estimates which reflect considerations of current historical evidence and expected future conditions.

DESCRIPTION OF DETAILED TABULATIONS

The service life estimates were based on judgment that incorporated statistical analysis of retirement data, discussions with management and consideration of estimates made for other electric utilities. The results of the statistical analysis of service life are presented in the section beginning on pages IV-2, within the supporting documents of this report.

For each depreciable group analyzed by the retirement rate method, a chart depicting the original and estimated survivor curves followed by a tabular presentation of the original life table(s) plotted on the chart. The survivor curves estimated for the depreciable groups are shown as dark smooth curves on the charts. Each smooth survivor curve is denoted by a numeral followed by the curve type designation. The numeral used is the average life derived from the entire curve from 100 percent to zero

percent surviving. The titles of the chart indicate the group, the symbol used to plot the points of the original life table, and the experience and placement bands of the life tables which where plotted. The experience band indicates the range of years for which retirements were used to develop the stub survivor curve. The placements indicate, for the related experience band, the range of years of installations which appear in the experience.

The tables of the calculated annual depreciation applicable to depreciable assets as of March 31, 2010 are presented in account sequence starting on page V-2 of the supporting documents. The tables indicate the estimated average survivor curves used in the calculations. The tables set forth, for each installation year, the original cost, calculated accrued depreciation, and the calculated annual accrual.

MH Exhibit #22

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DEPRECIABLE WORK	LIFE SPAN DATE	ESTIMATED SURVIVOR CURVE	ESTIMATED NET SALVAGE	SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE (%)	ANNUAL PROVISION FOR TRUE-UP	TOTAL DEPRECIATION RELATED TO LIFE EXPENSE	TOTAL DEPRECIATION RELATED TO LIFE RATE (%)	
	(1)		(2)	(3)	(4)	(5)	(6)=(5)/(4)	(7)	(8)=(5)+(7)	(9)=(8)/(4)	
10000	GENERATION										
11000	HYDRAULIC GENERATION										
11050	GREAT FALLS										
1105A	DAMS, DYKES AND WEIRS	2063	125-R4	0	17,302,772	218,229	1.26	(27,263)	190,966	1.10	
1105B	POWERHOUSE	2063	125-R4	0	7,990,993	99,815	1.25	(13,045)	86,770	1.09	
1105C	POWERHOUSE RENOVATIONS	2063	25-SQ	0						4.00	*/**
1105D	SPILLWAY	2063	75-R2	0	9,676,327	151,875	1.57	(6,958)	144,917	1.50	
1105E	WATER CONTROL SYSTEMS	2063	50-S4	0	24,245,253	497,229	2.05	(50,814)	446,415	1.84	
1105F	ROADS AND SITE IMPROVEMENTS	2063	50-R3	0	213,964	5,129	2.40	(24)	5,105	2.39	
1105G	TURBINES AND GENERATORS	2063	65-S3	0	25,128,789	433,087	1.72	(30,373)	402,714	1.60	
1105H	GOVERNORS AND EXCITATION SYSTEM	2063	50-R4	0	492,218	10,048	2.04	(811)	9,237	1.88	
1105L	LICENCE RENEWAL	2063	50-SQ	0						2.00	*/**
1105P	A/C ELECTRICAL POWER SYSTEMS	2063	50-R3	0	9,493,088	201,933	2.13	(12,866)	189,067	1.99	
1105Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2063	23-L2	0	19,271,956	955,210	4.96	(7,499)	947,711	4.92	
1105R	AUXILIARY STATION PROCESSES	2063	40-R2.5	0	8,345,798	224,470	2.69	(9,108)	215,362	2.58	
1105X	SUPPORT BUILDINGS	2063	65-R3	0	1,495,253	24,424	1.63	(2,820)	21,604	1.44	
1105W	SUPPORT BUILDING RENOVATIONS	2063	20-SQ	0						5.00	*/**
	TOTAL GREAT FALLS				**123,656,412**	**2,821,449**	**2.28**	**(161,581)**	**2,659,868**	**2.15**	
11100	POINTE DU BOIS										
1110A	DAMS, DYKES AND WEIRS	2031	125-R4	0	11,263,332	446,825	3.97	(91,296)	355,529	3.16	
1110B	POWERHOUSE	2031	125-R4	0	6,242,749	271,010	4.34	(26,759)	244,251	3.91	
1110C	POWERHOUSE RENOVATIONS	2031	25-SQ	0						4.84	*/**
1110D	SPILLWAY - ORIGINAL	2017	75-R2	0	3,104,842	345,659	11.13	(84,531)	261,128	8.41	
1110E	WATER CONTROL SYSTEMS	2031	50-S4	0	4,027,603	152,884	3.80	(39,522)	113,362	2.81	
1110F	ROADS AND SITE IMPROVEMENTS	2031	50-R3	0	28,533	1,113	3.90	(295)	818	2.87	
1110G	TURBINES AND GENERATORS	2031	65-S3	0	24,610,324	1,022,300	4.15	(153,096)	869,204	3.53	
1110H	GOVERNORS AND EXCITATION SYSTEM	2031	50-R4	0						5.04	*
1110L	LICENCE RENEWAL	2031	50-SQ	0						4.76	*/**
1110P	A/C ELECTRICAL POWER SYSTEMS	2031	50-R3	0	6,057,709	274,987	4.54	(22,954)	252,033	4.16	
1110Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2031	23-L2	0	355,559	20,840	5.86	(2,581)	18,259	5.14	
1110R	AUXILIARY STATION PROCESSES	2031	40-R2.5	0	1,377,014	62,068	4.51	(11,335)	50,733	3.68	
1110X	SUPPORT BUILDINGS	2031	65-R3	0	2,616,290	95,041	3.63	(32,110)	62,931	2.41	
1110W	SUPPORT BUILDING RENOVATIONS	2031	20-SQ	0						5.00	*/**
1111D	SPILLWAY - NEW		75-R2	0						1.33	*
	TOTAL POINTE DU BOIS				**59,683,956**	**2,692,727**	**4.51**	**(464,480)**	**2,228,247**	**3.73**	
11150	SEVEN SISTERS										
1115A	DAMS, DYKES AND WEIRS	2072	125-R4	0	31,497,995	353,966	1.12	(76,205)	277,761	0.88	
1115B	POWERHOUSE	2072	125-R4	0	13,653,945	143,721	1.05	(40,679)	103,042	0.75	
1115C	POWERHOUSE RENOVATIONS	2072	25-SQ	0						4.00	*/**
1115D	SPILLWAY	2072	75-R2	0	2,841,355	39,847	1.40	(5,275)	34,572	1.22	
1115E	WATER CONTROL SYSTEMS	2072	50-S4	0	4,296,891	81,034	1.89	(23,695)	57,339	1.33	
1115F	ROADS AND SITE IMPROVEMENTS	2072	50-R3	0	201,701	3,718	1.84	(1,185)	2,533	1.26	
1115G	TURBINES AND GENERATORS	2072	65-S3	0	41,208,963	689,938	1.67	(75,531)	614,407	1.49	
1115H	GOVERNORS AND EXCITATION SYSTEM	2072	50-R4	0	6,860	125	1.82	(451)	(326)	2.00	
1115L	LICENCE RENEWAL	2072	50-SQ	0						2.00	*/**
1115P	A/C ELECTRICAL POWER SYSTEMS	2072	50-R3	0	10,648,619	223,532	2.10	(36,104)	187,428	1.76	
1115Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2072	23-L2	0	3,821,416	163,482	4.28	(29,620)	133,862	3.50	
1115R	AUXILIARY STATION PROCESSES	2072	40-R2.5	0	5,224,958	131,285	2.51	(25,391)	105,894	2.03	
1115X	SUPPORT BUILDINGS	2072	65-R3	0	608,294	11,021	1.81	(676)	10,345	1.70	
1115W	SUPPORT BUILDING RENOVATIONS	2072	20-SQ	0						5.00	*/**
	TOTAL SEVEN SISTERS				**114,010,998**	**1,841,669**	**1.62**	**(314,814)**	**1,526,855**	**1.34**	

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DEPRECIABLE WORK	LIFE SPAN DATE	ESTIMATED SURVIVOR CURVE	ESTIMATED NET SALVAGE	SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE (%)	ANNUAL PROVISION FOR TRUE-UP	TOTAL DEPRECIATION RELATED TO LIFE EXPENSE	TOTAL DEPRECIATION RELATED TO LIFE RATE (%)
	(1)		(2)	(3)	(4)	(5)	(6)=(5)/(4)	(7)	(8)=(5)+(7)	(9)=(8)/(4)
11200	**SLAVE FALLS**									
1120A	DAMS, DYKES AND WEIRS	2072	125-R4	0	954,684	14,817	1.55	(153)	14,664	1.54
1120B	POWERHOUSE	2072	125-R4	0	45,692,194	663,677	1.45	(17,065)	646,612	1.42
1120C	POWERHOUSE RENOVATIONS	2072	25-SQ	0						4.00 */**
1120D	SPILLWAY	2072	75-R2	0	760,201	15,394	2.03	58	15,452	2.03
1120E	WATER CONTROL SYSTEMS	2072	50-S4	0	318,933	6,602	2.07	(96)	6,506	2.04
1120F	ROADS AND SITE IMPROVEMENTS	2072	50-R3	0	769,506	17,545	2.28	(107)	17,438	2.27
1120G	TURBINES AND GENERATORS	2072	65-S3	0	11,630,909	200,112	1.72	(4,924)	195,188	1.68
1120H	GOVERNORS AND EXCITATION SYSTEM	2072	50-R4	0						2.00 *
1120L	LICENCE RENEWAL	2072	50-SQ	0						2.00 */**
1120P	A/C ELECTRICAL POWER SYSTEMS	2072	50-R3	0	21,815,741	505,179	2.32	(2,972)	502,207	2.30
1120Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2072	23-L2	0	786,382	42,365	5.39	217	42,582	5.41
1120R	AUXILIARY STATION PROCESSES	2072	40-R2.5	0	2,201,466	68,661	3.12	262	68,923	3.13
1120X	SUPPORT BUILDINGS	2072	65-R3	0	3,724,095	67,791	1.82	(955)	66,836	1.79
1120W	SUPPORT BUILDING RENOVATIONS	2072	20-SQ	0						5.00 */**
	TOTAL SLAVE FALLS				**88,654,109**	**1,602,143**	**1.81**	**(25,735)**	**1,576,408**	**1.78**
11250	**PINE FALLS**									
1125A	DAMS, DYKES AND WEIRS	2092	125-R4	0	14,110,589	156,702	1.11	(6,323)	150,379	1.07
1125B	POWERHOUSE	2092	125-R4	0	10,060,843	87,828	0.87	(15,968)	71,860	0.71
1125C	POWERHOUSE RENOVATIONS	2092	25-SQ	0						4.00 */**
1125D	SPILLWAY	2092	75-R2	0	93,376	1,804	1.93	8	1,812	1.94
1125E	WATER CONTROL SYSTEMS	2092	50-S4	0	3,564,106	67,205	1.89	(15,006)	52,199	1.46
1125F	ROADS AND SITE IMPROVEMENTS	2092	50-R3	0	1,178,575	19,598	1.66	(18,921)	677	0.06
1125G	TURBINES AND GENERATORS	2092	65-S3	0	9,464,220	145,587	1.54	(25,177)	120,410	1.27
1125H	GOVERNORS AND EXCITATION SYSTEM	2092	50-R4	0						2.00 *
1125L	LICENCE RENEWAL	2092	50-SQ	0						2.00 */**
1125P	A/C ELECTRICAL POWER SYSTEMS	2092	50-R3	0	5,071,108	104,504	2.06	(9,469)	95,035	1.87
1125Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2092	23-L2	0	2,156,586	99,187	4.60	(3,305)	95,882	4.45
1125R	AUXILIARY STATION PROCESSES	2092	40-R2.5	0	3,790,230	99,575	2.63	(7,530)	92,045	2.43
1125X	SUPPORT BUILDINGS	2092	65-R3	0	336,412	5,683	1.69	(241)	5,442	1.62
1125W	SUPPORT BUILDING RENOVATIONS	2092	20-SQ	0						5.00 */**
1125Z	COMMUNITY DEVELOPMENT COSTS	2092	81-SQ	0	4,425,543	54,434	1.23	(2,471)	51,963	1.17 **
	TOTAL PINE FALLS				**54,251,587**	**842,107**	**1.55**	**(104,404)**	**737,703**	**1.36**
11300	**MCARTHUR FALLS**									
1130A	DAMS, DYKES AND WEIRS	2095	125-R4	0	3,578,068	32,928	0.92	(3,695)	29,233	0.82
1130B	POWERHOUSE	2095	125-R4	0	9,523,798	83,002	0.87	(12,467)	70,535	0.74
1130C	POWERHOUSE RENOVATIONS	2095	25-SQ	0						4.00 */**
1130D	SPILLWAY	2095	75-R2	0	2,351,438	28,217	1.20	(4,929)	23,288	0.99
1130E	WATER CONTROL SYSTEMS	2095	50-S4	0	11,703,203	238,168	2.04	(26,096)	212,072	1.81
1130F	ROADS AND SITE IMPROVEMENTS	2095	50-R3	0	234,820	4,758	2.03	(551)	4,207	1.79
1130G	TURBINES AND GENERATORS	2095	65-S3	0	5,096,367	72,094	1.41	(44,855)	27,239	0.53
1130H	GOVERNORS AND EXCITATION SYSTEM	2095	50-R4	0	119,315	2,513	2.11	(166)	2,347	1.97
1130L	LICENCE RENEWAL	2095	50-SQ	0						2.00 */**
1130P	A/C ELECTRICAL POWER SYSTEMS	2095	50-R3	0	2,480,539	45,912	1.85	(9,219)	36,693	1.48
1130Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2095	23-L2	0	1,245,885	49,056	3.94	(4,082)	44,974	3.61
1130R	AUXILIARY STATION PROCESSES	2095	40-R2.5	0	3,440,197	90,405	2.63	(5,443)	84,962	2.47
1130X	SUPPORT BUILDINGS	2095	65-R3	0	227,212	3,840	1.69	(133)	3,707	1.63
1130W	SUPPORT BUILDING RENOVATIONS	2095	20-SQ	0						5.00 */**
	TOTAL MCARTHUR FALLS				**40,000,842**	**650,893**	**1.63**	**(111,636)**	**539,257**	**1.35**

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DEPRECIABLE WORK	LIFE SPAN DATE	ESTIMATED SURVIVOR CURVE	ESTIMATED NET SALVAGE	SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE (%)	ANNUAL PROVISION FOR TRUE-UP	TOTAL DEPRECIATION RELATED TO LIFE EXPENSE	TOTAL DEPRECIATION RELATED TO LIFE RATE (%)	
	(1)		(2)	(3)	(4)	(5)	(6)=(5)/(4)	(7)	(8)=(5)+(7)	(9)=(8)/(4)	
11350	**KELSEY**										
1135A	DAMS, DYKES AND WEIRS	2101	125-R4	0	11,066,409	110,124	1.00	(3,623)	106,501	0.96	
1135B	POWERHOUSE	2101	125-R4	0	27,569,817	239,892	0.87	(19,889)	220,003	0.80	
1135C	POWERHOUSE RENOVATIONS	2101	25-SQ	0						4.00	*/**
1135D	SPILLWAY	2101	75-R2	0	5,331,929	66,116	1.24	(2,091)	64,025	1.20	
1135E	WATER CONTROL SYSTEMS	2101	50-S4	0	11,792,566	233,252	1.98	(20,286)	212,966	1.81	
1135F	ROADS AND SITE IMPROVEMENTS	2101	50-R3	0	6,442,928	126,660	1.97	(12,225)	114,435	1.78	
1135G	TURBINES AND GENERATORS	2101	65-S3	0	130,323,693	2,139,901	1.64	(18,996)	2,120,905	1.63	
1135H	GOVERNORS AND EXCITATION SYSTEM	2101	50-R4	0	88,651	1,871	2.11	(87)	1,784	2.01	
1135L	LICENCE RENEWAL	2101	50-SQ	0						2.00	*/**
1135P	A/C ELECTRICAL POWER SYSTEMS	2101	50-R3	0	5,751,610	113,771	1.98	(12,141)	101,630	1.77	
1135Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2101	23-L2	0	3,595,490	162,610	4.52	3,100	165,710	4.61	
1135R	AUXILIARY STATION PROCESSES	2101	40-R2.5	0	7,788,815	203,179	2.61	(4,650)	198,529	2.55	
1135X	SUPPORT BUILDINGS	2101	65-R3	0	9,953,977	170,743	1.72	(2,021)	168,722	1.70	
1135W	SUPPORT BUILDING RENOVATIONS	2101	20-SQ	0						5.00	*/**
	TOTAL KELSEY				**219,705,886**	**3,568,119**	**1.62**	**(92,910)**	**3,475,209**	**1.58**	
11400	**GRAND RAPIDS**										
1140A	DAMS, DYKES AND WEIRS	2091	125-R4	0	53,468,974	514,944	0.96	(46,792)	468,152	0.88	
1140B	POWERHOUSE	2091	125-R4	0	24,506,522	223,336	0.91	(25,953)	197,383	0.81	
1140C	POWERHOUSE RENOVATIONS	2091	25-SQ	0						4.00	*/**
1140D	SPILLWAY	2091	75-R2	0	5,308,334	68,207	1.28	(4,198)	64,009	1.21	
1140E	WATER CONTROL SYSTEMS	2091	50-S4	0	15,982,492	309,243	1.93	(61,544)	247,699	1.55	
1140F	ROADS AND SITE IMPROVEMENTS	2091	50-R3	0	2,581,475	47,126	1.83	(15,904)	31,222	1.21	
1140G	TURBINES AND GENERATORS	2091	65-S3	0	113,066,160	1,856,605	1.64	(81,564)	1,775,041	1.57	
1140H	GOVERNORS AND EXCITATION SYSTEM	2091	50-R4	0	42,718	897	2.10	(44)	853	2.00	
1140L	LICENCE RENEWAL	2091	50-SQ	0						2.00	*/**
1140P	A/C ELECTRICAL POWER SYSTEMS	2091	50-R3	0	8,240,545	173,871	2.11	(12,341)	161,530	1.96	
1140Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2091	23-L2	0	4,674,247	165,394	3.54	(17,828)	147,566	3.16	
1140R	AUXILIARY STATION PROCESSES	2091	40-R2.5	0	5,600,506	153,945	2.75	(3,785)	150,160	2.68	
1140X	SUPPORT BUILDINGS	2091	65-R3	0	6,190,376	106,722	1.72	(2,100)	104,622	1.69	
1140W	SUPPORT BUILDING RENOVATIONS	2091	20-SQ	0						5.00	*/**
1140Z	COMMUNITY DEVELOPMENT COSTS	2091	80-SQ	0	101,442,997	1,268,037	1.25	(90,628)	1,177,409	1.16	**
	TOTAL GRAND RAPIDS				**341,105,346**	**4,888,327**	**1.43**	**(362,682)**	**4,525,645**	**1.33**	
11450	**KETTLE**										
1145A	DAMS, DYKES AND WEIRS	2111	125-R4	0	45,280,663	390,107	0.86	(34,169)	355,938	0.79	
1145B	POWERHOUSE	2111	125-R4	0	146,207,420	1,262,257	0.86	(108,788)	1,153,469	0.79	
1145C	POWERHOUSE RENOVATIONS	2111	25-SQ	0						4.00	*/**
1145D	SPILLWAY	2111	75-R2	0	25,406,960	337,913	1.33	(11,392)	326,521	1.29	
1145E	WATER CONTROL SYSTEMS	2111	50-S4	0	17,834,945	355,361	1.99	(173,994)	181,367	1.02	
1145F	ROADS AND SITE IMPROVEMENTS	2111	50-R3	0	10,591	235	2.22	(5)	230	2.17	
1145G	TURBINES AND GENERATORS	2111	65-S3	0	70,740,028	1,123,607	1.59	(208,486)	915,121	1.29	
1145H	GOVERNORS AND EXCITATION SYSTEM	2111	50-R4	0	3,304,326	64,753	1.96	(26,160)	38,593	1.17	
1145L	LICENCE RENEWAL	2111	50-SQ	0						2.00	*/**
1145P	A/C ELECTRICAL POWER SYSTEMS	2111	50-R3	0	6,771,761	141,808	2.09	(11,636)	130,172	1.92	
1145Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2111	23-L2	0	12,001,279	430,663	3.59	(34,185)	396,478	3.30	
1145R	AUXILIARY STATION PROCESSES	2111	40-R2.5	0	15,361,985	379,871	2.47	(50,094)	329,777	2.15	
1145X	SUPPORT BUILDINGS	2111	65-R3	0	3,908,404	60,260	1.54	(10,284)	49,976	1.28	
1145W	SUPPORT BUILDING RENOVATIONS	2111	20-SQ	0						5.00	*/**
	TOTAL KETTLE				**346,828,362**	**4,546,835**	**1.31**	**(669,194)**	**3,877,641**	**1.12**	

MH Exhibit #22

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DEPRECIABLE WORK	LIFE SPAN DATE	ESTIMATED SURVIVOR CURVE	ESTIMATED NET SALVAGE	SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE (%)	ANNUAL PROVISION FOR TRUE-UP	TOTAL DEPRECIATION RELATED TO LIFE EXPENSE	TOTAL DEPRECIATION RELATED TO LIFE RATE (%)	
	(1)		(2)	(3)	(4)	(5)	(6)=(5)/(4)	(7)	(8)=(5)+(7)	(9)=(8)/(4)	
11500	**LAURIE RIVER**										
1150A	DAMS, DYKES AND WEIRS	2032	125-R4	0	355,538	8,089	2.28	2,634	10,723	3.02	
1150B	POWERHOUSE	2032	125-R4	0	7,664,146	263,014	3.43	27,948	290,962	3.80	
1150C	POWERHOUSE RENOVATIONS	2032	25-SQ	0						4.55	*/**
1150D	SPILLWAY	2032	75-R2	0	870,000	24,012	2.76	6,380	30,392	3.49	
1150E	WATER CONTROL SYSTEMS	2032	50-S4	0	458,033	12,783	2.79	2,722	15,505	3.39	
1150F	ROADS AND SITE IMPROVEMENTS	2032	50-R3	0	1,441,914	41,644	2.89	10,679	52,323	3.63	
1150G	TURBINES AND GENERATORS	2032	65-S3	0	4,603,136	174,447	3.79	11,639	186,086	4.04	
1150H	GOVERNORS AND EXCITATION SYSTEM	2032	50-R4	0	882,653	36,143	4.09	1,427	37,570	4.26	
1150L	LICENCE RENEWAL	2032	50-SQ	0						4.55	*/**
1150P	A/C ELECTRICAL POWER SYSTEMS	2032	50-R3	0	1,441,945	44,385	3.08	9,003	53,388	3.70	
1150Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2032	23-L2	0	1,220,047	49,483	4.06	39,641	89,124	7.30	
1150R	AUXILIARY STATION PROCESSES	2032	40-R2.5	0	308,504	9,748	3.16	2,697	12,445	4.03	
1150X	SUPPORT BUILDINGS	2032	65-R3	0	355,919	9,254	2.60	2,622	11,876	3.34	
1150W	SUPPORT BUILDING RENOVATIONS	2032	20-SQ	0						5.00	*/**
	TOTAL LAURIE RIVER				**19,601,835**	**673,002**	**3.43**	**117,391**	**790,393**	**4.03**	
11550	**JENPEG**										
1155A	DAMS, DYKES AND WEIRS	2118	125-R4	0	15,295,318	135,504	0.89	(3,801)	131,703	0.86	
1155B	POWERHOUSE	2118	125-R4	0	76,905,294	663,443	0.86	(24,816)	638,627	0.83	
1155C	POWERHOUSE RENOVATIONS	2118	25-SQ	0						4.00	*/**
1155D	SPILLWAY	2118	75-R2	0	14,942,733	206,583	1.38	10,126	216,709	1.45	
1155E	WATER CONTROL SYSTEMS	2118	50-S4	0	16,762,099	342,073	2.04	(72,470)	269,603	1.61	
1155F	ROADS AND SITE IMPROVEMENTS	2118	50-R3	0	1,563,205	32,252	2.06	(1,292)	30,960	1.98	
1155G	TURBINES AND GENERATORS	2118	65-S3	0	79,641,550	1,287,144	1.62	(88,046)	1,199,098	1.51	
1155H	GOVERNORS AND EXCITATION SYSTEM	2118	50-R4	0						2.00	*
1155L	LICENCE RENEWAL	2118	50-SQ	0						2.00	*/**
1155P	A/C ELECTRICAL POWER SYSTEMS	2118	50-R3	0	19,308,049	377,217	1.95	(35,925)	341,292	1.77	
1155Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2118	23-L2	0	3,343,800	130,993	3.92	15,464	146,457	4.38	
1155R	AUXILIARY STATION PROCESSES	2118	40-R2.5	0	9,796,258	253,561	2.59	(4,392)	249,169	2.54	
1155X	SUPPORT BUILDINGS	2118	65-R3	0	7,885,397	131,668	1.67	(1,490)	130,178	1.65	
1155W	SUPPORT BUILDING RENOVATIONS	2118	20-SQ	0						5.00	*/**
	TOTAL JENPEG				**245,443,703**	**3,560,438**	**1.45**	**(206,644)**	**3,353,794**	**1.37**	
11600	**LAKE WINNIPEG REGULATION**										
1160A	DAMS, DYKES AND WEIRS		125-R4	0	96,807,065	813,275	0.84	(79,651)	733,624	0.76	
1160L	LICENCE RENEWAL		50-SQ	0						2.00	*/**
1160Z	COMMUNITY DEVELOPMENT COSTS		100-SQ	0	387,802,871	3,878,029	1.00	(223,323)	3,654,706	0.94	**
	TOTAL LAKE WINNIPEG REGULATION				**484,609,937**	**4,691,304**	**0.97**	**(302,973)**	**4,388,331**	**0.91**	
11650	**CHURCHILL RIVER DIVERSION**										
1165A	DAMS, DYKES AND WEIRS		125-R4	0	114,718,213	964,090	0.84	(13,751)	950,339	0.83	
1165D	SPILLWAY		75-R2	0	56,442,246	778,903	1.38	67,622	846,525	1.50	
1165E	WATER CONTROL SYSTEMS		50-S4	0	17,583,551	358,391	2.04	(42,591)	315,800	1.80	
1165F	ROADS AND SITE IMPROVEMENTS		50-R3	0	6,799,023	132,832	1.95	(1,007)	131,825	1.94	
1165L	LICENCE RENEWAL		50-SQ	0						2.00	*/**
1165P	A/C ELECTRICAL POWER SYSTEMS		50-R3	0	1,596,593	31,177	1.95	(247)	30,930	1.94	
1165Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		23-L2	0	1,417,862	36,897	2.60	14,977	51,874	3.66	
1165R	AUXILIARY STATION PROCESSES		40-R2.5	0	1,799,312	50,377	2.80	1,435	51,812	2.88	
1165X	SUPPORT BUILDINGS		65-R3	0	28,361	491	1.73	4	495	1.75	
1165W	SUPPORT BUILDING RENOVATIONS		20-SQ	0						5.00	*/**
1165Z	COMMUNITY DEVELOPMENT COSTS		100-SQ	0	305,036,524	3,050,365	1.00	(228,014)	2,822,351	0.93	**
	TOTAL CHURCHILL RIVER DIVERSION				**505,421,684**	**5,403,523**	**1.07**	**(201,571)**	**5,201,952**	**1.03**	

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DEPRECIABLE WORK (1)	LIFE SPAN DATE	ESTIMATED SURVIVOR CURVE (2)	ESTIMATED NET SALVAGE (3)	SURVIVING ORIGINAL COST AT 03/31/2010 (4)	CALCULATED ANNUAL ACCRUAL AMOUNT (5)	CALCULATED ANNUAL ACCRUAL RATE (%) (6)=(5)/(4)	ANNUAL PROVISION FOR TRUE-UP (7)	TOTAL DEPRECIATION RELATED TO LIFE EXPENSE (8)=(5)+(7)	TOTAL DEPRECIATION RELATED TO LIFE RATE (%) (9)=(8)/(4)
11700	**LONG SPRUCE**									
1170A	DAMS, DYKES AND WEIRS	2118	125-R4	0	64,744,494	558,569	0.86	(19,500)	539,069	0.83
1170B	POWERHOUSE	2118	125-R4	0	143,780,355	1,240,493	0.86	(43,364)	1,197,129	0.83
1170C	POWERHOUSE RENOVATIONS	2118	25-SQ	0						4.00 */**
1170D	SPILLWAY	2118	75-R2	0	42,273,617	584,041	1.38	28,146	612,187	1.45
1170E	WATER CONTROL SYSTEMS	2118	50-S4	0	57,946,281	1,182,124	2.04	(242,437)	939,687	1.62
1170F	ROADS AND SITE IMPROVEMENTS	2118	50-R3	0	1,172,867	23,483	2.00	(1,383)	22,100	1.88
1170G	TURBINES AND GENERATORS	2118	65-S3	0	143,328,643	2,323,085	1.62	(165,333)	2,157,752	1.51
1170H	GOVERNORS AND EXCITATION SYSTEM	2118	50-R4	0	145,844	3,092	2.12	(40)	3,052	2.09
1170L	LICENCE RENEWAL	2118	50-SQ	0						2.00 */**
1170P	A/C ELECTRICAL POWER SYSTEMS	2118	50-R3	0	30,503,528	605,258	1.98	(41,664)	563,594	1.85
1170Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2118	23-L2	0	4,409,200	127,168	2.88	20,949	148,117	3.36
1170R	AUXILIARY STATION PROCESSES	2118	40-R2.5	0	12,199,119	300,072	2.46	(12,642)	287,430	2.36
1170X	SUPPORT BUILDINGS	2118	65-R3	0	160,484	2,815	1.75	1	2,816	1.75
1170W	SUPPORT BUILDING RENOVATIONS	2118	20-SQ	0						5.00 */**
	TOTAL LONG SPRUCE				**500,664,431**	**6,950,200**	**1.39**	**(477,268)**	**6,472,932**	**1.29**
11750	**LIMESTONE**									
1175A	DAMS, DYKES AND WEIRS	2131	125-R4	0	33,258,073	288,035	0.87	(3,907)	284,128	0.85
1175B	POWERHOUSE	2131	125-R4	0	461,430,334	3,997,313	0.87	(53,896)	3,943,417	0.85
1175C	POWERHOUSE RENOVATIONS	2131	25-SQ	0						4.00 */**
1175D	SPILLWAY	2131	75-R2	0	201,240,773	3,035,196	1.51	156,773	3,191,969	1.59
1175E	WATER CONTROL SYSTEMS	2131	50-S4	0	116,224,392	2,405,845	2.07	(132,827)	2,273,018	1.96
1175F	ROADS AND SITE IMPROVEMENTS	2131	50-R3	0	17,164,432	363,550	2.12	(1,281)	362,269	2.11
1175G	TURBINES AND GENERATORS	2131	65-S3	0	403,825,745	6,663,125	1.65	(141,734)	6,521,391	1.61
1175H	GOVERNORS AND EXCITATION SYSTEM	2131	50-R4	0	16,584,271	346,998	2.09	(13,989)	333,009	2.01
1175L	LICENCE RENEWAL	2131	50-SQ	0						2.00 */**
1175P	A/C ELECTRICAL POWER SYSTEMS	2131	50-R3	0	144,317,307	3,056,641	2.12	(10,784)	3,045,857	2.11
1175Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2131	23-L2	0	8,333,373	339,021	4.07	50,445	389,466	4.67
1175R	AUXILIARY STATION PROCESSES	2131	40-R2.5	0	36,054,205	940,241	2.61	22,659	962,900	2.67
1175X	SUPPORT BUILDINGS	2131	65-R3	0	5,703,494	95,625	1.68	222	95,847	1.68
1175W	SUPPORT BUILDING RENOVATIONS	2131	20-SQ	0						5.00 **
	TOTAL LIMESTONE				**1,444,136,399**	**21,531,590**	**1.49**	**(128,319)**	**21,403,271**	**1.48**
11800	**WUSKWATIM**									
1180A	DAMS, DYKES AND WEIRS	2152	125-R4	0						0.80 *
1180B	POWERHOUSE	2152	125-R4	0						0.80 *
1180C	POWERHOUSE RENOVATIONS	2152	25-SQ	0						4.00 */**
1180D	SPILLWAY	2152	75-R2	0						1.33 *
1180E	WATER CONTROL SYSTEMS	2152	50-S4	0						2.00 *
1180F	ROADS AND SITE IMPROVEMENTS	2152	50-R3	0						2.00 *
1180G	TURBINES AND GENERATORS	2152	65-S3	0						1.54 *
1180H	GOVERNORS AND EXCITATION SYSTEM	2152	50-R4	0						2.00 *
1180P	A/C ELECTRICAL POWER SYSTEMS	2152	50-R3	0						2.00 *
1180Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2152	23-L2	0						4.35 *
1180R	AUXILIARY STATION PROCESSES	2152	40-R2.5	0						2.50 *
1180X	SUPPORT BUILDINGS	2152	65-R3	0						1.54 *
1180W	SUPPORT BUILDING RENOVATIONS	2152	20-SQ	0						5.00 */**
	TOTAL WUSKWATIM				**0**	**0**		**0**	**0**	
11990	**INFRASTRUCTURE SUPPORTING GENERATION**									
1199F	PROVINCIAL ROADS		50-R3	0	25,380,938	507,851	2.00	25,909	533,760	2.10
1199V	TOWN SITE BUILDING		65-L3	0	63,280,714	1,067,664	1.69	77,766	1,145,430	1.81
1199W	TOWN SITE BUILDINGS RENOVATIONS		20-SQ	0	13,502,581	674,829	5.00	79,558	754,387	5.59 **
1199Y	TOWN SITE OTHER INFRASTRUCTURE		45-R3	0	26,527,464	643,245	2.42	19,722	662,967	2.50
	TOTAL INFRASTRUCTURE SUPPORTING GENERATION				**128,691,696**	**2,893,589**	**2.25**	**202,955**	**3,096,544**	**2.41**
	TOTAL HYDRAULIC GENERATION				**4,716,467,183**	**69,157,915**	**1.47**	**(3,303,866)**	**65,854,049**	**1.40**

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DEPRECIABLE WORK	LIFE SPAN DATE	ESTIMATED SURVIVOR CURVE	ESTIMATED NET SALVAGE	SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE (%)	ANNUAL PROVISION FOR TRUE-UP	TOTAL DEPRECIATION RELATED TO LIFE EXPENSE	TOTAL DEPRECIATION RELATED TO LIFE RATE (%)
	(1)		(2)	(3)	(4)	(5)	(6)=(5)/(4)	(7)	(8)=(5)+(7)	(9)=(8)/(4)
12000	THERMAL GENERATION									
12050	BRANDON UNIT 5 (COAL)									
1205B	POWERHOUSE	2020	65-R4	0	11,729,518	421,297	3.59	33,269	454,566	3.88
1205C	POWERHOUSE RENOVATIONS	2020	25-SQ	0						10.00 */**
1205F	ROADS AND SITE IMPROVEMENTS	2020	50-R3	0	4,012,331	172,888	4.31	10,876	183,764	4.58
1205G	THERMAL TURBINES AND GENERATORS	2020	50-S3	0	19,611,168	943,669	4.81	43,658	987,327	5.03
1205H	GOVERNORS AND EXCITATION SYSTEM	2020	50-R4	0	2,343,861	114,615	4.89	4,453	119,068	5.08
1205J	STEAM GENERATOR AND AUXILIARIES	2020	65-R2.5	0	14,827,183	537,727	3.63	48,406	586,133	3.95
1205L	LICENCE RENEWAL	2020	50-SQ	0				0		10.00 */**
1205P	A/C ELECTRICAL POWER SYSTEMS	2020	50-R3	0	8,009,703	298,720	3.73	26,752	325,472	4.06
1205Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2020	23-L2	0	26,389,775	1,187,090	4.50	325,754	1,512,844	5.73
1205R	AUXILIARY STATION PROCESSES	2020	40-R2.5	0	47,306,417	2,029,000	4.29	194,813	2,223,813	4.70
1205X	SUPPORT BUILDINGS	2020	65-R3	0	7,253,899	290,663	4.01	18,192	308,855	4.26
1205W	SUPPORT BUILDING RENOVATIONS	2020	20-SQ	0						10.00 */**
	TOTAL BRANDON UNIT 5 (COAL)				**141,483,855**	**5,995,669**	**4.24**	**706,173**	**6,701,842**	**4.74**
12100	BRANDON UNITS 6 AND 7									
1210B	POWERHOUSE		65-R4	0	14,925,029	243,278	1.63	(8,469)	234,809	1.57
1210C	POWERHOUSE RENOVATIONS		25-SQ	0						4.00 */**
1210G	THERMAL TURBINES AND GENERATORS		50-S3	0	9,823,758	210,228	2.14	(9,612)	200,616	2.04
1210H	GOVERNORS AND EXCITATION SYSTEM		50-R4	0						2.00 *
1210K	COMBUSTION TURBINE		25-R3	0	143,284,091	6,209,411	4.33	(491,857)	5,717,554	3.99
1210L	LICENCE RENEWAL		50-SQ	0				0		2.00 */**
1210M	COMBUSTION TURBINE OVERHAULS		10-SQ	0						10.00 */**
1210P	A/C ELECTRICAL POWER SYSTEMS		50-R3	0	6,252,586	140,103	2.24	(4,300)	135,803	2.17
1210Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		23-L2	0	1,114,338	58,917	5.29	(954)	57,963	5.20
1210R	AUXILIARY STATION PROCESSES		40-R2.5	0	10,639,560	303,938	2.86	(6,089)	297,849	2.80
	TOTAL BRANDON UNITS 6 AND 7				**186,039,362**	**7,165,875**	**3.85**	**(521,281)**	**6,644,594**	**3.57**
12150	SELKIRK									
1215B	POWERHOUSE		65-R4	0	6,808,812	103,363	1.52	(103,363)	0	0.00
1215C	POWERHOUSE RENOVATIONS		25-SQ	0						4.00 */**
1215F	ROADS AND SITE IMPROVEMENTS		50-R3	0	1,630,443	33,192	2.04	(11,996)	21,196	1.30
1215G	THERMAL TURBINES AND GENERATORS		50-S3	0	22,750,003	463,219	2.04	(131,847)	331,372	1.46
1215H	GOVERNORS AND EXCITATION SYSTEM		50-R4	0	17,307	363	2.10	0	363	2.10
1215J	STEAM GENERATOR AND AUXILIARIES		65-R2.5	0	48,630,259	875,389	1.80	(90,184)	785,205	1.61
1215L	LICENCE RENEWAL		50-SQ	0				0		2.00 */**
1215P	A/C ELECTRICAL POWER SYSTEMS		50-R3	0	3,171,700	60,074	1.89	(60,074)	0	0.00
1215Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		23-L2	0	5,257,468	230,742	4.39	(86,725)	144,017	2.74
1215R	AUXILIARY STATION PROCESSES		40-R2.5	0	13,791,022	347,456	2.52	(131,794)	215,662	1.56
1215X	SUPPORT BUILDINGS		65-R3	0	1,033,229	16,411	1.59	(5,711)	10,700	1.04
1215W	SUPPORT BUILDING RENOVATIONS		20-SQ	0						5.00 */**
	TOTAL SELKIRK				**103,090,244**	**2,130,209**	**2.07**	**(621,693)**	**1,508,516**	**1.46**
	TOTAL THERMAL GENERATION				**430,613,460**	**15,291,753**	**3.55**	**(436,801)**	**14,854,952**	**3.45**
	TOTAL GENERATION				**5,147,080,643**	**84,449,668**	**1.64**	**(3,740,667)**	**80,709,001**	**1.57**
	DIESEL GENERATION									
1300B	BUILDINGS		30-R3	0	9,191,362	326,843	3.56	(86,671)	240,172	2.61
1300C	BUILDING RENOVATIONS		15-SQ	0	17,685	1,180	6.67	0	1,180	6.67 **
1300M	ENGINES AND GENERATORS - OVERHAULS		5-SQ	0						20.00 */**
1300N	ENGINES AND GENERATORS		25-R2	0	18,152,912	786,200	4.33	(417,080)	369,120	2.03
1300Q	ACCESSORY STATION EQUIPMENT		20-R3	0	13,457,225	691,488	5.14	(324,773)	366,715	2.73
1300T	FUEL STORAGE AND HANDLING		30-R2	0	3,803,695	132,221	3.48	(44,685)	87,536	2.30
	TOTAL DIESEL GENERATION				**44,622,878**	**1,937,932**	**4.34**	**(873,209)**	**1,064,723**	**2.39**

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DEPRECIABLE WORK (1)	LIFE SPAN DATE	ESTIMATED SURVIVOR CURVE (2)	ESTIMATED NET SALVAGE (3)	SURVIVING ORIGINAL COST AT 03/31/2010 (4)	CALCULATED ANNUAL ACCRUAL AMOUNT (5)	CALCULATED ANNUAL ACCRUAL RATE (%) (6)=(5)/(4)	ANNUAL PROVISION FOR TRUE-UP (7)	TOTAL DEPRECIATION RELATED TO LIFE EXPENSE (8)=(5)+(7)	TOTAL DEPRECIATION RELATED TO LIFE RATE (%) (9)=(8)/(4)	
	TRANSMISSION										
2000F	ROADS, TRAILS AND BRIDGES		45-R2.5	0	4,045,718	99,873	2.47	6,361	106,234	2.63	
2000G	METAL TOWERS AND CONCRETE POLES		85-R4	0	340,022,220	4,214,624	1.24	(161,184)	4,053,440	1.19	
2000J	POLES AND FIXTURES		55-R3	0	104,983,312	2,062,273	1.96	(148,017)	1,914,256	1.82	
2000K	GROUND LINE TREATMENT		10-SQ	0	1,410,002	141,000	10.00	0	141,000	10.00	**
2000L	OVERHEAD CONDUCTOR AND DEVICES		65-R4	0	304,577,152	4,878,544	1.60	(678,291)	4,200,253	1.38	
2000M	UNDERGROUND CABLE AND DEVICES		45-R3	0	1,167,763	25,632	2.20	(55)	25,577	2.19	
	TOTAL TRANSMISSION				**756,206,167**	**11,421,946**	**1.51**	**(981,186)**	**10,440,760**	**1.38**	
	SUBSTATIONS										
3000B	BUILDINGS		65-R4	0	109,491,690	1,744,398	1.59	(139,988)	1,604,410	1.47	
3000C	BUILDING RENOVATIONS		20-SQ	0	32,047	1,602	5.00	(154)	1,448	4.52	**
3000F	ROADS, STEEL STRUCTURES AND CIVIL SITE WORK		50-R4	0	109,211,425	2,277,088	2.09	(154,010)	2,123,078	1.94	
3000J	POLES AND FIXTURES		40-R2	0	7,810,315	226,063	2.89	(18,563)	207,500	2.66	
3100R	POWER TRANSFORMERS		50-R2	0	287,449,387	6,655,180	2.32	(111,017)	6,544,163	2.28	
3100S	OTHER TRANSFORMERS		35-R2	0	72,153,356	2,236,110	3.10	(136,576)	2,099,534	2.91	
3100T	INTERRUPTING EQUIPMENT		45-R2	0	156,214,257	3,796,877	2.43	(188,410)	3,608,467	2.31	
3100U	OTHER STATION EQUIPMENT		43-R2	0	503,404,372	12,895,343	2.56	(535,320)	12,360,023	2.46	
3100V	ELECTRONIC EQUIPMENT AND BATTERIES		20-R2	0	151,238,104	7,387,316	4.88	(587,409)	6,799,907	4.50	
3200M	SYNCHRONOUS CONDENSERS AND TRANSFORMERS - HVDC		65-R2	0	111,737,981	1,868,055	1.67	(33,295)	1,834,760	1.64	
3200N	SYNCHRONOUS CONDENSER OVERHAULS - HVDC		15-R2	0	11,320,594	872,949	7.71	(4,157)	868,792	7.67	
3200P	CONVERTER EQUIPMENT - HVDC		25-R3	0	214,981,687	8,345,612	3.88	(1,677,703)	6,667,909	3.10	
3200S	SERIALIZED EQUIPMENT - HVDC		25-R2	0	646,219,985	25,602,847	3.96	(2,939,742)	22,663,105	3.51	
3200U	ACCESSORY STATION EQUIPMENT - HVDC		37-R4	0	55,177,090	1,517,320	2.75	(224,782)	1,292,538	2.34	
3200V	ELECTRONIC EQUIPMENT AND BATTERIES - HVDC		20-R2	0	10,401,883	475,612	4.57	(71,832)	403,780	3.88	
	TOTAL SUBSTATIONS				**2,446,844,172**	**75,902,372**	**3.10**	**(6,822,958)**	**69,079,414**	**2.82**	
	DISTRIBUTION										
4000A	UNDERGROUND DUCT AND CONDUIT - CONCRETE		75-R4	0	63,964,331	1,527,948	2.39	(25,537)	1,502,410	2.35	
4000C	UNDERGROUND DUCT - ROOF		50-R3	0	2,908,307	67,443	2.32	(180)	67,263	2.31	
4000G	METAL TOWERS		50-R4	0	4,571,448	95,692	2.09	(31,968)	63,724	1.39	
4000J	POLES AND FIXTURES		55-R3	0	566,174,558	11,372,345	2.01	(3,393,713)	7,978,632	1.41	
4000K	GROUND LINE TREATMENT		10-SQ	0	33,145,019	3,175,797	9.58	0	3,175,797	9.58	**
4000L	OVERHEAD CONDUCTOR AND DEVICES		60-R2	0	613,820,471	12,240,277	1.99	(2,758,926)	9,481,351	1.54	
4000M	UNDERGROUND CABLE AND DEVICES - 66 KV		70-R3	0	19,523,432	315,800	1.62	(2,459)	313,341	1.60	
4000N	UNDERGROUND CABLE AND DEVICES - PRIMARY		60-R4	0	255,063,759	4,481,143	1.76	(175,275)	4,305,868	1.69	
4000P	UNDERGROUND CABLE AND DEVICES - SECONDARY		45-R4	0	193,755,072	4,515,645	2.33	(231,986)	4,283,659	2.21	
4000Q	SERIALIZED EQUIPMENT - OVERHEAD		35-R3	0	175,924,348	5,338,957	3.03	(961,308)	4,377,649	2.49	
4000R	DSC - HIGH VOLTAGE TRANSFORMERS		50-R2	0	5,415,940	141,158	2.61	(5,659)	135,499	2.50	
4000S	SERIALIZED EQUIPMENT - UNDERGROUND		40-R3	0	174,049,772	4,765,046	2.74	(543,161)	4,221,885	2.43	
4000V	ELECTRONIC EQUIPMENT		10-SQ	0						10.00	*/**
4000W	SERVICES		30-R2	0	123,228,795	4,491,301	3.64	(783,649)	3,707,652	3.01	
4000X	STREET LIGHTING		35-R3	0	147,121,573	4,368,898	2.97	(529,097)	3,839,801	2.61	
	TOTAL DISTRIBUTION				**2,378,666,825**	**56,897,450**	**2.39**	**(9,442,919)**	**47,454,531**	**2.00**	
	METERS										
4900V	METERS - ELECTRONIC		20-R1.5	0	16,111,185	926,414	5.75	345,036	1,271,450	7.89	
4900Y	METERS - ANALOG		25-R3	0	22,469,156	747,164	3.33	2,484,180	3,231,344	14.38	
4900Z	METERING TRANSFORMERS		40-R1.5	0	8,984,899	252,210	2.81	(4,448)	247,762	2.76	
	TOTAL METERS				**47,565,240**	**1,925,788**	**4.05**	**2,824,768**	**4,750,556**	**9.99**	

MH Exhibit #22

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DEPRECIABLE WORK	LIFE SPAN DATE	ESTIMATED SURVIVOR CURVE	ESTIMATED NET SALVAGE	SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE (%)	ANNUAL PROVISION FOR TRUE-UP	TOTAL DEPRECIATION RELATED TO LIFE EXPENSE	TOTAL DEPRECIATION RELATED TO LIFE RATE (%)
	(1)		(2)	(3)	(4)	(5)	(6)=(5)/(4)	(7)	(8)=(5)+(7)	(9)=(8)/(4)
	COMMUNICATION									
5000B	BUILDINGS		65-R4	0	4,154,458	67,568	1.63	2,456	70,024	1.69
5000C	BUILDING RENOVATIONS		20-SQ	0	2,741,652	135,856	4.96	9,033	144,889	5.28 **
5000D	BUILDING - SYSTEM CONTROL CENTRE		65-R4	0	15,857,686	258,480	1.63	10,718	269,198	1.70
5000G	COMMUNICATION TOWERS		60-R2.5	0	8,733,929	169,211	1.94	12,444	181,655	2.08
5000H	FIBRE OPTIC AND METALLIC CABLE		35-R1.5	0	117,999,925	4,182,599	3.54	477,843	4,660,442	3.95
5000J	CARRIER EQUIPMENT		15-S0.5	0	119,230,804	8,327,782	6.98	2,228,785	10,556,567	8.85
5000K	OPERATIONAL IT EQUIPMENT		5-SQ	0	2,197,495	366,710	16.69	72,460	439,170	19.99 **
5000M	MOBILE RADIO, TELEPHONE AND VIDEO CONFERENCING		8-SQ	0	22,085,412	1,412,806	6.40	395,972	1,808,778	8.19 **
5000N	OPERATIONAL DATA NETWORK		8-SQ	0	8,530,264	1,066,283	12.50	58,577	1,124,860	13.19 **
5000R	POWER SYSTEM CONTROL		10-R2	0	7,738,280	572,474	7.40	253,796	826,270	10.68
	TOTAL COMMUNICATION				**309,269,905**	**16,559,769**	**5.35**	**3,522,083**	**20,081,852**	**6.49**
	MOTOR VEHICLES									
6000E	PASSENGER VEHICLES		9-L2	20	1,304,413	116,873	8.96	61,394	178,267	13.67
6000F	LIGHT TRUCKS		10-L3	15	52,299,249	4,431,892	8.47	166,143	4,598,035	8.79
6000G	HEAVY TRUCKS		15-L2	10	61,004,014	3,855,518	6.32	517,820	4,373,338	7.17
6000H	CONSTRUCTION EQUIPMENT		15-L2	20	17,016,205	941,112	5.53	131,746	1,072,858	6.30
6000I	LARGE SOFT-TRACK EQUIPMENT		22-L2.5	15	13,146,265	536,840	4.08	116,795	653,635	4.97
6000J	TRAILERS		35-R3	25	15,996,331	370,448	2.32	(22,001)	348,447	2.18
6000K	MISCELLANEOUS VEHICLES		10-L1.5	15	5,724,654	481,594	8.41	(81,188)	400,406	6.99
	TOTAL MOTOR VEHICLES				**166,491,131**	**10,734,277**	**6.45**	**890,708**	**11,624,985**	**6.98**
	BUILDINGS									
8000B	BUILDINGS - GENERAL		65-R4	0	88,797,107	1,428,579	1.61	(23,061)	1,405,518	1.58
8000C	BUILDING RENOVATIONS		20-SQ	0	46,779,508	2,272,271	4.86	841,795	3,114,066	6.66 **
8000D	BUILDING - 360 PORTAGE - CIVIL		100-R4	0	207,292,785	2,198,841	1.06	(1,752)	2,197,089	1.06
8000E	BUILDING - 360 PORTAGE - ELECTRO/MECHANICAL		45-R2	0	65,888,581	2,016,603	3.06	24,589	2,041,192	3.10
	TOTAL BUILDINGS				**408,757,981**	**7,916,294**	**1.94**	**841,572**	**8,757,866**	**2.14**
	GENERAL EQUIPMENT									
9000H	TOOLS, SHOP AND GARAGE EQUIPMENT		15-SQ	0	78,461,837	5,233,405	6.67	842,696	6,076,101	7.74 **
9000K	COMPUTER EQUIPMENT		5-SQ	0	48,379,758	9,401,982	19.43	4,375,187	13,777,169	28.48 **
9000L	OFFICE FURNITURE AND EQUIPMENT		20-SQ	0	21,726,896	1,086,345	5.00	(41,021)	1,045,324	4.81 **
9000M	HOT WATER TANKS		6-SQ	0	4,511,783	197,108	4.37	759,615	956,723	21.20 **
	TOTAL GENERAL EQUIPMENT				**153,080,275**	**15,918,840**	**10.40**	**5,936,477**	**21,855,317**	**14.28**
	EASEMENTS									
A100A	EASEMENTS		75-R3	0	50,612,345	749,695	1.48	5,463	755,158	1.49
	TOTAL EASEMENTS				**50,612,345**	**749,695**	**1.48**	**5,463**	**755,158**	**1.49**
	COMPUTER SOFTWARE AND DEVELOPMENT									
A200G	COMPUTER DEVELOPMENT - MAJOR SYSTEMS		10-R3	0	100,980,015	10,205,232	10.11	324,889	10,530,121	10.43
A200H	COMPUTER DEVELOPMENT - SMALL SYSTEMS		10-SQ	0	42,827,602	4,282,760	10.00	0	4,282,760	10.00 **
A200J	COMPUTER SOFTWARE - GENERAL		5-SQ	0	5,076,404	1,002,927	19.76	0	1,002,927	19.76 **
A200K	COMPUTER SOFTWARE - COMMUNICATION/OPERATIONAL		5-SQ	0	3,639,540	360,800	9.91	146,167	506,967	13.93 **
A200L	OPERATIONAL SYSTEM MAJOR SOFTWARE - EMS/SCADA		6-R3	0	6,016,817	811,282	13.48	577,570	1,388,852	23.08
	TOTAL COMPUTER SOFTWARE AND DEVELOPMENT				**158,540,378**	**16,663,001**	**10.51**	**1,048,625**	**17,711,626**	**11.17**
	TOTAL DEPRECIABLE ASSETS				**12,067,737,939**	**301,077,032**	**2.49**	**(6,791,243)**	**294,285,788**	**2.44**

* The account has no balance as of March 31, 2010 and rate will be used on a go-forward basis for future additions.
** On amortized accounts any true-up of less than 10% is not considered significant.

MANITOBA HYDRO

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION		SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE AMOUNT	ACCUMULATED DEPRECIATION VARIANCE PERCENT	PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP
	(1)		(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)
10000	**GENERATION**								
11000	**HYDRAULIC GENERATION**								
11050	**GREAT FALLS**								
1105A	DAMS, DYKES AND WEIRS		17,302,772	6,214,538	7,613,124	(1,398,586)	(0.23)	51.3	(27,263)
1105B	POWERHOUSE		7,990,993	3,038,329	3,698,385	(660,056)	(0.22)	50.6	(13,045)
1105C	POWERHOUSE RENOVATIONS	*							**
1105D	SPILLWAY		9,676,327	3,727,033	3,999,802	(272,769)	(0.07)	39.2	(6,958)
1105E	WATER CONTROL SYSTEMS		24,245,253	8,269,309	9,971,579	(1,702,270)	(0.21)	33.5	(50,814)
1105F	ROADS AND SITE IMPROVEMENTS		213,964	10,408	11,365	(957)	(0.09)	39.7	(24)
1105G	TURBINES AND GENERATORS		25,128,789	7,085,426	8,424,895	(1,339,469)	(0.19)	44.1	(30,373)
1105H	GOVERNORS AND EXCITATION SYSTEM		492,218	161,825	193,442	(31,617)	(0.20)	39.0	(811)
1105L	LICENCE RENEWAL	*							**
1105P	A/C ELECTRICAL POWER SYSTEMS		9,493,088	3,314,653	3,714,794	(400,141)	(0.12)	31.1	(12,866)
1105Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		19,271,956	6,679,465	6,778,449	(98,984)	(0.01)	13.2	(7,499)
1105R	AUXILIARY STATION PROCESSES		8,345,798	3,026,374	3,244,974	(218,600)	(0.07)	24.0	(9,108)
1105X	SUPPORT BUILDINGS		1,495,253	638,944	750,898	(111,954)	(0.18)	39.7	(2,820)
1105W	SUPPORT BUILDING RENOVATIONS	*							**
	TOTAL GREAT FALLS		**123,656,412**	**42,166,304**	**48,401,707**	**(6,235,403)**	**(0.15)**		**(161,581)**
11100	**POINTE DU BOIS**								
1110A	DAMS, DYKES AND WEIRS		11,263,332	1,889,913	3,807,139	(1,917,226)	(1.01)	21.0	(91,296)
1110B	POWERHOUSE		6,242,749	552,108	1,114,041	(561,933)	(1.02)	21.0	(26,759)
1110C	POWERHOUSE RENOVATIONS	*							**
1110D	SPILLWAY - ORIGINAL		3,104,842	717,684	1,300,951	(583,267)	(0.81)	6.9	(84,531)
1110E	WATER CONTROL SYSTEMS		4,027,603	814,575	1,644,546	(829,971)	(1.02)	21.0	(39,522)
1110F	ROADS AND SITE IMPROVEMENTS		28,533	6,120	12,046	(5,926)	(0.97)	20.1	(295)
1110G	TURBINES AND GENERATORS	*	24,610,324	3,159,817	6,374,825	(3,215,008)	(1.02)	21.0	(153,096)
1110H	GOVERNORS AND EXCITATION SYSTEM	*							**
1110L	LICENCE RENEWAL								
1110P	A/C ELECTRICAL POWER SYSTEMS		6,057,709	481,479	947,448	(465,969)	(0.97)	20.3	(22,954)
1110Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		355,559	50,269	88,467	(38,198)	(0.76)	14.8	(2,581)
1110R	AUXILIARY STATION PROCESSES		1,377,014	239,152	448,852	(209,700)	(0.88)	18.5	(11,335)
1110X	SUPPORT BUILDINGS	*	2,616,290	666,189	1,324,449	(658,260)	(0.99)	20.5	(32,110) **
1110W	SUPPORT BUILDING RENOVATIONS	*							
1111D	SPILLWAY - NEW	*							
	TOTAL POINTE DU BOIS		**59,683,956**	**8,577,306**	**17,062,765**	**(8,485,459)**	**(0.99)**		**(464,480)**
11150	**SEVEN SISTERS**								
1115A	DAMS, DYKES AND WEIRS		31,497,995	10,903,236	15,406,970	(4,503,734)	(0.41)	59.1	(76,205)
1115B	POWERHOUSE		13,653,945	5,953,556	8,292,614	(2,339,058)	(0.39)	57.5	(40,679)
1115C	POWERHOUSE RENOVATIONS	*							**
1115D	SPILLWAY		2,841,355	1,392,766	1,607,456	(214,690)	(0.15)	40.7	(5,275)
1115E	WATER CONTROL SYSTEMS		4,296,891	2,019,990	2,839,823	(819,833)	(0.41)	34.6	(23,695)
1115F	ROADS AND SITE IMPROVEMENTS		201,701	102,573	142,642	(40,069)	(0.39)	33.8	(1,185)
1115G	TURBINES AND GENERATORS		41,208,963	9,885,456	13,488,286	(3,602,830)	(0.36)	47.7	(75,531)
1115H	GOVERNORS AND EXCITATION SYSTEM		6,860	5,805	8,062	(2,257)	(0.39)	5.0	(451)
1115L	LICENCE RENEWAL	*							**
1115P	A/C ELECTRICAL POWER SYSTEMS		10,648,619	3,796,763	4,966,536	(1,169,773)	(0.31)	32.4	(36,104)
1115Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		3,821,416	2,049,090	2,386,760	(337,670)	(0.16)	11.4	(29,620)
1115R	AUXILIARY STATION PROCESSES		5,224,958	2,217,975	2,809,589	(591,614)	(0.27)	23.3	(25,391)
1115X	SUPPORT BUILDINGS		608,294	105,899	137,334	(31,435)	(0.30)	46.5	(676)
1115W	SUPPORT BUILDING RENOVATIONS	*							**
	TOTAL SEVEN SISTERS		**114,010,998**	**38,433,109**	**52,086,073**	**(13,652,964)**	**(0.36)**		**(314,814)**

MANITOBA HYDRO

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION		SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE AMOUNT	ACCUMULATED DEPRECIATION VARIANCE PERCENT	PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP
	(1)		(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)
11200	**SLAVE FALLS**								
1120A	DAMS, DYKES AND WEIRS		954,684	44,764	54,185	(9,421)	(0.21)	61.4	(153)
1120B	POWERHOUSE		45,692,194	4,903,168	5,952,681	(1,049,513)	(0.21)	61.5	(17,065)
1120C	POWERHOUSE RENOVATIONS	*							**
1120D	SPILLWAY		760,201	61,294	58,657	2,637	0.04	45.4	58
1120E	WATER CONTROL SYSTEMS		318,933	24,068	28,347	(4,279)	(0.18)	44.7	(96)
1120F	ROADS AND SITE IMPROVEMENTS		769,506	78,949	83,156	(4,207)	(0.05)	39.4	(107)
1120G	TURBINES AND GENERATORS		11,630,909	1,490,317	1,739,984	(249,667)	(0.17)	50.7	(4,924)
1120H	GOVERNORS AND EXCITATION SYSTEM	*							
1120L	LICENCE RENEWAL	*							**
1120P	A/C ELECTRICAL POWER SYSTEMS		21,815,741	1,944,102	2,060,897	(116,795)	(0.06)	39.3	(2,972)
1120Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		786,382	108,358	104,882	3,476	0.03	16.0	217
1120R	AUXILIARY STATION PROCESSES		2,201,466	179,198	171,468	7,730	0.04	29.5	262
1120X	SUPPORT BUILDINGS		3,724,095	507,079	552,458	(45,379)	(0.09)	47.5	(955)
1120W	SUPPORT BUILDING RENOVATIONS	*							**
	TOTAL SLAVE FALLS		**88,654,109**	**9,341,297**	**10,806,713**	**(1,465,416)**	**(0.16)**		**(25,735)**
11250	**PINE FALLS**								
1125A	DAMS, DYKES AND WEIRS		14,110,589	2,084,324	2,573,116	(488,792)	(0.23)	77.3	(6,323)
1125B	POWERHOUSE		10,060,843	4,528,984	5,542,973	(1,013,989)	(0.22)	63.5	(15,968)
1125C	POWERHOUSE RENOVATIONS	*							**
1125D	SPILLWAY		93,376	3,551	3,149	402	0.11	49.8	8
1125E	WATER CONTROL SYSTEMS		3,564,106	1,925,975	2,388,172	(462,197)	(0.24)	30.8	(15,006)
1125F	ROADS AND SITE IMPROVEMENTS		1,178,575	932,226	1,130,898	(198,672)	(0.21)	10.5	(18,921)
1125G	TURBINES AND GENERATORS		9,464,220	4,932,555	5,889,287	(956,732)	(0.19)	38.0	(25,177)
1125H	GOVERNORS AND EXCITATION SYSTEM	*							
1125L	LICENCE RENEWAL	*							**
1125P	A/C ELECTRICAL POWER SYSTEMS		5,071,108	1,827,772	2,169,610	(341,838)	(0.19)	36.1	(9,469)
1125Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		2,156,586	1,110,121	1,145,153	(35,032)	(0.03)	10.6	(3,305)
1125R	AUXILIARY STATION PROCESSES		3,790,230	1,523,378	1,704,847	(181,469)	(0.12)	24.1	(7,530)
1125X	SUPPORT BUILDINGS		336,412	88,521	99,028	(10,507)	(0.12)	43.6	(241)
1125W	SUPPORT BUILDING RENOVATIONS	*							**
1125Z	COMMUNITY DEVELOPMENT COSTS		4,425,543	533,832	710,240	(176,408)	(0.33)	71.4	(2,471) **
	TOTAL PINE FALLS		**54,251,587**	**19,491,239**	**23,356,474**	**(3,865,235)**	**(0.20)**		**(104,404)**
11300	**MCARTHUR FALLS**								
1130A	DAMS, DYKES AND WEIRS		3,578,068	1,327,762	1,583,088	(255,326)	(0.19)	69.1	(3,695)
1130B	POWERHOUSE		9,523,798	4,217,087	5,018,727	(801,640)	(0.19)	64.3	(12,467)
1130C	POWERHOUSE RENOVATIONS	*							**
1130D	SPILLWAY		2,351,438	1,566,058	1,703,092	(137,034)	(0.09)	27.8	(4,929)
1130E	WATER CONTROL SYSTEMS		11,703,203	4,138,832	5,007,819	(868,987)	(0.21)	33.3	(26,096)
1130F	ROADS AND SITE IMPROVEMENTS		234,820	111,788	127,773	(15,985)	(0.14)	29.0	(551)
1130G	TURBINES AND GENERATORS		5,096,367	3,966,488	4,670,712	(704,224)	(0.18)	15.7	(44,855)
1130H	GOVERNORS AND EXCITATION SYSTEM		119,315	32,237	38,021	(5,784)	(0.18)	34.9	(166)
1130L	LICENCE RENEWAL	*							**
1130P	A/C ELECTRICAL POWER SYSTEMS		2,480,539	1,548,716	1,818,844	(270,128)	(0.17)	29.3	(9,219)
1130Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		1,245,885	697,673	747,884	(50,211)	(0.07)	12.3	(4,082)
1130R	AUXILIARY STATION PROCESSES		3,440,197	1,347,401	1,483,474	(136,073)	(0.10)	25.0	(5,443)
1130X	SUPPORT BUILDINGS		227,212	59,529	65,327	(5,798)	(0.10)	43.7	(133)
1130W	SUPPORT BUILDING RENOVATIONS	*							**
	TOTAL MCARTHUR FALLS		**40,000,842**	**19,013,571**	**22,264,760**	**(3,251,189)**	**(0.17)**		**(111,636)**

MANITOBA HYDRO

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION		SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE AMOUNT	ACCUMULATED DEPRECIATION VARIANCE PERCENT	PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP	
	(1)		(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)	
11350	**KELSEY**									
1135A	DAMS, DYKES AND WEIRS		11,066,409	2,091,406	2,388,154	(296,748)	(0.14)	81.9	(3,623)	
1135B	POWERHOUSE		27,569,817	10,369,448	11,797,459	(1,428,011)	(0.14)	71.8	(19,889)	
1135C	POWERHOUSE RENOVATIONS	*								**
1135D	SPILLWAY		5,331,929	3,272,738	3,337,776	(65,038)	(0.02)	31.1	(2,091)	
1135E	WATER CONTROL SYSTEMS		11,792,566	5,095,822	5,858,592	(762,770)	(0.15)	37.6	(20,286)	
1135F	ROADS AND SITE IMPROVEMENTS		6,442,928	3,327,136	3,675,535	(348,399)	(0.10)	28.5	(12,225)	
1135G	TURBINES AND GENERATORS		130,323,693	9,810,603	10,889,594	(1,078,991)	(0.11)	56.8	(18,996)	
1135H	GOVERNORS AND EXCITATION SYSTEM		88,651	25,248	28,203	(2,955)	(0.12)	33.9	(87)	
1135L	LICENCE RENEWAL	*								**
1135P	A/C ELECTRICAL POWER SYSTEMS		5,751,610	3,144,625	3,442,084	(297,459)	(0.09)	24.5	(12,141)	
1135Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		3,595,490	1,573,603	1,535,475	38,128	0.02	12.3	3,100	
1135R	AUXILIARY STATION PROCESSES		7,788,815	3,256,761	3,361,853	(105,092)	(0.03)	22.6	(4,650)	
1135X	SUPPORT BUILDINGS		9,953,977	1,934,994	2,030,173	(95,179)	(0.05)	47.1	(2,021)	
1135W	SUPPORT BUILDING RENOVATIONS	*								**
	TOTAL KELSEY		**219,705,886**	**43,902,384**	**48,344,899**	**(4,442,515)**	**(0.10)**		**(92,910)**	
11400	**GRAND RAPIDS**									
1140A	DAMS, DYKES AND WEIRS		53,468,974	16,904,945	20,241,182	(3,336,237)	(0.20)	71.3	(46,792)	
1140B	POWERHOUSE		24,506,522	9,074,278	10,870,236	(1,795,958)	(0.20)	69.2	(25,953)	
1140C	POWERHOUSE RENOVATIONS	*								**
1140D	SPILLWAY		5,308,334	2,984,459	3,127,598	(143,139)	(0.05)	34.1	(4,198)	
1140E	WATER CONTROL SYSTEMS		15,982,492	10,781,268	12,935,293	(2,154,025)	(0.20)	35.0	(61,544)	
1140F	ROADS AND SITE IMPROVEMENTS		2,581,475	1,853,663	2,151,076	(297,413)	(0.16)	18.7	(15,904)	
1140G	TURBINES AND GENERATORS		113,066,160	24,914,070	28,837,308	(3,923,238)	(0.16)	48.1	(81,564)	
1140H	GOVERNORS AND EXCITATION SYSTEM		42,718	9,742	11,420	(1,678)	(0.17)	37.8	(44)	
1140L	LICENCE RENEWAL	*								**
1140P	A/C ELECTRICAL POWER SYSTEMS		8,240,545	2,996,076	3,393,467	(397,391)	(0.13)	32.2	(12,341)	
1140Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		4,674,247	3,162,334	3,344,181	(181,847)	(0.06)	10.2	(17,828)	
1140R	AUXILIARY STATION PROCESSES		5,600,506	1,772,923	1,867,556	(94,633)	(0.05)	25.0	(3,785)	
1140X	SUPPORT BUILDINGS		6,190,376	1,167,718	1,266,627	(98,909)	(0.08)	47.1	(2,100)	
1140W	SUPPORT BUILDING RENOVATIONS	*								**
1140Z	COMMUNITY DEVELOPMENT COSTS		101,442,997	11,399,379	17,852,104	(6,452,725)	(0.57)	71.2	(90,628)	
	TOTAL GRAND RAPIDS		**341,105,346**	**87,020,855**	**105,898,046**	**(18,877,191)**	**(0.22)**		**(362,682)**	
11450	**KETTLE**									
1145A	DAMS, DYKES AND WEIRS		45,280,663	14,457,365	17,156,728	(2,699,363)	(0.19)	79.0	(34,169)	
1145B	POWERHOUSE		146,207,420	46,205,345	54,832,267	(8,626,922)	(0.19)	79.3	(108,788)	
1145C	POWERHOUSE RENOVATIONS	*								**
1145D	SPILLWAY		25,406,960	12,672,991	13,102,475	(429,484)	(0.03)	37.7	(11,392)	
1145E	WATER CONTROL SYSTEMS		17,834,945	12,943,500	15,570,815	(2,627,315)	(0.20)	15.1	(173,994)	
1145F	ROADS AND SITE IMPROVEMENTS		10,591	2,234	2,424	(190)	(0.08)	35.5	(5)	
1145G	TURBINES AND GENERATORS		70,740,028	38,119,760	44,332,641	(6,212,881)	(0.16)	29.8	(208,486)	
1145H	GOVERNORS AND EXCITATION SYSTEM		3,304,326	2,291,949	2,718,363	(426,414)	(0.19)	16.3	(26,160)	
1145L	LICENCE RENEWAL	*								**
1145P	A/C ELECTRICAL POWER SYSTEMS		6,771,761	2,715,301	3,063,216	(347,915)	(0.13)	29.9	(11,636)	
1145Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		12,001,279	7,812,908	8,161,591	(348,683)	(0.04)	10.2	(34,185)	
1145R	AUXILIARY STATION PROCESSES		15,361,985	8,293,267	9,355,269	(1,062,002)	(0.13)	21.2	(50,094)	
1145X	SUPPORT BUILDINGS		3,908,404	2,242,225	2,527,081	(284,856)	(0.13)	27.7	(10,284)	
1145W	SUPPORT BUILDING RENOVATIONS	*								**
	TOTAL KETTLE		**346,828,362**	**147,756,845**	**170,822,869**	**(23,066,024)**	**(0.16)**		**(669,194)**	

MANITOBA HYDRO

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION		SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE AMOUNT	ACCUMULATED DEPRECIATION VARIANCE PERCENT	PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP	
	(1)		(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)	
11500	**LAURIE RIVER**									
1150A	DAMS, DYKES AND WEIRS		355,538	177,539	119,594	57,945	0.33	22.0	2,634	
1150B	POWERHOUSE		7,664,146	1,880,047	1,265,197	614,850	0.33	22.0	27,948	
1150C	POWERHOUSE RENOVATIONS	*								**
1150D	SPILLWAY		870,000	372,186	240,118	132,068	0.35	20.7	6,380	
1150E	WATER CONTROL SYSTEMS		458,033	180,347	121,277	59,070	0.33	21.7	2,722	
1150F	ROADS AND SITE IMPROVEMENTS		1,441,914	607,104	394,599	212,505	0.35	19.9	10,679	
1150G	TURBINES AND GENERATORS		4,603,136	777,293	522,394	254,899	0.33	21.9	11,639	
1150H	GOVERNORS AND EXCITATION SYSTEM		882,653	94,232	63,131	31,101	0.33	21.8	1,427	
1150L	LICENCE RENEWAL	*								**
1150P	A/C ELECTRICAL POWER SYSTEMS		1,441,945	532,317	347,758	184,559	0.35	20.5	9,003	
1150Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		1,220,047	769,647	436,660	332,987	0.43	8.4	39,641	
1150R	AUXILIARY STATION PROCESSES		308,504	130,042	80,696	49,346	0.38	18.3	2,697	
1150X	SUPPORT BUILDINGS		355,919	161,943	106,876	55,067	0.34	21.0	2,622	
1150W	SUPPORT BUILDING RENOVATIONS	*								**
	TOTAL LAURIE RIVER		**19,601,835**	**5,682,697**	**3,698,298**	**1,984,399**	**0.35**		**117,391**	
11550	**JENPEG**									
1155A	DAMS, DYKES AND WEIRS		15,295,318	3,325,195	3,661,242	(336,047)	(0.10)	88.4	(3,801)	
1155B	POWERHOUSE		76,905,294	21,018,339	23,110,365	(2,092,026)	(0.10)	84.3	(24,816)	
1155C	POWERHOUSE RENOVATIONS	*								**
1155D	SPILLWAY		14,942,733	6,657,678	6,251,622	406,056	0.06	40.1	10,126	
1155E	WATER CONTROL SYSTEMS		16,762,099	10,865,384	12,126,362	(1,260,978)	(0.12)	17.4	(72,470)	
1155F	ROADS AND SITE IMPROVEMENTS		1,563,205	735,898	769,243	(33,345)	(0.05)	25.8	(1,292)	
1155G	TURBINES AND GENERATORS		79,641,550	36,965,814	39,906,553	(2,940,739)	(0.08)	33.4	(88,046)	
1155H	GOVERNORS AND EXCITATION SYSTEM	*								
1155L	LICENCE RENEWAL	*								**
1155P	A/C ELECTRICAL POWER SYSTEMS		19,308,049	12,128,595	12,814,770	(686,175)	(0.06)	19.1	(35,925)	
1155Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		3,343,800	2,154,070	2,014,895	139,175	0.06	9.0	15,464	
1155R	AUXILIARY STATION PROCESSES		9,796,258	4,363,099	4,457,960	(94,861)	(0.02)	21.6	(4,392)	
1155X	SUPPORT BUILDINGS		7,885,397	2,301,830	2,365,167	(63,337)	(0.03)	42.5	(1,490)	
1155W	SUPPORT BUILDING RENOVATIONS	*								**
	TOTAL JENPEG		**245,443,703**	**100,515,902**	**107,478,180**	**(6,962,278)**	**(0.07)**		**(206,644)**	
11600	**LAKE WINNIPEG REGULATION**									
1160A	DAMS, DYKES AND WEIRS		96,807,065	26,325,352	33,231,067	(6,905,715)	(0.26)	86.7	(79,651)	
1160L	LICENCE RENEWAL	*								**
1160Z	COMMUNITY DEVELOPMENT COSTS		387,802,871	54,108,862	73,448,592	(19,339,730)	(0.36)	86.6	(223,323)	**
	TOTAL LAKE WINNIPEG REGULATION		**484,609,937**	**80,434,214**	**106,679,659**	**(26,245,445)**	**(0.33)**		**(302,973)**	
11650	**CHURCHILL RIVER DIVERSION**									
1165A	DAMS, DYKES AND WEIRS		114,718,213	30,724,065	31,921,746	(1,197,681)	(0.04)	87.1	(13,751)	
1165D	SPILLWAY		56,442,246	25,314,347	22,609,467	2,704,880	0.11	40.0	67,622	
1165E	WATER CONTROL SYSTEMS		17,583,551	11,612,927	12,324,199	(711,272)	(0.06)	16.7	(42,591)	
1165F	ROADS AND SITE IMPROVEMENTS		6,799,023	4,272,805	4,291,935	(19,130)	(0.00)	19.0	(1,007)	
1165L	LICENCE RENEWAL	*								**
1165P	A/C ELECTRICAL POWER SYSTEMS		1,596,593	1,005,012	1,009,712	(4,700)	(0.00)	19.0	(247)	
1165Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		1,417,862	1,197,658	1,107,794	89,864	0.08	6.0	14,977	
1165R	AUXILIARY STATION PROCESSES		1,799,312	498,971	462,083	36,888	0.07	25.7	1,435	
1165X	SUPPORT BUILDINGS		28,361	4,169	3,968	201	0.05	49.3	4	
1165W	SUPPORT BUILDING RENOVATIONS	*								**
1165Z	COMMUNITY DEVELOPMENT COSTS		305,036,524	55,319,169	74,130,320	(18,811,151)	(0.34)	82.5	(228,014)	**
	TOTAL CHURCHILL RIVER DIVERSION		**505,421,684**	**129,949,123**	**147,861,224**	**(17,912,101)**	**(0.14)**		**(201,571)**	

MH Exhibit #22

MANITOBA HYDRO

**SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010**

ACCOUNT	DESCRIPTION (1)	SURVIVING ORIGINAL COST AT 03/31/2010 (2)	CALCULATED ACCRUED DEPRECIATION (3)	BOOK ACCUMULATED DEPRECIATION (4)	ACCUMULATED DEPRECIATION VARIANCE AMOUNT (5) = (3)-(4)	ACCUMULATED DEPRECIATION VARIANCE PERCENT (6) = (5)/(3)	PROBABLE REMAINING LIFE (7)	ANNUAL PROVISION FOR TRUE-UP (8)=(5)/(7)
11700	**LONG SPRUCE**							
1170A	DAMS, DYKES AND WEIRS	64,744,494	17,136,124	18,797,519	(1,661,395)	(0.10)	85.2	(19,500)
1170B	POWERHOUSE	143,780,355	38,092,455	41,787,059	(3,694,604)	(0.10)	85.2	(43,364)
1170C	POWERHOUSE RENOVATIONS *							**
1170D	SPILLWAY	42,273,617	18,296,252	17,142,264	1,153,988	0.06	41.0	28,146
1170E	WATER CONTROL SYSTEMS	57,946,281	37,207,115	41,449,762	(4,242,647)	(0.11)	17.5	(242,437)
1170F	ROADS AND SITE IMPROVEMENTS	1,172,867	657,177	687,609	(30,432)	(0.05)	22.0	(1,383)
1170G	TURBINES AND GENERATORS	143,328,643	72,028,075	77,103,787	(5,075,712)	(0.07)	30.7	(165,333)
1170H	GOVERNORS AND EXCITATION SYSTEM	145,844	20,097	21,732	(1,635)	(0.08)	40.7	(40)
1170L	LICENCE RENEWAL *							**
1170P	A/C ELECTRICAL POWER SYSTEMS	30,503,528	17,655,095	18,542,547	(887,452)	(0.05)	21.3	(41,664)
1170Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	4,409,200	3,518,156	3,373,611	144,545	0.04	6.9	20,949
1170R	AUXILIARY STATION PROCESSES	12,199,119	6,909,582	7,135,875	(226,293)	(0.03)	17.9	(12,642)
1170X	SUPPORT BUILDINGS	160,484	18,662	18,618	44	0.00	50.4	1
1170W	SUPPORT BUILDING RENOVATIONS *							**
	TOTAL LONG SPRUCE	**500,664,431**	**211,538,790**	**226,060,384**	**(14,521,594)**	**(0.07)**		**(477,268)**
11750	**LIMESTONE**							
1175A	DAMS, DYKES AND WEIRS	33,258,073	5,378,081	5,756,238	(378,157)	(0.07)	96.8	(3,907)
1175B	POWERHOUSE	461,430,334	74,262,785	79,485,351	(5,222,566)	(0.07)	96.9	(53,896)
1175C	POWERHOUSE RENOVATIONS *							**
1175D	SPILLWAY	201,240,773	56,703,974	49,241,598	7,462,376	0.13	47.6	156,773
1175E	WATER CONTROL SYSTEMS	116,224,392	44,988,138	48,919,806	(3,931,668)	(0.09)	29.6	(132,827)
1175F	ROADS AND SITE IMPROVEMENTS	17,164,432	6,795,781	6,832,303	(36,522)	(0.01)	28.5	(1,281)
1175G	TURBINES AND GENERATORS	403,825,745	124,076,655	130,029,479	(5,952,824)	(0.05)	42.0	(141,734)
1175H	GOVERNORS AND EXCITATION SYSTEM	16,584,271	6,439,021	6,847,507	(408,486)	(0.06)	29.2	(13,989)
1175L	LICENCE RENEWAL *							**
1175P	A/C ELECTRICAL POWER SYSTEMS	144,317,307	57,149,653	57,457,004	(307,351)	(0.01)	28.5	(10,784)
1175Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	8,333,373	5,237,449	4,778,396	459,053	0.09	9.1	50,445
1175R	AUXILIARY STATION PROCESSES	36,054,205	16,111,470	15,631,104	480,366	0.03	21.2	22,659
1175X	SUPPORT BUILDINGS	5,703,494	1,625,607	1,616,130	9,477	0.01	42.6	222
1175W	SUPPORT BUILDING RENOVATIONS *							**
	TOTAL LIMESTONE	**1,444,136,399**	**398,768,614**	**406,594,917**	**(7,826,303)**	**(0.02)**		**(128,319)**
11800	**WUSKWATIM**							
1180A	DAMS, DYKES AND WEIRS *							
1180B	POWERHOUSE *							
1180C	POWERHOUSE RENOVATIONS *							**
1180D	SPILLWAY *							
1180E	WATER CONTROL SYSTEMS *							
1180F	ROADS AND SITE IMPROVEMENTS *							
1180G	TURBINES AND GENERATORS *							
1180H	GOVERNORS AND EXCITATION SYSTEM *							
1180P	A/C ELECTRICAL POWER SYSTEMS *							
1180Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS *							
1180R	AUXILIARY STATION PROCESSES *							
1180X	SUPPORT BUILDINGS *							
1180W	SUPPORT BUILDING RENOVATIONS *							**
	TOTAL WUSKWATIM	**0**	**0**	**0**	**0**	**0.00**		**0**
11990	**INFRASTRUCTURE SUPPORTING GENERATION**							
1199F	PROVINCIAL ROADS	25,380,938	14,256,798	13,691,986	564,812	0.04	21.8	25,909
1199V	TOWN SITE BUILDINGS	63,280,714	21,821,338	18,850,678	2,970,660	0.14	38.2	77,766
1199W	TOWN SITE BUILDINGS RENOVATIONS	13,502,581	2,082,369	809,439	1,272,930	0.61	16.0	79,558 **
1199Y	TOWN SITE OTHER INFRASTRUCTURE	26,527,464	6,785,574	6,187,988	597,586	0.09	30.3	19,722
	TOTAL INFRASTRUCTURE SUPPORTING GENERATION	**128,691,696**	**44,946,079**	**39,540,091**	**5,405,988**	**0.12**		**202,955**
	TOTAL HYDRAULIC GENERATION	**4,716,467,183**	**1,387,538,329**	**1,536,957,059**	**(149,418,730)**	**(0.11)**		**(3,303,866)**

MH Exhibit #22

MANITOBA HYDRO

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION (1)	SURVIVING ORIGINAL COST AT 03/31/2010 (2)	CALCULATED ACCRUED DEPRECIATION (3)	BOOK ACCUMULATED DEPRECIATION (4)	ACCUMULATED DEPRECIATION VARIANCE AMOUNT (5) = (3)-(4)	ACCUMULATED DEPRECIATION VARIANCE PERCENT (6) = (5)/(3)	PROBABLE REMAINING LIFE (7)	ANNUAL PROVISION FOR TRUE-UP (8)=(5)/(7)
12000	**THERMAL GENERATION**							
12050	**BRANDON UNIT 5 (COAL)**							
1205B	POWERHOUSE	11,729,518	7,632,440	7,309,729	322,711	0.04	9.7	33,269
1205C	POWERHOUSE RENOVATIONS *							**
1205F	ROADS AND SITE IMPROVEMENTS	4,012,331	2,328,563	2,223,066	105,497	0.05	9.7	10,876
1205G	THERMAL TURBINES AND GENERATORS	19,611,168	10,357,790	9,929,941	427,849	0.04	9.8	43,658
1205H	GOVERNORS AND EXCITATION SYSTEM	2,343,861	1,203,338	1,159,256	44,082	0.04	9.9	4,453
1205J	STEAM GENERATOR AND AUXILIARIES	14,827,183	9,606,334	9,136,797	469,537	0.05	9.7	48,406
1205L	LICENCE RENEWAL *							**
1205P	A/C ELECTRICAL POWER SYSTEMS	8,009,703	5,163,840	4,909,693	254,147	0.05	9.5	26,752
1205Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	26,389,775	18,364,654	16,247,252	2,117,402	0.12	6.5	325,754
1205R	AUXILIARY STATION PROCESSES	47,306,417	28,484,735	26,692,451	1,792,284	0.06	9.2	194,813
1205X	SUPPORT BUILDINGS	7,253,899	4,385,802	4,205,706	180,096	0.04	9.9	18,192
1205W	SUPPORT BUILDING RENOVATIONS *							**
	TOTAL BRANDON UNIT 5 (COAL)	**141,483,855**	**87,527,496**	**81,813,891**	**5,713,605**	**0.07**		**706,173**
12100	**BRANDON UNITS 6 AND 7**							
1210B	POWERHOUSE	14,925,029	1,823,651	2,280,114	(456,463)	(0.25)	53.9	(8,469)
1210C	POWERHOUSE RENOVATIONS *							**
1210G	THERMAL TURBINES AND GENERATORS	9,823,758	1,575,357	1,952,163	(376,806)	(0.24)	39.2	(9,612)
1210H	GOVERNORS AND EXCITATION SYSTEM *							
1210K	COMBUSTION TURBINE	143,284,091	44,692,977	52,513,510	(7,820,533)	(0.17)	15.9	(491,857)
1210L	LICENCE RENEWAL *							**
1210M	COMBUSTION TURBINE OVERHAULS *							**
1210P	A/C ELECTRICAL POWER SYSTEMS	6,252,586	1,040,520	1,200,472	(159,952)	(0.15)	37.2	(4,300)
1210Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	1,114,338	244,755	258,878	(14,123)	(0.06)	14.8	(954)
1210R	AUXILIARY STATION PROCESSES	10,639,560	2,211,095	2,379,753	(168,658)	(0.08)	27.7	(6,089)
	TOTAL BRANDON UNITS 6 AND 7	**186,039,362**	**51,588,355**	**60,584,890**	**(8,996,535)**	**(0.17)**		**(521,281)**
12150	**SELKIRK**							
1215B	POWERHOUSE	6,808,812	4,128,965	6,606,843	(2,477,878)	(0.60)	15.4	(103,363) ****
1215C	POWERHOUSE RENOVATIONS *							**
1215F	ROADS AND SITE IMPROVEMENTS	1,630,443	707,589	1,096,260	(388,671)	(0.55)	32.4	(11,996)
1215G	THERMAL TURBINES AND GENERATORS	22,750,003	8,478,353	13,369,871	(4,891,518)	(0.58)	37.1	(131,847)
1215H	GOVERNORS AND EXCITATION SYSTEM	17,307	6,360	10,050	(3,690)	(0.58)	30.1	***
1215J	STEAM GENERATOR AND AUXILIARIES	48,630,259	10,023,062	14,243,657	(4,220,595)	(0.42)	46.8	(90,184)
1215L	LICENCE RENEWAL *							**
1215P	A/C ELECTRICAL POWER SYSTEMS	3,171,700	1,919,424	3,013,273	(1,093,849)	(0.57)	17.2	(60,074) ****
1215Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	5,257,468	2,814,592	3,837,942	(1,023,350)	(0.36)	11.8	(86,725)
1215R	AUXILIARY STATION PROCESSES	13,791,022	6,369,464	9,558,873	(3,189,409)	(0.50)	24.2	(131,794)
1215X	SUPPORT BUILDINGS	1,033,229	450,923	691,355	(240,432)	(0.53)	42.1	(5,711) **
1215W	SUPPORT BUILDING RENOVATIONS *							**
	TOTAL SELKIRK	**103,090,244**	**34,898,732**	**52,428,124**	**(17,529,392)**	**(0.50)**		**(621,693)**
	TOTAL THERMAL GENERATION	**430,613,460**	**174,014,583**	**194,826,905**	**(20,812,322)**	**(0.12)**		**(436,801)**
	TOTAL GENERATION	**5,147,080,643**	**1,561,552,912**	**1,731,783,964**	**(170,231,052)**	**(0.11)**		**(3,740,667)**
	DIESEL GENERATION							
1300B	BUILDINGS	9,191,362	3,251,508	4,906,932	(1,655,424)	(50.91)	19.1	(86,671)
1300C	BUILDING RENOVATIONS	17,685	4,497	7,587	(3,090)	(68.71)	11.4	0 **/***
1300M	ENGINES AND GENERATORS - OVERHAULS *							**
1300N	ENGINES AND GENERATORS	18,152,912	6,799,275	13,597,682	(6,798,407)	(99.99)	16.3	(417,080)
1300Q	ACCESSORY STATION EQUIPMENT	13,457,225	6,246,425	10,143,698	(3,897,273)	(62.39)	12.0	(324,773)
1300T	FUEL STORAGE AND HANDLING	3,803,695	1,628,376	2,410,356	(781,980)	(48.02)	17.5	(44,685)
	TOTAL DIESEL GENERATION	**44,622,878**	**17,930,081**	**31,066,255**	**(13,136,174)**	**(73.26)**		**(873,209)**

MANITOBA HYDRO

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION	SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE AMOUNT	ACCUMULATED DEPRECIATION VARIANCE PERCENT	PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP
	(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)
	TRANSMISSION							
2000F	ROADS, TRAILS AND BRIDGES	4,045,718	1,118,735	937,453	181,282	16.20	28.5	6,361
2000G	METAL TOWERS AND CONCRETE POLES	340,022,220	90,153,172	99,791,962	(9,638,790)	(10.69)	59.8	(161,184)
2000J	POLES AND FIXTURES	104,983,312	31,662,039	37,079,466	(5,417,427)	(17.11)	36.6	(148,017)
2000K	GROUND LINE TREATMENT	1,410,002	406,685	384,224	22,461	5.52	7.1	**
2000L	OVERHEAD CONDUCTOR AND DEVICES	304,577,152	101,223,234	131,135,862	(29,912,628)	(29.55)	44.1	(678,291)
2000M	UNDERGROUND CABLE AND DEVICES	1,167,763	668,351	669,421	(1,070)	(0.16)	19.5	(55)
	TOTAL TRANSMISSION	**756,206,167**	**225,232,216**	**269,998,388**	**(44,766,172)**	**(19.88)**		**(981,186)**
	SUBSTATIONS							
3000B	BUILDINGS	109,491,690	43,169,830	48,643,362	(5,473,532)	(12.68)	39.1	(139,988)
3000C	BUILDING RENOVATIONS	32,047	13,582	15,351	(1,769)	(13.03)	11.5	(154) **
3000F	ROADS, STEEL STRUCTURES AND CIVIL SITE WORK	109,211,425	30,704,401	36,248,752	(5,544,351)	(18.06)	36.0	(154,010)
3000J	POLES AND FIXTURES	7,810,315	2,159,493	2,630,995	(471,502)	(21.83)	25.4	(18,563)
3100R	POWER TRANSFORMERS	287,449,387	81,301,746	84,754,364	(3,452,618)	(4.25)	31.1	(111,017)
3100S	OTHER TRANSFORMERS	72,153,356	28,485,678	31,244,518	(2,758,840)	(9.69)	20.2	(136,576)
3100T	INTERRUPTING EQUIPMENT	156,214,257	57,460,857	62,510,255	(5,049,398)	(8.79)	26.8	(188,410)
3100U	OTHER STATION EQUIPMENT	503,404,372	177,009,144	190,927,472	(13,918,328)	(7.86)	26.0	(535,320)
3100V	ELECTRONIC EQUIPMENT AND BATTERIES	151,238,104	72,646,527	79,225,503	(6,578,976)	(9.06)	11.2	(587,409)
3200M	SYNCHRONOUS CONDENSERS AND TRANSFORMERS - HVDC	111,737,981	39,137,448	40,432,632	(1,295,184)	(3.31)	38.9	(33,295)
3200N	SYNCHRONOUS CONDENSER OVERHAULS - HVDC	11,320,594	2,820,878	2,861,617	(40,739)	(1.44)	9.8	(4,157)
3200P	CONVERTOR EQUIPMENT - HVDC	214,981,687	114,636,506	138,795,432	(24,158,926)	(21.07)	14.4	(1,677,703)
3200S	SERIALIZED EQUIPMENT - HVDC	646,219,985	325,860,262	367,310,621	(41,450,359)	(12.72)	14.1	(2,939,742)
3200U	ACCESSORY STATION EQUIPMENT - HVDC	55,177,090	23,419,465	29,083,976	(5,664,511)	(24.19)	25.2	(224,782)
3200V	ELECTRONIC EQUIPMENT AND BATTERIES - HVDC	10,401,883	6,589,238	7,206,990	(617,752)	(9.38)	8.6	(71,832)
	TOTAL SUBSTATIONS	**2,446,844,172**	**1,005,415,055**	**1,121,891,841**	**(116,476,786)**	**(11.58)**		**(6,822,958)**
	DISTRIBUTION *							
4000A	UNDERGROUND DUCT AND CONDUIT - CONCRETE	63,964,331	11,217,533	12,951,513	(1,733,980)	(15.46)	67.9	(25,537)
4000C	UNDERGROUND DUCT - ROOF	2,908,307	145,836	153,212	(7,376)	(5.06)	41.0	(180)
4000G	METAL TOWERS	4,571,448	1,173,035	2,355,833	(1,182,798)	(100.83)	37.0	(31,968)
4000J	POLES AND FIXTURES	566,174,558	127,369,656	264,136,310	(136,766,654)	(107.38)	40.3	(3,393,713)
4000K	GROUND LINE TREATMENT	33,145,019	15,894,039	16,746,756	(852,717)	(5.37)	5.7	**
4000L	OVERHEAD CONDUCTOR AND DEVICES	613,820,471	134,801,042	245,433,977	(110,632,935)	(82.07)	40.1	(2,758,926)
4000M	UNDERGROUND CABLE AND DEVICES - 66 KV	19,523,432	2,161,937	2,297,161	(135,224)	(6.25)	55.0	(2,459)
4000N	UNDERGROUND CABLE AND DEVICES - PRIMARY	255,063,759	51,410,314	59,472,977	(8,062,663)	(15.68)	46.0	(175,275)
4000P	UNDERGROUND CABLE AND DEVICES - SECONDARY	193,755,072	48,230,397	55,909,148	(7,678,751)	(15.92)	33.1	(231,986)
4000Q	SERIALIZED EQUIPMENT - OVERHEAD	175,924,348	60,006,665	82,981,927	(22,975,262)	(38.29)	23.9	(961,308)
4000R	DSC - HIGH VOLTAGE TRANSFORMERS	5,415,940	509,552	706,487	(196,935)	(38.65)	34.8	(5,659)
4000S	SERIALIZED EQUIPMENT - UNDERGROUND	174,049,772	43,083,841	58,998,471	(15,914,630)	(36.94)	29.3	(543,161)
4000V	ELECTRONIC EQUIPMENT *							**
4000W	SERVICES	123,228,795	44,884,752	59,460,620	(14,575,868)	(32.47)	18.6	(783,649)
4000X	STREET LIGHTING	147,121,573	61,545,017	72,708,967	(11,163,950)	(18.14)	21.1	(529,097)
	TOTAL DISTRIBUTION	**2,378,666,825**	**602,433,616**	**934,313,358**	**(331,879,742)**	**(55.09)**		**(9,442,919)**
	METERS							
4900V	METERS - ELECTRONIC	16,111,185	5,320,309	1,490,413	3,829,896	71.99	11.1	345,036
4900Y	METERS - ANALOG	22,469,156	16,861,536	5,931,142	10,930,394	64.82	4.4	2,484,180
4900Z	METERING TRANSFORMERS	8,984,899	3,313,305	3,413,836	(100,531)	(3.03)	22.6	(4,448)
	TOTAL METERS	**47,565,240**	**25,495,150**	**10,835,391**	**14,659,759**	**57.50**		**2,824,768**

MANITOBA HYDRO

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION (1)	SURVIVING ORIGINAL COST AT 03/31/2010 (2)	CALCULATED ACCRUED DEPRECIATION (3)	BOOK ACCUMULATED DEPRECIATION (4)	ACCUMULATED DEPRECIATION VARIANCE AMOUNT (5) = (3)-(4)	ACCUMULATED DEPRECIATION VARIANCE PERCENT (6) = (5)/(3)	PROBABLE REMAINING LIFE (7)	ANNUAL PROVISION FOR TRUE-UP (8)=(5)/(7)
	COMMUNICATION							
5000B	BUILDINGS	4,154,458	699,804	574,811	124,993	17.86	50.9	2,456
5000C	BUILDING RENOVATIONS	2,741,652	887,750	773,028	114,722	12.92	12.7	9,033 **
5000D	BUILDING - SYSTEM CONTROL CENTRE	15,857,686	2,970,157	2,435,337	534,820	18.01	49.9	10,718
5000G	COMMUNICATION TOWERS	8,733,929	1,827,718	1,324,964	502,754	27.51	40.4	12,444
5000H	FIBRE OPTIC AND METALLIC CABLE	117,999,925	25,692,882	15,180,344	10,512,538	40.92	22.0	477,843
5000J	CARRIER EQUIPMENT	119,230,804	53,498,641	37,005,633	16,493,008	30.83	7.4	2,228,785
5000K	OPERATIONAL IT EQUIPMENT	2,197,495	1,401,781	1,220,632	181,149	12.92	2.5	72,460 **
5000M	MOBILE RADIO, TELEPHONE AND VIDEO CONFERENCING	22,085,412	15,627,104	13,607,649	2,019,456	12.92	5.1	395,972 **
5000N	OPERATIONAL DATA NETWORK	8,530,264	2,447,746	2,131,429	316,317	12.92	5.4	58,577 **
5000R	POWER SYSTEM CONTROL	7,738,280	5,228,135	4,187,570	1,040,565	19.90	4.1	253,796
	TOTAL COMMUNICATION	**309,269,905**	**110,281,718**	**78,441,398**	**31,840,320**	**28.87**		**3,522,083**
	MOTOR VEHICLES							
6000E	PASSENGER VEHICLES	1,304,413	524,561	278,987	245,574	46.82	4.0	61,394
6000F	LIGHT TRUCKS	52,299,249	23,436,917	22,656,047	780,870	3.33	4.7	166,143
6000G	HEAVY TRUCKS	61,004,014	25,444,402	21,612,533	3,831,869	15.06	7.4	517,820
6000H	CONSTRUCTION EQUIPMENT	17,016,205	6,026,089	5,037,993	988,096	16.40	7.5	131,746
6000I	LARGE SOFT-TRACK EQUIPMENT	13,146,265	4,170,185	2,827,041	1,343,144	32.21	11.5	116,795
6000J	TRAILERS	15,996,331	3,513,147	4,034,578	(521,431)	(14.84)	23.7	(22,001)
6000K	MISCELLANEOUS VEHICLES	5,724,654	2,531,307	2,945,366	(414,059)	(16.36)	5.1	(81,188)
	TOTAL MOTOR VEHICLES	**166,491,131**	**65,646,608**	**59,392,546**	**6,254,062**	**9.53**		**890,708**
	BUILDINGS							
8000B	BUILDINGS - GENERAL	88,797,107	25,336,746	26,367,552	(1,030,806)	(4.07)	44.7	(23,061)
8000C	BUILDING RENOVATIONS	46,779,508	17,543,869	8,199,943	9,343,926	53.26	11.1	841,795 **
8000D	BUILDING - 360 PORTAGE - CIVIL	207,292,785	3,134,499	3,297,099	(162,600)	(5.19)	92.8	(1,752)
8000E	BUILDING - 360 PORTAGE - ELECTRO/MECHANICAL	65,888,581	2,864,820	2,097,639	767,181	26.78	31.2	24,589
	TOTAL BUILDINGS	**408,757,981**	**48,879,934**	**39,962,233**	**8,917,701**	**18.24**		**841,572**
	GENERAL EQUIPMENT							
9000H	TOOLS, SHOP AND GARAGE EQUIPMENT	78,461,837	32,266,768	25,609,471	6,657,297	20.63	7.9	842,696 **
9000K	COMPUTER EQUIPMENT	48,379,758	21,246,665	10,308,698	10,937,967	51.48	2.5	4,375,187 **
9000L	OFFICE FURNITURE AND EQUIPMENT	21,726,896	4,008,883	4,689,826	(680,943)	(16.99)	16.6	(41,021) **
9000M	HOT WATER TANKS	4,511,783	3,821,910	2,226,719	1,595,191	41.74	2.1	759,615 **
	TOTAL GENERAL EQUIPMENT	**153,080,275**	**61,344,226**	**42,834,715**	**18,509,511**	**30.17**		**5,936,477**
	EASEMENTS							
A100A	EASEMENTS	50,612,345	10,261,639	9,974,853	286,786	2.79	52.5	5,463
	TOTAL EASEMENTS	**50,612,345**	**10,261,639**	**9,974,853**	**286,786**	**2.79**		**5,463**
	COMPUTER SOFTWARE AND DEVELOPMENT							
A200G	COMPUTER DEVELOPMENT - MAJOR SYSTEMS	100,980,015	51,486,494	49,927,029	1,559,465	3.03	4.8	324,889
A200H	COMPUTER DEVELOPMENT - SMALL SYSTEMS	42,827,602	20,884,256	22,172,434	(1,288,178)	(6.17)	5.8	**
A200J	COMPUTER SOFTWARE - GENERAL	5,076,404	1,864,607	1,979,619	(115,012)	(6.17)	3.5	**
A200K	COMPUTER SOFTWARE - COMMUNICATION/OPERATIONAL	3,639,540	2,483,317	2,059,432	423,885	17.07	2.9	146,167 **
A200L	OPERATIONAL SYSTEM MAJOR SOFTWARE - EMS/SCADA	6,016,817	4,636,876	3,655,008	981,868	21.18	1.7	577,570
	TOTAL COMPUTER SOFTWARE AND DEVELOPMENT	**158,540,378**	**81,355,550**	**79,793,523**	**1,562,027**	**1.92**		**1,048,625**
	TOTAL DEPRECIABLE ASSETS	**12,067,737,939**	**3,815,828,705**	**4,410,288,464**	**(594,459,759)**	**(15.58)**		**(6,791,243)**

* The account has no balance as of March 31, 2010 and will be used on a go-forward basis for future additions.
** On amortized account any true-up of less than 10% is not considered significant.
*** True-up was deemed as not significant or has been limited to the annual depreciation expenses.

MANITOBA HYDRO
WINNIPEG, MANITOBA

DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION ACCRUAL RATES APPLICABLE TO DEPRECIABLE ASSETS IN SERVICE AS OF MARCH 31, 2010

DRAFT

Gannett Fleming
Valuation and Rate Division
Excellence Delivered **As Promised**

Harrisburg, Pennsylvania ***Calgary, Alberta*** ***Valley Forge, Pennsylvania***

Gannett Fleming

Excellence Delivered ***As Promised***

October 25, 2011

Manitoba Hydro
360 Portage Avenue
Winnipeg, Manitoba R3C 0G8

Attention: Mr. Vince Warden, Vice President
Finance & Administration
And Chief Financial Officer

Gentlemen:

Pursuant to your request, we have conducted a depreciation study related to the electric generation, transmission, substation, distribution and general plant systems of Manitoba Hydro as of March 31, 2010. Our report presents a description of the methods used in the estimation of depreciation, the statistical analyses of service life and the summary and detailed tabulations of annual and accrued depreciation.

The calculated annual depreciation accrual rates presented in the report are applicable to plant in service as of March 31, 2010. The depreciation rates are based on the straight-line method, equal life group procedure applied on a whole life basis, using the equal life group procedure, with any accumulated depreciation variances amortized over the estimated remaining life of the assets.

Respectfully submitted,
GANNETT FLEMING, INC.

DRAFT

LARRY E. KENNEDY
Director, Canadian Services
Valuation and Rate Division

LEK/hac
Project: 052988.100

Gannett Fleming, Inc.
Valuation and Rate Division
Suite 277 • 200 Rivercrest Drive S.E. • Calgary, AB T2C 2X5 • Canada
t: 403.257.5946 • f: 403.257.5947
www.gannettfleming.com   www.gfvrd.com

TABLE OF CONTENTS

PART I. INTRODUCTION

PART II. METHODS USED IN THE ESTIMATION OF DEPRECIATION

PART III RESULTS OF STUDY

TABLE OF CONTENTS, Cont'd.

PART I. INTRODUCTION

MANITOBA HYDRO
DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION ACCRUAL RATES APPLICABLE TO DEPRECIABLE ASSETS IN SERVICE AS OF MARCH 31, 2010

PART I. INTRODUCTION

SCOPE

This report sets forth the results of the depreciation study conducted for the depreciable assets of Manitoba Hydro ("Company") to determine the annual depreciation accrual rates and amounts for financial reporting purposes applicable to the original cost of plant as of March 31, 2010.

The depreciation accrual rates presented herein are based on generally-accepted methods and procedures for calculating depreciation. The estimated survivor curves used in this report are based on studies incorporating data through 2010.

Part I, Introduction, contains statements with respect to the scope of the report and the basis of the study. Part II, Methods Used in the Estimation of Depreciation, presents the methods used in the estimation of average service lives and survivor curves used in the calculation of depreciation. Part III, Results of Study, presents a summary of annual depreciation. A separate document presenting statistical analysis of service life estimates and the detailed tabulations of annual depreciation is also provided.

BASIS OF THE STUDY

Depreciation. The depreciation accrual rates and accrued depreciation were calculated using the straight line method, the equal life group (ELG) procedure, applied on a whole life basis. The calculation was based on the attained ages and estimated service life for each depreciable group of assets, as of March 31, 2010.

Service Life Estimates. The method of estimating service life consisted of compiling the service life history of the plant accounts and subaccounts, reducing this history to trends through the use of analytical techniques that have been generally accepted in various regulatory jurisdictions, and forecasting the trend of survivors for each depreciable group on the basis of interpretations of past trends and consideration of Company plans for the future. The combination of the historical trend and the estimated future trend yielded a complete pattern of life characteristics from which the average service life was derived. The service life estimates used in the depreciation calculation incorporated historical data compiled through March 31, 2010. Such data included plant additions, retirements, transfers and other plant activity.

A general understanding of the function of the plant and information with respect to the reasons for past retirements and the expected future causes of retirement was obtained through interviews with Company representatives. The information gained through these discussions with company representatives was also used in the development of the average service life estimates.

International Financial Reporting Standards The Canadian Accounting Standards Board has announced that Canadian Generally Accepted Accounting Principles (GAAP) will be converged to comply, for reporting purposes, with the International Financial Reporting Standards (IFRS) by 2011[1]. Gannett Fleming views

[1] In September 2010, the Canadian Accounting Standards Board announced an optional one-year deferral for the implementation of IFRS is available for Rate Regulated Entities.

the depreciation methods and procedures as recommended in this report will comply with the IFRS.

In preparation for this change, Gannett Fleming has developed depreciation rates and parameters that are in compliance with the new standard. As such, this study has included the following changes from previous Manitoba Hydro depreciation studies:

- Inclusion of a significant number of new accounts in order to comply with the componentization requirements of the International Accounting Standard (“IAS”) 16;
- Elimination of the pre-collection of costs of removal; and
- Incorporation of the Equal Life Group Procedure (ELG).

Gannett Fleming has reviewed the depreciable groupings established by Manitoba Hydro and believes that the groups, as provided to Gannett Fleming, are in conformance with the componentization requirements of IFRS and continue to provide a reasonable grouping of homogeneous assets for regulatory purposes.

The IFRS does not allow for any recognition of costs of removal within the depreciation expense. Removal of these costs for financial disclosure purposes is required in order to comply with the current IFRS and as such all cost of removal provisions have been removed from this study.

In the view of Gannett Fleming, group accounting methods using the ELG procedure are compliant with the new standard. The ELG procedure provides a precise matching of service life estimates to depreciation expense.

RECOMMENDATIONS

The calculated annual depreciation accrual rates set forth herein apply specifically to plant in service as of March 31, 2010. Continued surveillance and periodic revisions are normally required to maintain continued use of appropriate depreciation rates, and to comply with the standards as set out in International Accounting Standard (“IAS”) 16 of the IFRS.

The depreciation rates should be reviewed periodically to reflect the changes that result from plant and reserve account activity. A depreciation reserve deficiency or surplus will develop if future capital expenditures vary significantly from those anticipated in this study.

PART II. METHODS USED IN THE ESTIMATION OF DEPRECIATION

PART II. METHODS USED IN THE ESTIMATION OF DEPRECIATION

DEPRECIATION

Depreciation, in public utility regulation, is the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of utility plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among causes to be given consideration are wear and tear, deterioration, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand, and the requirements of public authorities.

Depreciation, as used in accounting, is a method of distributing fixed capital costs, less net salvage, over a period of time by allocating annual amounts to expense. Each annual amount of such depreciation expense is part of that year's total cost of providing electric utility service. Normally, the period of time over which the fixed capital cost is allocated to the cost of service is equal to the period of time over which an item renders service, that is, the item's service life. The most prevalent method of allocation is to distribute an equal amount of cost to each year of service life. This method is known as the straight-line method of depreciation.

The calculation of annual and accrued depreciation based on the straight line method requires the estimation of survivor curves and the selection of group depreciation procedures. These subjects are discussed in the sections that follow.

ESTIMATION OF SURVIVOR CURVES

Survivor Curves. The use of an average service life for a property group implies that the various units in the group have different lives. Thus, the average life may be obtained by determining the separate lives of each of the units, or by constructing a survivor curve by plotting the number of units which survive at successive ages. A discussion of the general concept of survivor curves is presented. Also, the Iowa type survivor curves are reviewed.

The survivor curve graphically depicts the amount of property existing at each age throughout the life of an original group. From the survivor curve, the average life of the group, the remaining life expectancy, the probable life, and the frequency curve can be calculated. In Figure 1, a typical smooth survivor curve and the derived curves are illustrated. The average life is obtained by calculating the area under the survivor curve, from age zero to the maximum age, and dividing this area by the ordinate at age zero. The remaining life expectancy at any age can be calculated by obtaining the area under the curve, from the observation age to the maximum age, and dividing this area by the percent surviving at the observation age. For example, in Figure 1, the remaining life at age 30 is equal to the crosshatched area under the survivor curve divided by 29.5 percent surviving at age 30. The probable life at any age is developed by adding the age and remaining life. If the probable life of the property is calculated for each year of age, the probable life curve shown in the chart can be developed. The frequency curve presents the number of units retired in each age interval. It is derived by obtaining the differences between the amount of property surviving at the beginning and at the end of each interval.

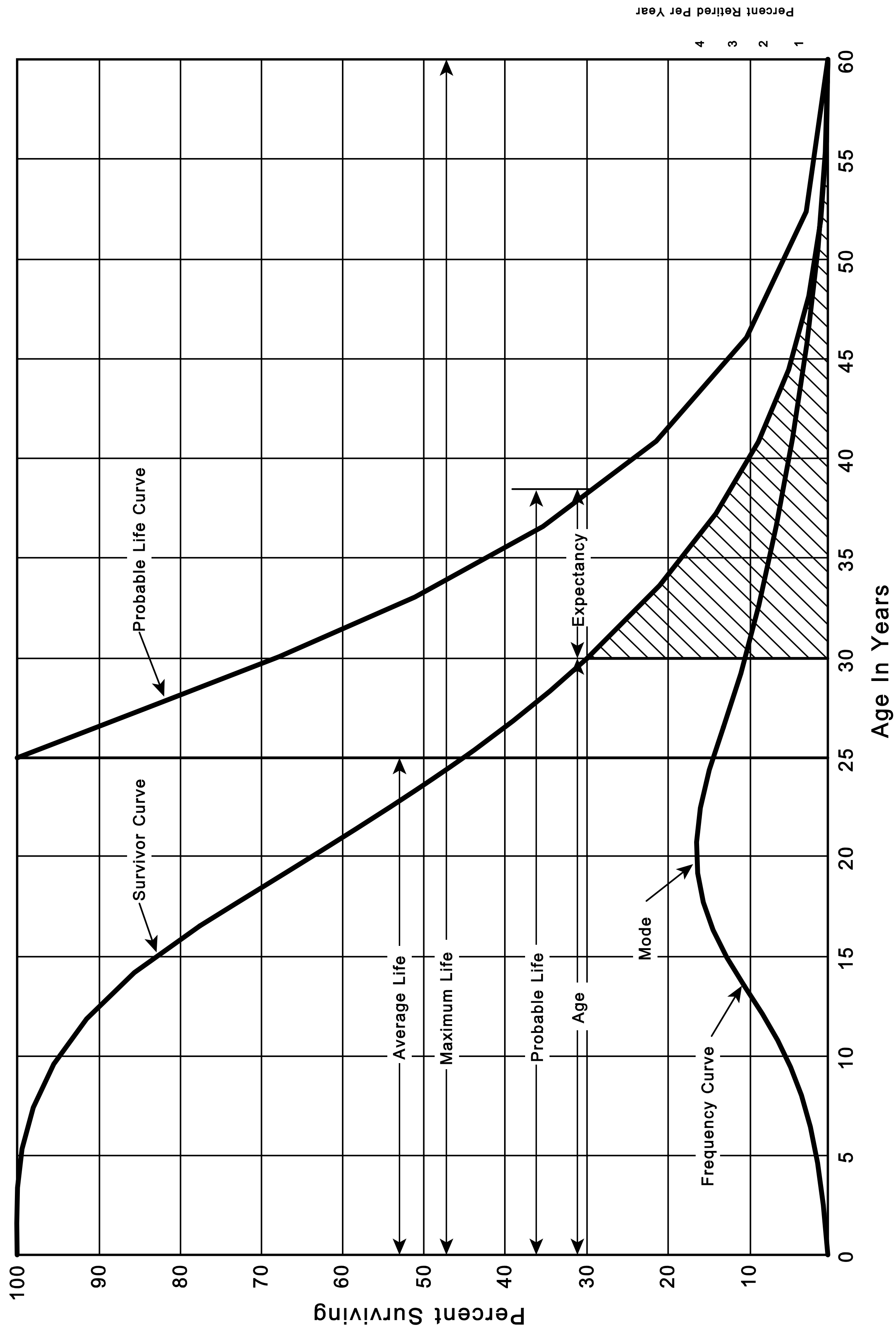


Figure 1. A Typical Survivor Curve and Derived Curves

Iowa Type Curves. The range of survivor characteristics usually experienced by utility and industrial properties is encompassed by a system of generalized survivor curves known as the Iowa type curves. There are four families in the Iowa system, labeled in accordance with the location of the modes of the retirements in relationship to the average life and the relative height of the modes. The left moded curves, presented in Figure 2, are those in which the greatest frequency of retirement occurs to the left of, or prior to, average service life. The symmetrical moded curves, presented in Figure 3, are those in which the greatest frequency of retirement occurs at average service life. The right moded curves, presented in Figure 4, are those in which the greatest frequency occurs to the right of, or after, average service life. The origin moded curves, presented in Figure 5, are those in which the greatest frequency of retirement occurs at the origin, or immediately after age zero. The letter designation of each family of curves (L, S, R or O) represents the location of the mode of the associated frequency curve with respect to the average service life. The numbers represent the relative heights of the modes of the frequency curves within each family.

The Iowa curves were developed at the Iowa State College Engineering Experiment Station through an extensive process of observation and classification of the ages at which industrial property had been retired. A report of the study which resulted in the classification of property survivor characteristics into 18 type curves, which constitute three of the four families, was published in 1935 in the form of the

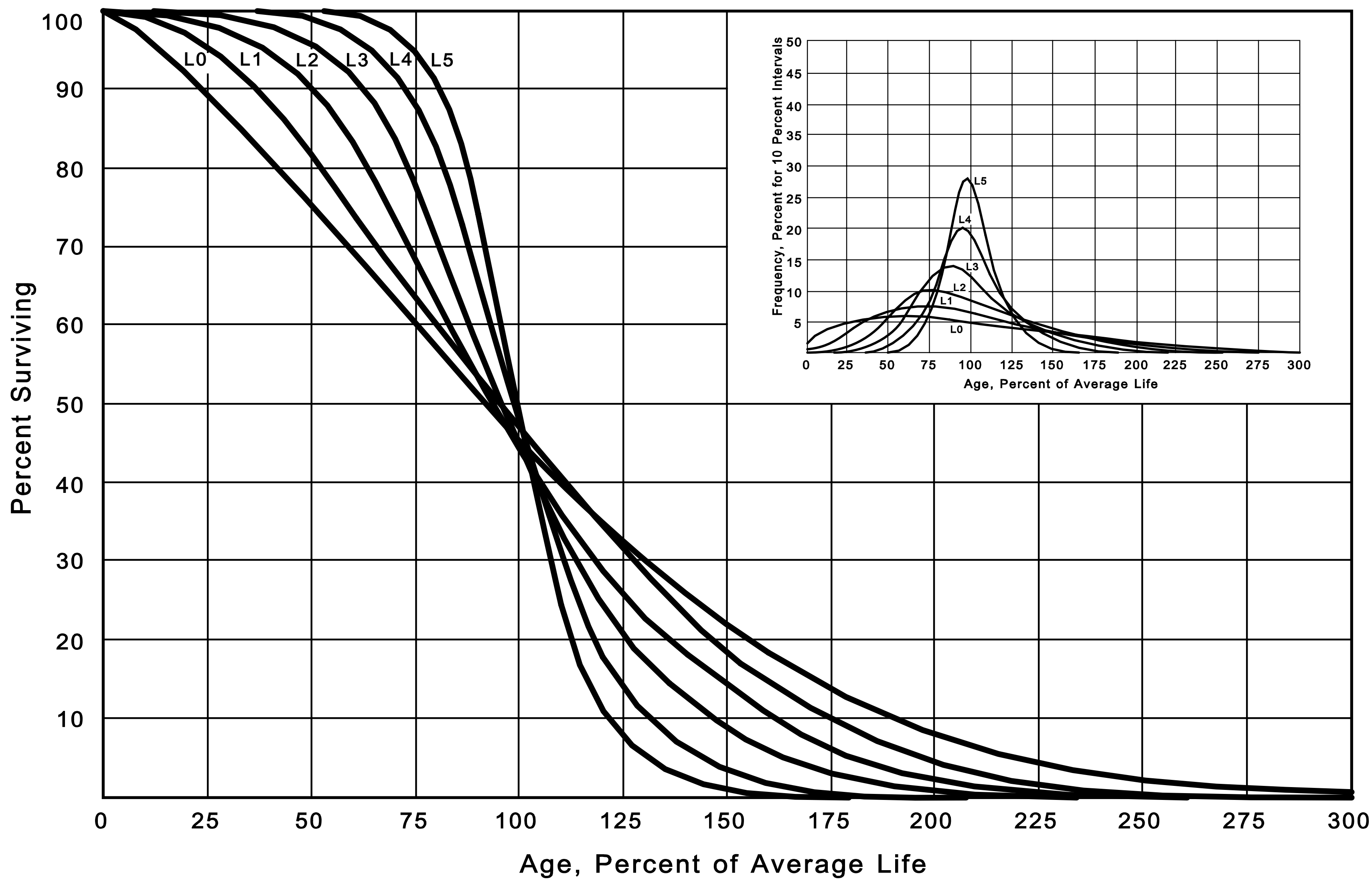


Figure 2. Left Modal or "L" Iowa Type Survivor Curves

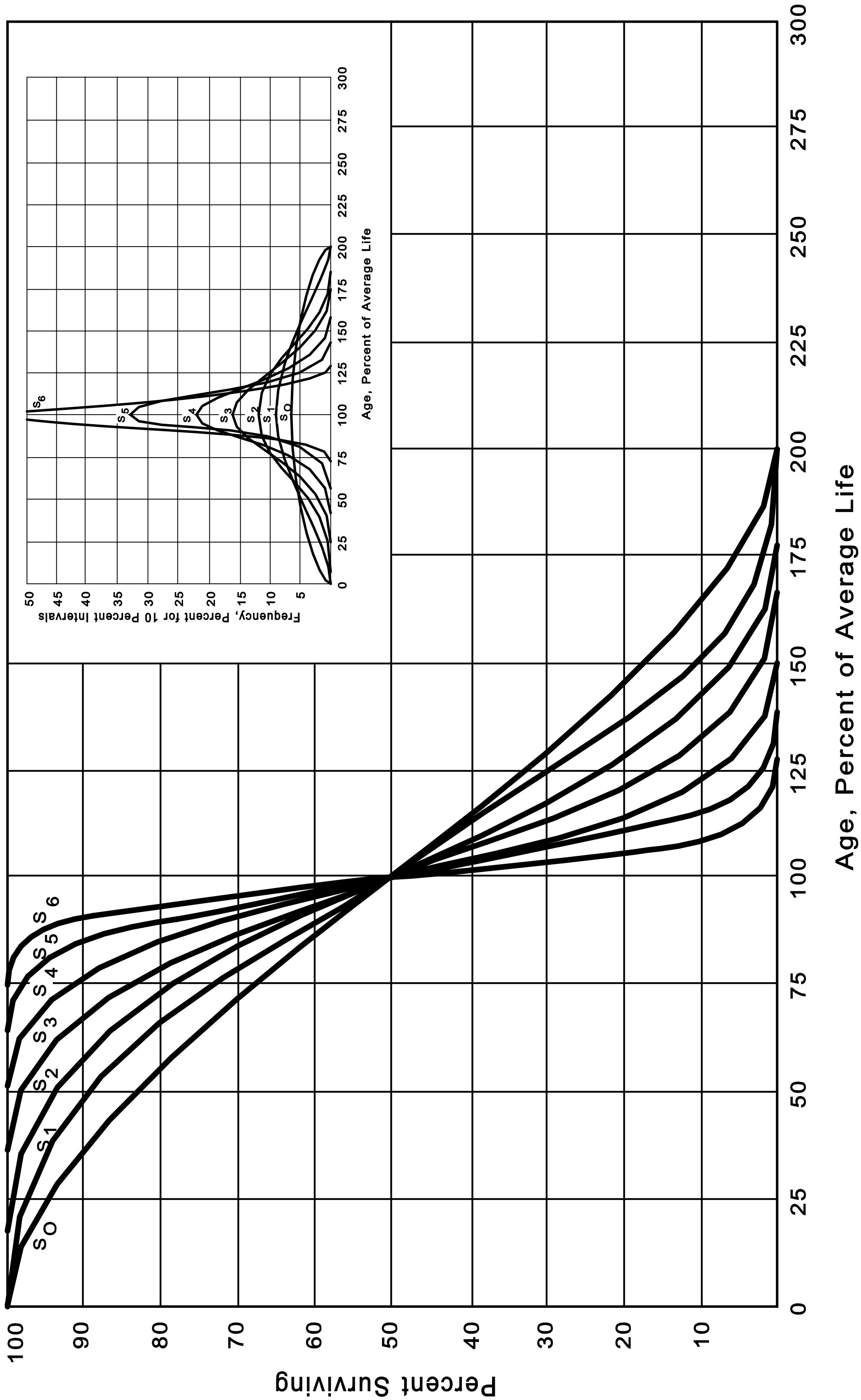


Figure 3. Symmetrical or "S" Iowa Type Survivor Curves

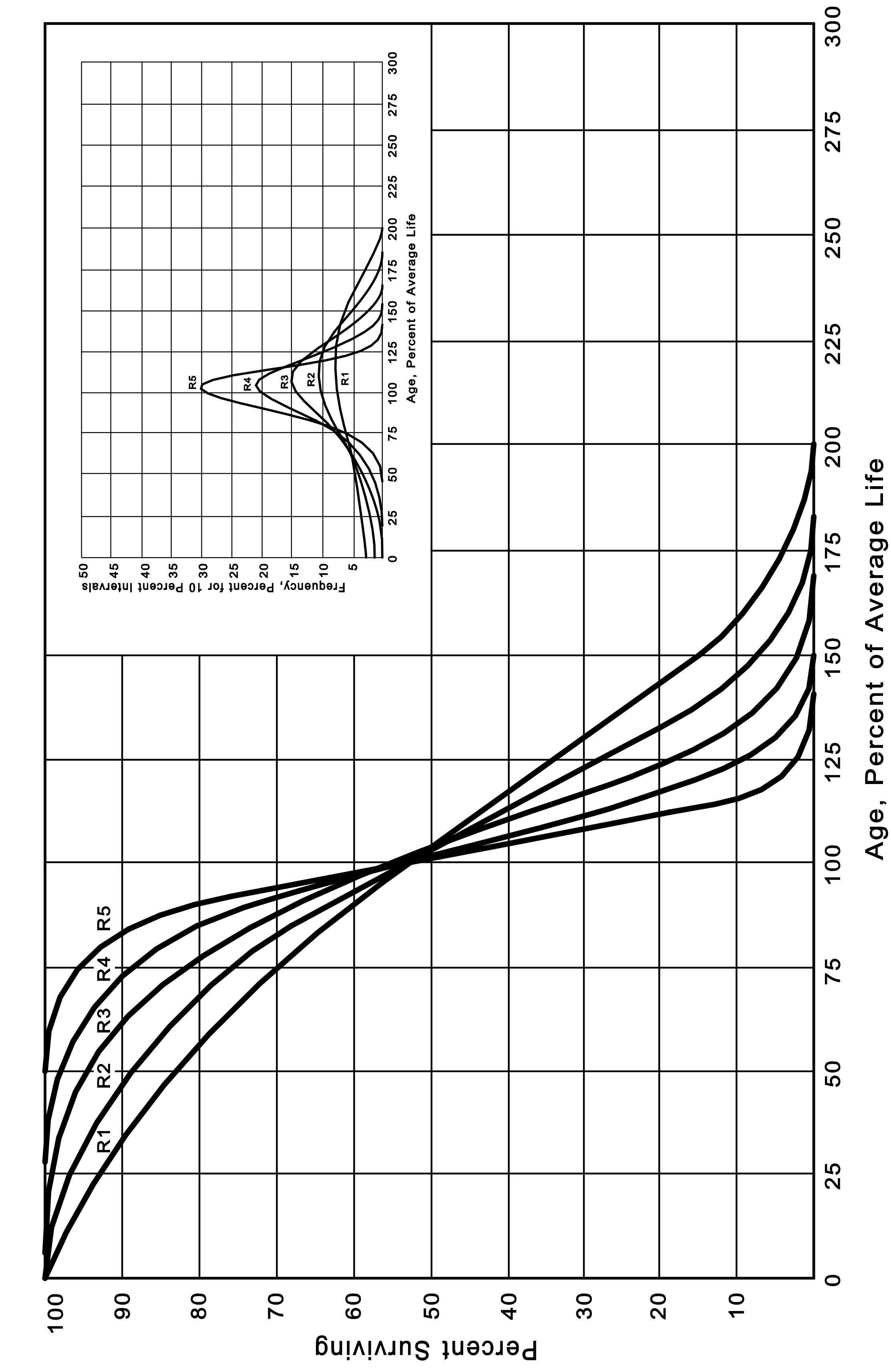


Figure 4. Right Modal or "R" Iowa Type Survivor Curves

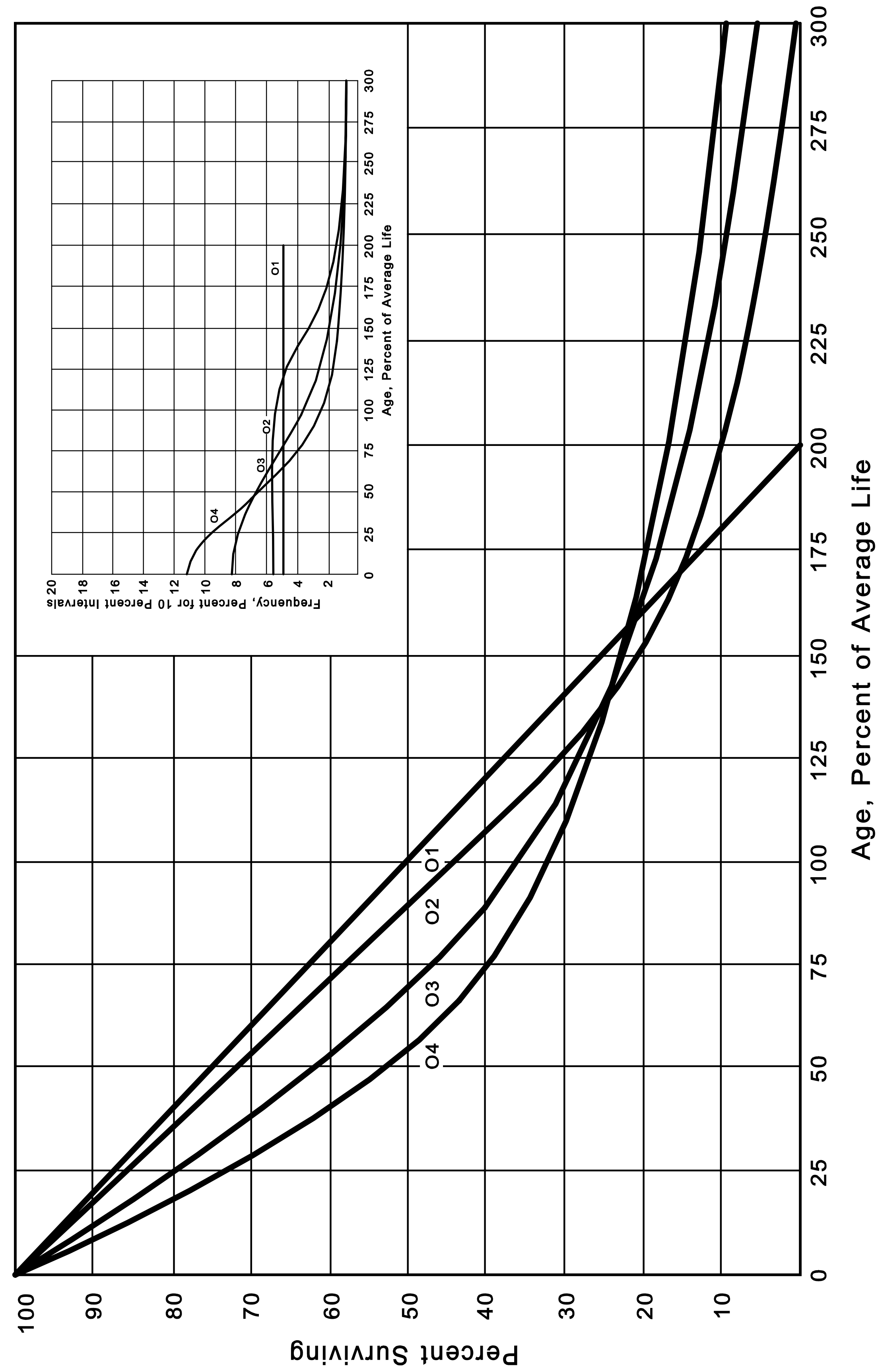


Figure 5. Origin Modal or "O" Iowa Type Survivor Curves

Experiment Station's Bulletin 125.[2] These curve types have also been presented in subsequent Experiment Station bulletins and in the text, "Engineering Valuation and Depreciation."[3] In 1957, Frank V. B. Couch, Jr., an Iowa State College graduate student, submitted a thesis[4] presenting his development of the fourth family consisting of the four O type survivor curves.

Retirement Rate Method of Analysis. The retirement rate method is an actuarial method of deriving survivor curves using the average rates at which property of each age group is retired. The method relates to property groups for which aged accounting experience is available and is the method used to develop the original stub survivor curves in this study. The method (also known as the annual rate method) is illustrated through the use of an example in the following text, and is also explained in several publications, including "Statistical Analyses of Industrial Property Retirements,"[5] "Engineering Valuation and Depreciation,"[6] and "Depreciation Systems."[7]

The average rate of retirement used in the calculation of the percent surviving for the survivor curve (life table) requires two sets of data: first, the property retired during a period of observation, identified by the property's age at retirement; and second, the property exposed to retirement at the beginning of the age intervals during the same period. The period of observation is referred to as the experience band, and the band of years which represent the installation dates of the property exposed to retirement

[2] Winfrey, Robley. Statistical Analyses of Industrial Property Retirements. Iowa State College, Engineering Experiment Station, Bulletin 125. 1935.
[3] Marston, Anson, Robley Winfrey and Jean C. Hempstead. Engineering Valuation and Depreciation, 2nd Edition. New York, McGraw-Hill Book Company. 1953.
[4] Couch, Frank V. B., Jr. "Classification of Type O Retirement Characteristics of Industrial Property." Unpublished M.S. thesis (Engineering Valuation). Library, Iowa State College, Ames, Iowa. 1957.
[5] Winfrey, Robley, Supra Note 1.
[6] Marston, Anson, Robley Winfrey, and Jean C. Hempstead, Supra Note 2.
[7] Wolf, Frank K. and W. Chester Fitch. Depreciation Systems. Iowa State University Press. 1994

during the experience band is referred to as the placement band. An example of the calculations used in the development of a life table follows. The example includes schedules of annual aged property transactions, a schedule of plant exposed to retirement, a life table and illustrations of smoothing the stub survivor curve.

Schedules of Annual Transactions in Plant Records. The property group used to illustrate the retirement rate method is observed for the experience band 2001-2010 during which there were placements during the years 1996-2010. In order to illustrate the summation of the aged data by age interval, the data were compiled in the manner presented in Tables 1 and 2 on pages II-12 and II-14. In Table 1, the year of installation (year placed) and the year of retirement are shown. The age interval during which a retirement occurred is determined from this information. In the example which follows, $10,000 of the dollars invested in 1996 were retired in 2001. The $10,000 retirement occurred during the age interval between 4½ and 5½ years on the basis that approximately one-half of the amount of property was installed prior to and subsequent to July 1 of each year. That is, on the average, property installed during a year is placed in service at the midpoint of the year for the purpose of the analysis. All retirements also are stated as occurring at the midpoint of a one-year age interval of time, except the first age interval which encompasses only one-half year.

The total retirements occurring in each age interval in a band are determined by summing the amounts for each transaction year-installation year combination for that age interval. For example, the total of $143,000 retired for age interval 4½-5½ is the

MH Exhibit #22

TABLE 1. RETIREMENTS FOR EACH YEAR 2001-2010
SUMMARIZED BY AGE INTERVAL

Experience Band 2001-2010 | Placement Band 1996-2010

Year Placed	Retirements, Thousands of Dollars During Year										Total During Age Interval	Age Interval
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1996	10	11	12	13	14	16	23	24	25	26	26	13½-14½
1997	11	12	13	15	16	18	20	21	22	19	44	12½-13½
1998	11	12	13	14	16	17	19	21	22	18	64	11½-12½
1999	8	9	10	11	11	13	14	15	16	17	83	10½-11½
2000	9	10	11	12	13	14	16	17	19	20	93	9½-10½
2001	4	9	10	11	12	13	14	15	16	20	105	8½-9½
2002		5	11	12	13	14	15	16	18	20	113	7½-8½
2003			6	12	13	15	16	17	19	19	124	6½-7½
2004				6	13	15	16	17	19	19	131	5½-6½
2005					7	14	16	17	19	20	143	4½-5½
2006						8	18	20	22	23	146	3½-4½
2007							9	20	22	25	150	2½-3½
2008								11	23	25	151	1½-2½
2009									11	24	153	½-1½
2010	—	—	—	—	—	—	—	—	—	13	80	0-½
Total	53	68	86	106	128	157	196	231	273	308	1,606	

sum of the retirements entered on Table 1 immediately above the stair step line drawn on the table beginning with the 2001 retirements of 1996 installations and ending with the 2010 retirements of the 2005 installations. Thus, the total amount of 143 for age interval 4½-5½ equals the sum of:

$$10 + 12 + 13 + 11 + 13 + 13 + 15 + 17 + 19 + 20.$$

In Table 2, other transactions which affect the group are recorded in a similar manner. The entries illustrated include transfers and sales. The entries which are credits to the plant account are shown in parentheses. The items recorded on this schedule are not totaled with the retirements, but are used in developing the exposures at the beginning of each age interval.

<u>Schedule of Plant Exposed to Retirement</u>. The development of the amount of plant exposed to retirement at the beginning of each age interval is illustrated in Table 3 on page II-15. The surviving plant at the beginning of each year from 2001 through 2010 is recorded by year in the portion of the table headed "Annual Survivors at the Beginning of the Year." The last amount entered in each column is the amount of new plant added to the group during the year. The amounts entered in Table 3 for each successive year following the beginning balance or addition are obtained by adding or subtracting the net entries shown on Tables 1 and 2. For the purpose of determining the plant exposed to retirement, transfers-in are considered as being <u>exposed</u> to retirement in this group <u>at the beginning of the year</u> in which they occurred, and the sales and transfers-out are considered to be removed from the plant exposed to retirement at the <u>beginning of the following year</u>. Thus, the amounts of plant shown

TABLE 2. OTHER TRANSACTIONS FOR EACH YEAR 2001-2010
SUMMARIZED BY AGE INTERVAL

Experience Band 2001-2010 | Placement Band 1996-2010

	Acquisitions, Transfers and Sales, Thousands of Dollars During Year											
Placed (1)	2001 (2)	2002 (3)	2003 (4)	2004 (5)	2005 (6)	2006 (7)	2007 (8)	2008 (9)	2009 (10)	2010 (11)	Total During Age Interval (12)	Age Interval (13)
1996	-	-	-	-	-	-	60[a]	-	-	-	-	13½-14½
1997	-	-	-	-	-	-	-	-	-	-	-	12½-13½
1998	-	-	-	-	-	-	-	-	-	-	-	11½-12½
1999	-	-	-	-	-	-	-	(5)[b]	-	-	60	10½-11½
2000	-	-	-	-	-	-	-	6[a]	-	-	-	9½-10½
2001		-	-	-	-	-	-	-	-	-	(5)	8½-9½
2002			-	-	-	-	-	-	-	-	-	7½-8½
2003			-	-	-	-	-	-	-	-	-	6½-7½
2004				-	-	-	-	(12)[b]	-	-	-	5½-6½
2005					-	-	-	-	22[a]	-	-	4½-5½
2006						-	-	(19)[b]	-	-	10	3½-4½
2007							-	-	-	-	-	2½-3½
2008								-	-	(102)[c]	(121)	1½-2½
2009									-	-	-	½-1½
2010											-	0-½
Total	-	-	-	-	-	-	60	(30)	22	(102)	(50)	

[a] Transfer Affecting Exposures at Beginning of Year
[b] Transfer Affecting Exposures at End of Year
[c] Sale with Continued Use
Parentheses denote Credit amount.

TABLE 3. PLANT EXPOSED TO RETIREMENT JANUARY 1
OF EACH YEAR 2001-2010
SUMMARIZED BY AGE INTERVAL

Experience Band 2001-2010 | Placement Band 1996-2010

Year Placed (1)	2001 (2)	2002 (3)	2003 (4)	2004 (5)	2005 (6)	2006 (7)	2007 (8)	2008 (9)	2009 (10)	2010 (11)	Total at Beginning of Age Interval (12)	Age Interval (13)
	Exposures, Thousands of Dollars — Annual Survivors at the Beginning of the Year											
1996	255	245	234	222	209	195	239	216	192	167	167	13½-14½
1997	279	268	256	243	228	212	194	174	153	131	323	12½-13½
1998	307	296	284	271	257	241	224	205	184	162	531	11½-12½
1999	338	330	321	311	300	289	276	262	242	226	823	10½-11½
2000	376	367	357	346	334	321	307	297	280	261	1,097	9½-10½
2001	420[a]	416	407	397	386	374	361	347	332	316	1,503	8½-9½
2002		460[a]	455	444	432	419	405	390	374	356	1,952	7½-8½
2003			510[a]	504	492	479	464	448	431	412	2,463	6½-7½
2004				580[a]	574	561	546	530	501	482	3,057	5½-6½
2005					660[a]	653	639	623	628	609	3,789	4½-5½
2006						750[a]	742	724	685	663	4,332	3½-4½
2007							850[a]	841	821	799	4,955	2½-3½
2008								960[a]	949	926	5,719	1½-2½
2009									1,080[a]	1,069	6,579	½-1½
2010	—	—	—	—	—	—	—	—	—	—	7,490	0-½
Total	1,975	2,382	2,824	3,318	3,872	4,494	5,247	6,017	6,852	7,799	44,780	

[a] Additions during the year.

at the beginning of each year are the amounts of plant from each placement year considered to be exposed to retirement at the beginning of each successive transaction year. For example, the exposures for the installation year 2006 are calculated in the following manner:

Exposures at age 0	= amount of addition	= $750,000
Exposures at age ½	= $750,000 - $ 8,000	= $742,000
Exposures at age 1½	= $742,000 - $18,000	= $724,000
Exposures at age 2½	= $724,000 - $20,000 - $19,000	= $685,000
Exposures at age 3½	= $685,000 - $22,000	= $663,000

For the entire experience band 2001-2010, the total exposures at the beginning of an age interval are obtained by summing diagonally in a manner similar to the summing of the retirements during an age interval (Table 1). For example, the figure of 3,789, shown as the total exposures at the beginning of age interval 4½-5½, is obtained by summing:

255 + 268 + 284 + 311 + 334 + 374 + 405 + 448 + 501 + 609.

Original Life Table. The original life table, illustrated in Table 4 on page II-17**,** is developed from the totals shown on the schedules of retirements and exposures, Tables 1 and 3, respectively. The exposures at the beginning of the age interval are obtained from the corresponding age interval of the exposure schedule, and the retirements during the age interval are obtained from the corresponding age interval of the retirement schedule. The retirement ratio is the result of dividing the retirements during the age interval by the exposures at the beginning of the age interval. The percent surviving at the beginning of each age interval is derived from survivor ratios,

TABLE 4. ORIGINAL LIFE TABLE
CALCULATED BY THE RETIREMENT RATE METHOD

Experience Band 2001-2010 Placement Band 1996-2010

(Exposure and Retirement Amounts are in Thousands of Dollars)

Age at Beginning of Interval (1)	Exposures at Beginning of Age Interval (2)	Retirements During Age Interval (3)	Retirement Ratio (4)	Survivor Ratio (5)	Percent Surviving at Beginning of Age Interval (6)
0.0	7,490	80	0.0107	0.9893	100.00
0.5	6,579	153	0.0233	0.9767	98.93
1.5	5,719	151	0.0264	0.9736	96.62
2.5	4,955	150	0.0303	0.9697	94.07
3.5	4,332	146	0.0337	0.9663	91.22
4.5	3,789	143	0.0377	0.9623	88.15
5.5	3,057	131	0.0429	0.9571	84.83
6.5	2,463	124	0.0503	0.9497	81.19
7.5	1,952	113	0.0579	0.9421	77.11
8.5	1,503	105	0.0699	0.9301	72.65
9.5	1,097	93	0.0848	0.9152	67.57
10.5	823	83	0.1009	0.8991	61.84
11.5	531	64	0.1205	0.8795	55.60
12.5	323	44	0.1362	0.8638	48.90
13.5	167	26	0.1557	0.8443	42.24
					35.66
Total	44,780	1,606			

Column 2 from Table 3, Column 12, Plant Exposed to Retirement.
Column 3 from Table 1, Column 12, Retirements for Each Year.
Column 4 = Column 3 divided by Column 2.
Column 5 = 1.0000 minus Column 4.
Column 6 = Column 5 multiplied by Column 6 as of the Preceding Age Interval.

each of which equals one minus the retirement ratio. The percent surviving is developed by starting with 100% at age zero and successively multiplying the percent surviving at the beginning of each interval by the survivor ratio, i.e., one minus the retirement ratio for that age interval. The calculations necessary to determine the percent surviving at age 5½ are as follows:

Percent surviving at age 4½	=	88.15				
Exposures at age 4½	=	3,789,000				
Retirements from age 4½ to 5½	=	143,000				
Retirement Ratio	=	143,000	÷	3,789,000	=	0.0377
Survivor Ratio	=	1.000	-	0.0377	=	0.9623
Percent surviving at age 5½	=	(88.15)	x	(0.9623)	=	84.83

The totals of the exposures and retirements (columns 2 and 3) are shown for the purpose of checking with the respective totals in Tables 1 and 3. The ratio of the total retirements to the total exposures, other than for each age interval, is meaningless.

The original survivor curve is plotted from the original life table (column 6, Table 4). When the curve terminates at a percent surviving greater than zero, it is called a stub survivor curve. Survivor curves developed from retirement rate studies generally are stub curves.

Smoothing the Original Survivor Curve. The smoothing of the original survivor curve eliminates any irregularities and serves as the basis for the preliminary extrapolation to zero percent surviving of the original stub curve. Even if the original survivor curve is complete from 100% to zero percent, it is desirable to eliminate any irregularities, as there is still an extrapolation for the vintages which have not yet lived to the age at which the curve reaches zero percent. In this study, the smoothing of the original curve with established type curves was used to eliminate irregularities in the original curve.

The Iowa type curves are used in this study to smooth those original stub curves which are expressed as percents surviving at ages in years. Each original survivor curve was compared to the Iowa curves using visual and mathematical matching in order to determine the better fitting smooth curves. In Figures 6, 7, and 8, the original curve developed in Table 4 is compared with the L, S, and R Iowa type curves which most nearly fit the original survivor curve. In Figure 6, the L1 curve with an average life between 12 and 13 years appears to be the best fit. In Figure 7, the S0 type curve with a 12-year average life appears to be the best fit and appears to be better than the L1 fitting. In Figure 8, the R1 type curve with a 12-year average life appears to be the best fit and appears to be better than either the L1 or the S0.

In Figure 9, the three fittings, 12-L1, 12-S0 and 12-R1 are drawn for comparison purposes. It is probable that the 12-R1 Iowa curve would be selected as the most representative of the plotted survivor characteristics of the group.

Compliance of the Retirement Rate Method of Analysis to IFRS

The Canadian Accounting Standards Board has announced that Canadian Generally Accepted Accounting Principles (GAAP) will cease to exist as of a target date in 2011 (or 2012 for regulated entities that elect to defer implementation for 1 year). As of that date many organizations will be required to report under the International Financial Accounting Standards (IFRS). The International Accounting Standard (IAS) 16 deals with the recognition and reporting of property, plant and equipment.

This standard requires that the depreciation expense associated with an asset be aligned with the expected service life of the asset. Gannett Fleming notes that the

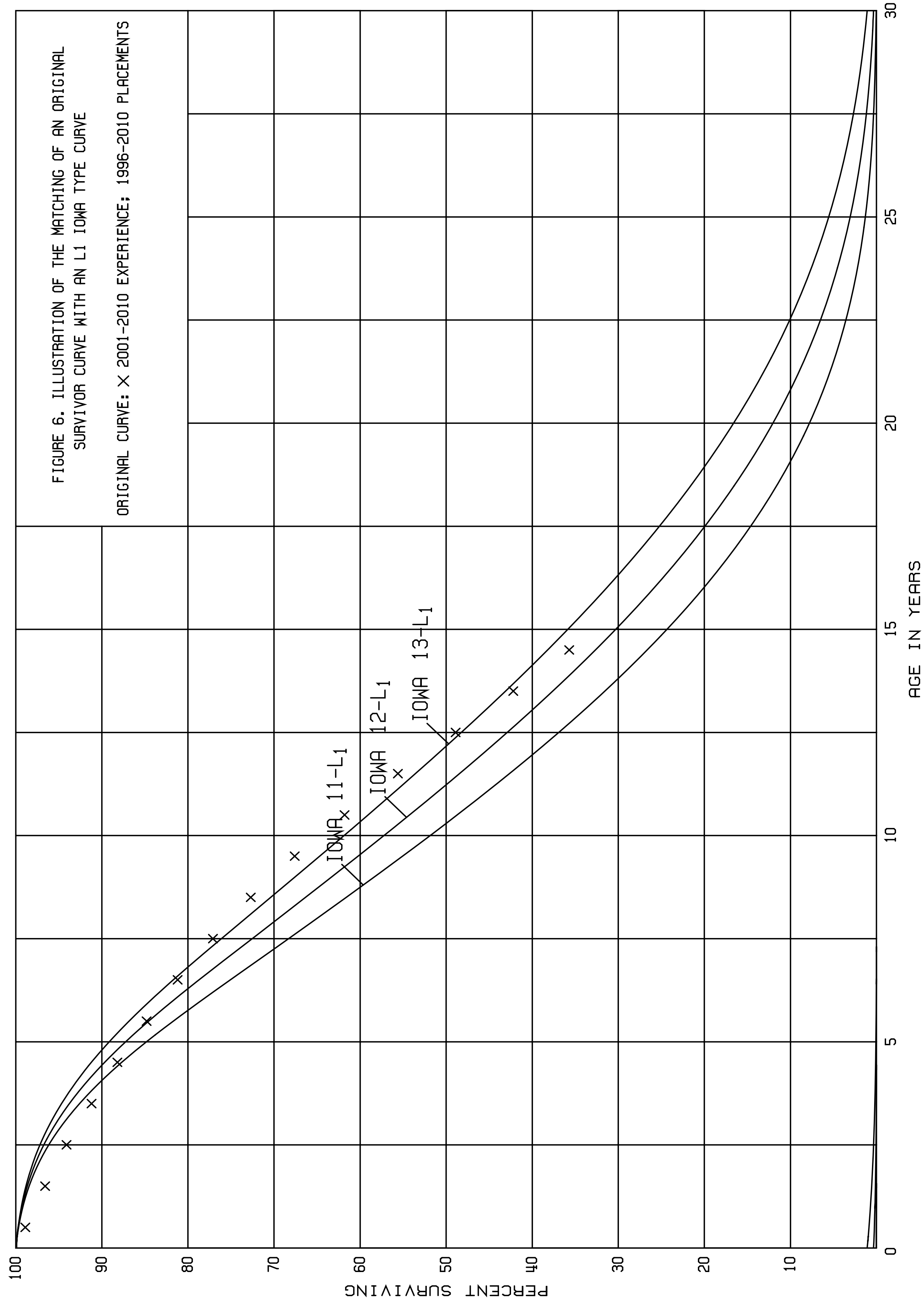


FIGURE 6. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL
SURVIVOR CURVE WITH AN L1 IOWA TYPE CURVE
ORIGINAL CURVE: × 2001-2010 EXPERIENCE; 1996-2010 PLACEMENTS
IOWA 11-L1
IOWA 12-L1
IOWA 13-L1
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
5
10
15
20
25
30

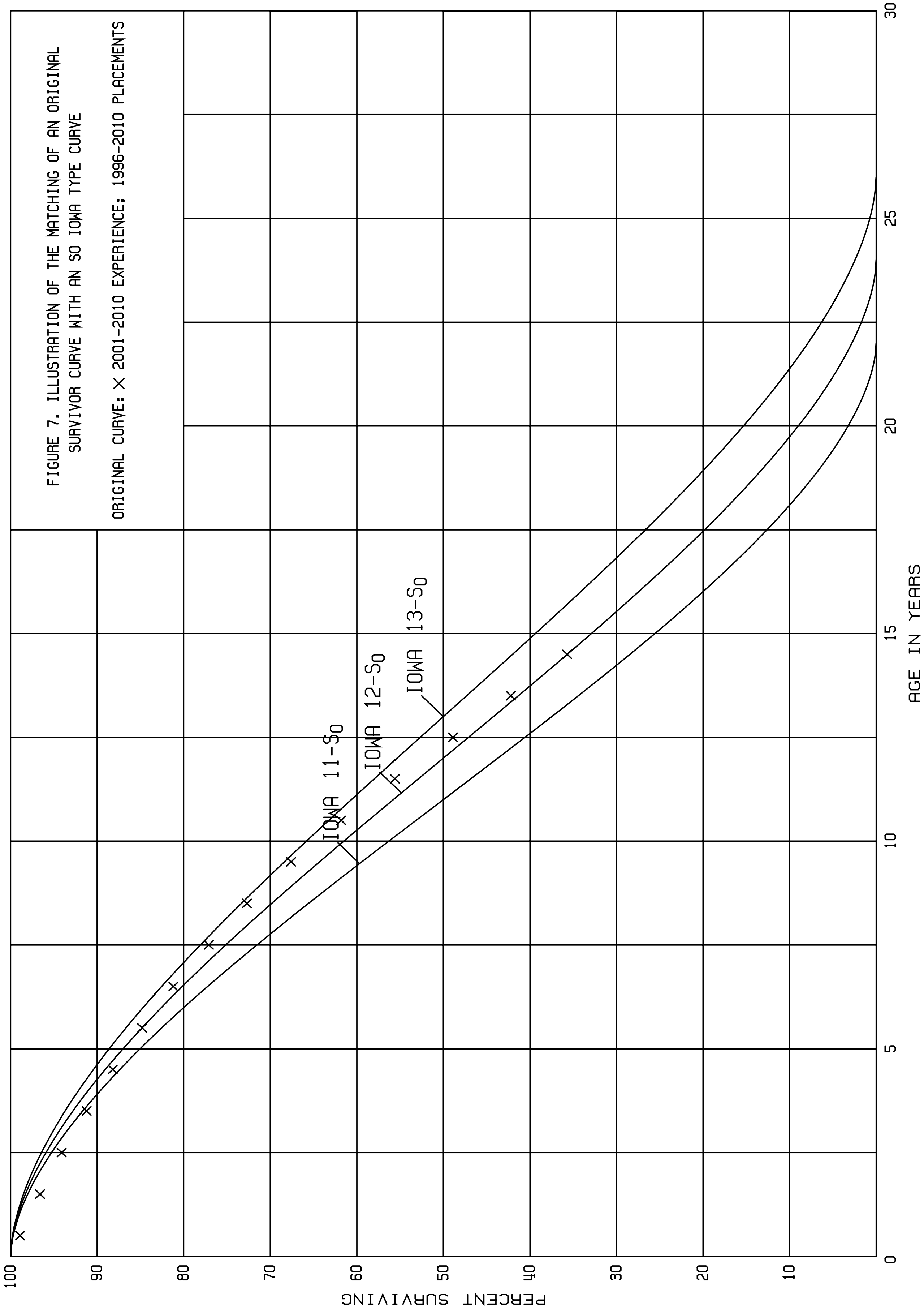


FIGURE 7. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN SO IOWA TYPE CURVE

ORIGINAL CURVE: × 2001-2010 EXPERIENCE; 1996-2010 PLACEMENTS

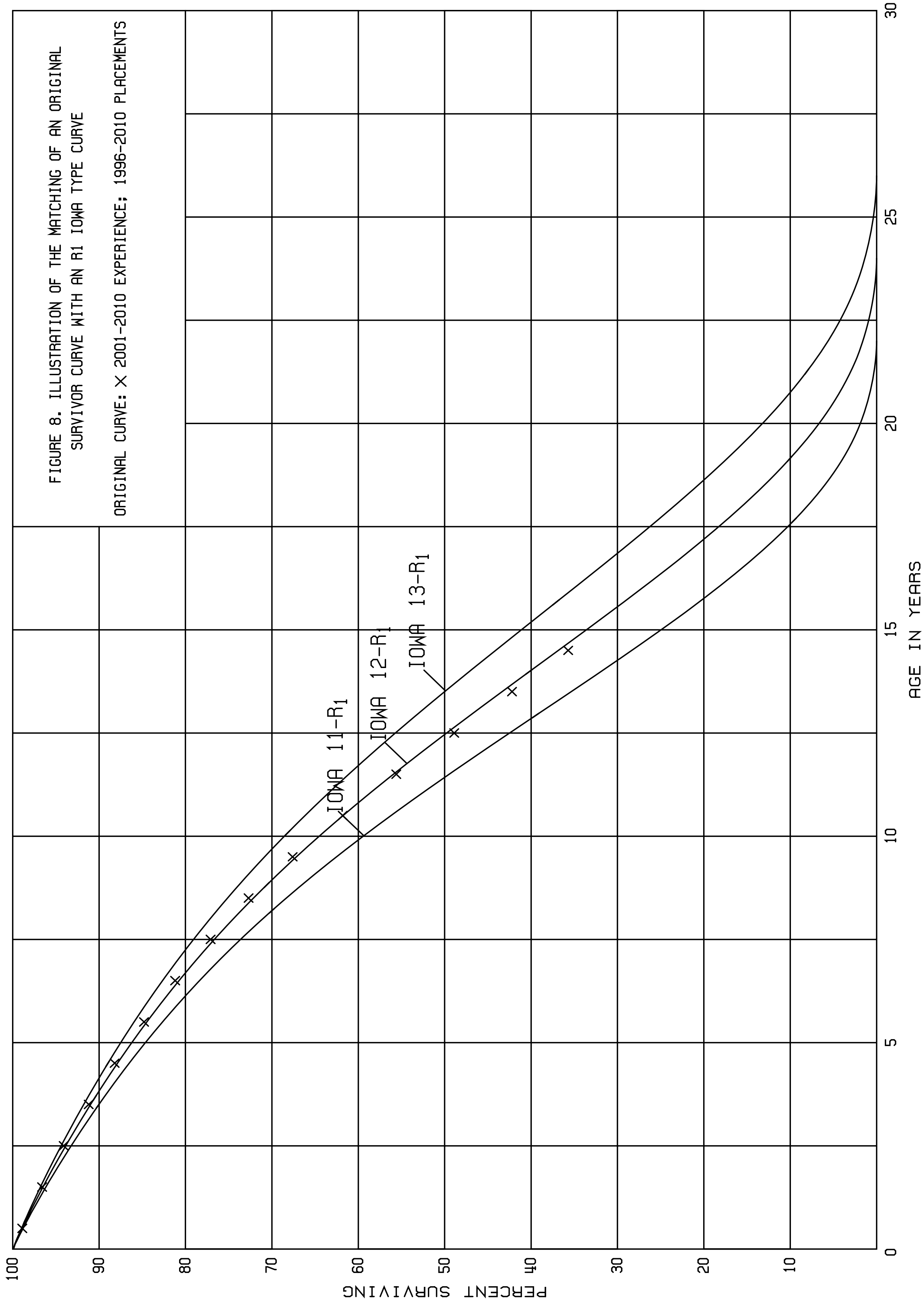


FIGURE 8. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN R1 IOWA TYPE CURVE

ORIGINAL CURVE: × 2001-2010 EXPERIENCE; 1996-2010 PLACEMENTS

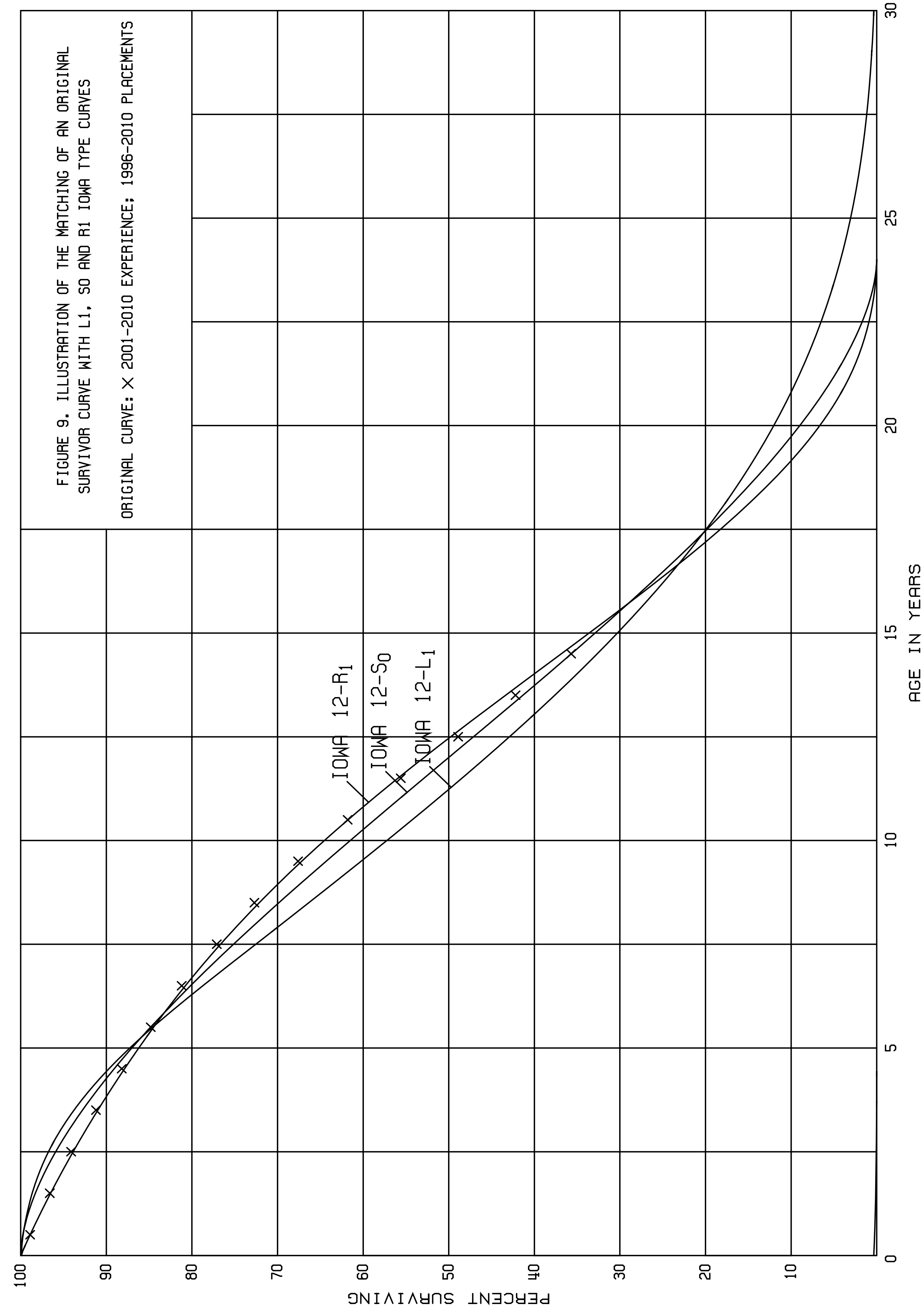


FIGURE 9. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH L1, S0 AND R1 IOWA TYPE CURVES

ORIGINAL CURVE: × 2001-2010 EXPERIENCE; 1996-2010 PLACEMENTS

requirements and implementation of the IFRS are generally aligned with the appropriate and reasonable depreciation practices and procedures commonly used for regulatory purposes.

In the view of Gannett Fleming, the use of an Iowa curve in the estimation of average service life and retirement expectations of a group of homogenous assets meets the requirements of IAS 16. However, the account structure of the utility must be analyzed to ensure that the assets included in each group are like in nature and service of the asset to the utility is similar. In this manner, it can be expected that any one of the assets in the group are equally likely to be subjected to any of the forces of retirement to which the group of assets are subjected.

In order to better meet the componentization requirements as discussed above, and to continue to use group accounting and depreciation practices, the company reviewed the type of physical assets included in all plant accounts. As a result of this review, Manitoba Hydro has developed a significant number of new accounts, particularly with regard to electric generation plant. Also as part of this development of new accounts, the company has recreated a database of aged plant accounting retirements and balances. Gannett Fleming used this database to perform a detailed retirement rate analysis as described previously in the report. In a limited number of accounts, Manitoba Hydro was not able to develop aged retirement balances. In these circumstances, Gannett Fleming statistically aged the unaged transactions in order that the retirement rate analysis could be completed for all accounts.

Survivor Curve Judgments. The survivor curve estimates were based on judgment which considered a number of factors. The primary factors were the statistical

analysis of data; current policies and outlook as determined during conversations with management personnel and on the knowledge Gannett Fleming developed through the completion of numerous electric utility studies.

The following discussion, dealing with a number of accounts which comprise the majority of the investment analyzed, presents an overview of the factors considered by Gannett Fleming in the determination of the average service life estimates. The survivor curve estimates for the remainder of the accounts not discussed in the following sections were based on similar considerations.

GENERATION ACCOUNTS

Gannett Fleming developed unique depreciation rate calculations for each of the hydraulic generation plants in order to specially recognize the life span of each of the plants. However, the retirement rate analysis was prepared on the basis of a grouping at an account level of the plant accounting data related to the combined databases from all hydraulic generation sites. Therefore, the analyses presented in Section IV of the Supporting Documents and as discussed below, are based on the combined data from all locations for each account.

Account Grouping A – Dams, Dykes and Weirs, represents 10% of the generation and 4.3% of depreciable assets studied. The investment in this account related mainly to the geo-technical components, including the earthen structures. Company management and operational staff have indicated that these structures were engineered to a high standard in order to provide an increased level of safety and longevity. Additionally, the operational staff views that the environmental conditions to which the investment in this account is exposed will result in a slower erosion of the physical structures. As such, it is expected that the investment in this account would have a longer average life expectation than many of the peer group of Canadian electric generation utilities. Additionally, on a yearly basis the company invests between $4 and $5 million on dam safety programs throughout its system.

The retirement rate analysis as presented on pages IV-3 to IV-5 has reviewed the retirement history from 1952 through 2010. The currently approved Iowa curve related to these assets is the Iowa 100-R3. Based on the retirement rate analysis, and on the expectations of operational staff, Gannett Fleming recommends the extension of the average service life estimate and an increase to the mode of the retirement dispersion curve to the Iowa 125-R4.

<u>Account Grouping B – Powerhouse,</u> represents 20% of the generation assets and 8.4% of the depreciable assets studied. The investment in this account relates to the powerhouses and civil buildings, including the structural and concrete components.

The hydraulic generation powerhouses are normally part of the physical concrete dam structure. However, in the circumstance of the Grand Rapids generation site, the powerhouse is physically located behind the dam in a separate structure. Based on the retirement rate analysis as presented on page IV-7 to IV-9 and on the expectations of operational staff, Gannett Fleming recommends the extension of the average service life estimate for this account to the Iowa 125-R4 from the Iowa 100-R3 curve for the civil assets related to the hydraulic assets. In this recommendation, the average service life characteristics of the powerhouses will be matched to the estimated retirement dispersion related to the Dams, Dykes and Weirs account.

With regard to the powerhouses related to thermal generation plants, the powerhouse is more typical of industrial concrete or steel buildings. As such it is estimated that the average service life associated with powerhouse buildings related to thermal plant locations would have a shorter average service life than the estimates for the hydraulic generation sites. Therefore, based on the expectations of operational staff, Gannett Fleming recommends continuation of the currently approved Iowa 65-R4 curve for thermal assets.

Account Grouping D – Spillway, represents 7% of the generation assets and 3.1% of the depreciable assets studied. The typical average service lives for spillways within the Canadian electric generation industry range from 60 to 100 years. The investment in this account was, in previous deprecation studies, included in the large group of civil assets and depreciated with an Iowa 100-R3 curve. Given the ability to separately analyze this investment, based on the retirement rate analysis as presented on pages IV-11 to IV-13 of the supporting documents and on the expectations of operational staff, Gannett Fleming recommends the reduction of the average service life estimate for this account to the Iowa 75-R2 curve.

Account Grouping E – Water Control Systems, represents 6% of the generation assets and 2.5% of the depreciated assets studied. The investment in this account includes the investment related to gates, guides and hoists. These types of assets are subjected to wear and tear and will require replacement over the life of the generation plant. The average service life estimates among Canadian peer utilities ranges from 45 to 75 years.

Interviews with company operational staff have indicated an expectation of a 50 year life. The investment in this account was, in previous deprecation studies, included in the large group of civil assets and depreciated with an Iowa 100-R3 curve. Based on the retirement rate analysis as presented on page IV-15 to IV-17 of the supporting documents, and on the expectations of operational staff, Gannett Fleming recommends the use of a 50-year average service life estimate and an increase in the mode of the Iowa curve from R3 to S4, resulting in a recommended Iowa 50-S4 curve.

Account Grouping P – A/C Electrical Power Systems, represents 22% of the generation assets and 9.2% of the depreciable assets studied. The investment in this account relates to the station electric transformer and station service. The assets in this account were previously depreciated with the Accessory Station Equipment using the Iowa 50-R3 curve. With the separation of this account, a retirement rate analysis was undertaken. Based on the retirement rate analysis as presented on page IV-34 to IV-36 and on the expectations of operational staff, Gannett Fleming recommends the continued use of the Iowa 50-R3, as shown on page IV-33 of the Supporting Documents.

Life Span Estimates. Life expectancy of electric generation plant assets are impacted by not only physical wear and tear of the assets but also on economic factors including the feasibility of the economic replacement of major operating components or the economic viability of the plant as a whole. In circumstances where the replacement of major operating components is not economically feasible, the life of the major component can be the determining factor of the generation plant and all of the assets within the plant. As such, the depreciable remaining life of electric generation plant assets is the lesser of the physical life expectation of the asset or the period at the end of the life span of the generation plant.

The use of life span dates for determining depreciable lives for regulated electric generation plant is common through many North American Regulatory jurisdictions. The basis for the determination of the life span date is usually based on one or all of the following:

- The physical life estimation of the major and vital components of the generating plant;
- The duration of operating licenses;
- Precedent and policy of the regulatory jurisdiction;
- Expiration of the supply source for which the generation plant is dependent; and
- Expiration of market demand upon which the generation plant is dependent.

In prior depreciation reviews, Manitoba Hydro has determined a life span date for most of the regulated hydraulic plants based on an overall life estimate of 100 years. The management and operational staff of Manitoba Hydro have reviewed this policy and determined that the economic life of the generation plants should be extended to 140 years beyond the date of initial construction. The application of this policy was reviewed for its reasonableness at each of the generation plants and was modified in three circumstances as follows:

- Pointe du Bois – March 31, 2031 (125 years)
- Grand Rapids – March 31, 2091 (125 years)
- Laurie River – March 31, 2032 (80 years)

DIESEL ACCOUNTS

Account 1300B – Buildings, represents 21% of the diesel assets and less than 1% of the depreciable assets studied. The statistical analysis indicates a 30-year average service life expectation. In addition, the Diesel Buildings are subjected to increased amounts of wear and tear than other generation buildings within the Manitoba Hydro system, and therefore will have a shorter life expectation. Based on the retirement rate analysis as presented on page IV-56, and on the expectations of operational staff, Gannett Fleming recommends the extension of the average service life estimate for this account to the 30-R3 from the 18-R2 Iowa curve which was previously used.

Account 1300N – Engines and Generators, represents 41% of the diesel assets and less than 1% of the depreciable assets studied. The statistical analysis indicates a life of approximately 25 years. The operational staff at Manitoba Hydro also confirms the life expectation of 25 years. In addition, the industry peer average service life estimates range from 20 to 30 years. Based on the retirement rate analysis as presented on page IV-58, and on the expectations of operational staff, Gannett Fleming recommends the extension of the average service life estimate for this account to the Iowa 25-R2.

Account 1300Q – Accessory Station Equipment, represents 30% of the diesel assets and less than 1% of the depreciable assets studied. The investment in this account includes the investment related to step-up transformers, and control panels which were all replaced approximately 15 to 20 years ago. Based on the retirement rate analysis presented on page IV-60, and on the expectations of operational staff, Gannett

Fleming recommends the extension of the average service life estimate for this account to the Iowa 20-R3.

TRANSMISSION ACCOUNTS

Account 2000G – Metal Towers and Concrete Poles, represents 45% of the transmission assets and 2.8% of the depreciable assets studied. The company had a previously approved life estimate of 85 years for this account. The original survivor curve as shown on page IV-67 indicated a modest level of retirement activity through age 42, with an indication of increased retirement activity thereafter. The transmission towers have historically withstood environmental influences such as ice storms, severe winter conditions, and corrosion. There are some replacements that will be required with the need to replace the 105-year old towers from Point du Bois, but there are no other significant replacement plans over the next 25 to 30 years. The industry average service life ranges from 50 to 65 years.

Interviews with company operational staff have indicated an expectation of a longer life than the industry peers. Based on the retirement rate analysis as presented on page IV-68 to IV-70 of the supporting documents, and on the expectations of operational staff, Gannett Fleming recommends the continued use of an 85-year average service life estimate and an increase in the mode of the Iowa curve from R3 to R4, resulting in a recommended Iowa 85-R4 curve.

Account 2000L – Overhead Conductor and Devices, represents 40% of the transmission assets and 3% of the depreciable assets studied. The retirement pattern shows only modest retirements up until age 22 and retirements increasing at a low rate thereafter. Based on the retirement rate analysis as presented on page IV-75 to V-77, and on the expectations of operational staff, Gannett Fleming recommends the extension of the average service life estimate for this account from a 60-L4 Iowa curve to the Iowa 65-R4.

SUBSTATION ACCOUNTS

Account 3100R – Power Transformers, represents 12% of the substations assets and 2% of the depreciable assets studied. The retirement pattern shows modest retirements starting about year five and increasing thereafter. The operational staff has not identified any problems with Manitoba Hydro's transformers. Manitoba Hydro also has a standard practice to repair through operating budgets for as long of a period as possible in order to extend the lives as long as possible for transformers. Additionally, newer transformers are expected to have shorter lives than the older units, as the new units are being manufactured to tighter capacity tolerances. The typical industry lives range from 40 to 60 years. Based on the retirement rate analysis, and on the expectations of operational staff, Gannett Fleming recommends an Iowa 50-R2 curve.

Account 3100T – Interrupting Equipment, represents 6% of the substations assets and 1% of the depreciable assets studied. The retirement pattern shows modest retirements starting about year five and increasing thereafter. Based on the retirement rate analysis, and on the expectations of operational staff, Gannett Fleming recommends an Iowa 45-R2 curve.

Account 3100U – Other Station Equipment, represents 21% of the substations assets and 4% of the depreciable assets studied. Comparable utilities with the electric industry have lives ranging from 45 to 53 years. The retirement pattern shown at page IV-99 shows modest retirements starting about year five and increasing thereafter.

Based on the retirement rate analysis, and on the expectations of operational staff, Gannett Fleming recommends an Iowa 43-R2 curve.

Account 3100V – Electronic Equipment and Batteries, represents 6% of the substations assets and 1% of the depreciable assets studied. Comparable utilities within the electric industry have lives ranging from 15 and 25 years. The retirement pattern as shown at page IV-103 shows modest retirements starting about year five and increasing thereafter. Based on the retirement rate analysis, and on the expectations of operational staff, Gannett Fleming recommends an Iowa curve of 20-R2.

Account 3200P – Convertor Equipment HVDC, represents 9% of the substations assets and 2% of the depreciable assets studied. The retirement pattern as shown on page IV-108 shows modest retirements starting about year nine and slowly increasing until about age 25 and increasing at a faster rate thereafter. Based on the retirement rate analysis, and on the expectations of operational staff, Gannett Fleming recommends an Iowa 25-R3 curve.

Account 3200S – Serialized Equipment-HVDC, represents 26% of the substations assets and 5% of the depreciable assets studied. The retirement pattern as shown on page IV-110 shows retirements starting at year two and then increasing thereafter. Based on the retirement rate analysis, and on the expectations of operational staff, Gannett Fleming recommends an Iowa 25-R2 curve.

DISTRIBUTION ACCOUNTS

Account 4000J – Poles and Fixtures, represents 24% of the distribution assets and 5% of the depreciable assets studied. The poles are a mix of pine and cedar with wood poles making up about 99.5% of the poles in service. Typical industry lives for wood poles range from 38 to 55 years. The retirement rate analysis as shown on pages IV-122 and IV-123 has indicated a preliminary average service life estimate of the Iowa 34-R3, which was at the short end of the range of peer industry comparable companies.

Manitoba Hydro operational staff confirmed the Gannett Fleming view that the statistically developed 34-year average service life estimate was too short for this account, and should have an average service life of at least 55 to 60 years. Based on all factors, Gannett Fleming recommends an Iowa 55-R3 curve, which maintains the retirement dispersion shape from the retirement rate analysis, conforms to the view of the Manitoba Hydro operational staff, and is within the range of industry peers.

<u>Account 4000L – Overhead Conductor and Devices</u>, represents 26% of the distribution assets and 5.1% of the depreciable assets studied. The retirement rate analysis as shown on pages IV-125 and IV-126 has indicated a preliminary average service life estimate of the Iowa 32-R2, which was at the short end of the range of peer industry comparable companies. Typical industry averages show lives ranging from 45 and 60 years, which is longer than the statistically developed life estimate of 32 years.

Operational staff indicated they are seeing no major issues with conductors and they would expect lives to be longer than the 55 year life estimate recommended for the poles account as conductor is not always replaced when poles are retired. Based on all factors, Gannett Fleming recommends an Iowa 60-R2 curve, which maintains the retirement dispersion shape from the retirement rate analysis, conforms to the view of the Manitoba Hydro operational staff, and is within the range of industry peers.

<u>Account 4000N – Underground Cable and Devices – Primary</u>, represents 11% of the distribution assets and 2% of the depreciable assets studied. Operational staff

indicated there are no major issues with newer underground cable installed within the last 25 years. However, the older cable previously installed was of inferior quality and is starting to be retired at about 45 years. Typical industry averages show lives ranging from 40 to 80 years. Based on the retirement rate analysis as shown on pages IV-130 and 131 on the expectations of operational staff and industry comparables, Gannett Fleming recommends an Iowa 60-R4 curve.

Account 4000P – Underground Cable and Devices – Secondary, represents 8% of the distribution assets and 2% of the depreciable assets studied. The newer underground cable is about 25 years old and is showing no major issues according to Manitoba Hydro's operational staff. In addition, the older underground cable is starting to retire at about 45 years. Typical industry averages are indicating lives between 40 and 80 years. Based on the retirement rate analysis as shown on pages IV-133 and IV-134 the expectations of operational staff along with industry comparables, Gannett Fleming recommends an Iowa 45-R4 curve.

Account 4000Q – Serialized Equipment – Overhead, represents 8% of the distribution assets and 2% of the depreciable assets studied. The investment in this account primarily relates to pole top transformers. Interviews with operational staff indicated the company intends to continue to refurbish and reuse transformers. Comparable Industry averages range from 27 to 45 years. Based on the expectations of operational staff along with industry comparables, Gannett Fleming recommends an Iowa 35-R3 curve.

Account 4000S – Serialized Equipment – Underground, represents 7% of the distribution assets and 1% of the depreciable assets studied. The investment in this

account primarily relates to pad mounted transformers for underground service. Interviews with operational staff indicated the company intends to continue to refurbish and reuse these transformers. Comparable industry averages range from 27 to 45 years. Based on the expectations of operational staff along with industry comparables, Gannett Fleming recommends an Iowa 40-R3 curve.

The survivor curve estimates for the remaining accounts were based on similar considerations of historical analyses, management outlook and estimates for this company and other electric utilities.

NET SALVAGE ESTIMATES

This report is developed to be in compliance with the requirements of IFRS for financial reporting purposes. The pre-collection of future costs of removal within depreciation expense is not compliant with the standards. Manitoba Hydro has requested that all net negative salvage provisions be removed from the depreciation rate calculations. The future costs of removal will be recorded as a capital cost of the replacement assets at the time of the retirement of the assets currently in service. As such, Gannett Fleming has not included any costs of removal in these depreciation calculations.

IAS 16 does provide for the recognition of residual value of assets at the time of retirement to be recognized in depreciation expense. Therefore, a residual salvage calculation has been incorporated into the depreciation rates for a number of general plant accounts.

CALCULATION OF ANNUAL AND ACCRUED DEPRECIATION

Group Depreciation Procedures. When more than a single item of property is under consideration, a group procedure for depreciation is appropriate because normally all of the items within a group do not have identical service lives, but have lives that are dispersed over a range of time. There are two primary group procedures, namely, Average Service Life (ASL) and Equal Life Group (ELG).

The difference in calculation of depreciation expense derived from ELG and ASL can best be explained with the use of a simple example.

ASL Versus ELG Example. Assume one plant account with a total cost of $2,000 is comprised of two subgroups of assets, each with an original cost of $1,000. The first group has a life of 5 years, while the second group has a life of 15 years.

Under both procedures the average life of this plant account would equal 10 years (15 + 5)/2. With the ASL procedure this average life would be used to determine the depreciation accruals for the first 5 years as follows:

($2,000 / 10 years) = $200 per year

The accrual for the years 6 to 15 would be as follows:

($1,000 / 10 years) = $100 per year

Under the ELG procedure, the expense for each sub group is determined and then added together. Therefore for the first 5 years, the accrual would be as follows:

($1,000 / 5 years) + ($1,000 / 15 years) = $267 per year.

The accrual for the years 6 to 15 would be as follows:

($1,000 / 15 years) = $67 per year.

The following table sets out the differences in the two methods:

Average Service Life Procedure				**Equal Life Group Procedure**			
Year	Accruals ($)	Retirements ($)	Acc. Deprn Balance ($)	Year	Accruals ($)	Retirements ($)	Acc. Deprn Balance ($)
1	200		200	1	267		267
2	200		400	2	267		534
3	200		600	3	267		801
4	200		800	4	267		1,068
5	200	1,000	0	5	267	1,000	335
6	100		100	6	67		402
7	100		200	7	67		469
8	100		300	8	67		536
9	100		400	9	67		603
10	100		500	10	67		670
11	100		600	11	66		736
12	100		700	12	66		802
13	100		800	13	66		868
14	100		900	14	66		934
15	100	1,000	0	15	66	1,000	0

It should be noted from the table that overall, both methods will recover the same original cost, however, there are two key differences. First, using the ASL procedure, after the first 5 years, no depreciation has been collected for the asset remaining in service. Essentially, the concept of depreciation expense matching the assets providing service is not met. With the ELG procedure, this problem is remedied and after the retirement at year 5 of the shorter life asset, an appropriate provision for the first 5 years of service on the longer living asset is accumulated ($67 X 5 years = $335). Under ELG all current users are sharing the cost of all assets in service.

Secondly, under ASL the customers using the last remaining assets are required to pick up an adjustment for the under accrual of depreciation expense during the early years of the account. This inter-generational inequity would result in a situation at

Manitoba Hydro where users in the later years of the system bear the cost of under accruals with benefited earlier users of the system.

Effectively, later users of the system would be subsiding previous users. With potential changes in the utility industry, future users of the facilities may be different from the current system users. This lack of stability will magnify the inter-generational inequity of the ASL procedure.

Conformance of ELG to IFRS. IAS 16 requires depreciation expense to reflect the life expectation of assets in service. As indicated in the above example, the rate of annual depreciation is based on the average life or average service life of the group, and this rate is applied to the surviving balances of the group's cost. As further noted in the above example, a characteristic of the ASL procedure is that the cost of plant retired prior to average life is not fully recouped at the time of retirement, whereas the cost of plant retired subsequent to average life is more than fully recouped. Over the entire life cycle, the portion of cost not recouped prior to average life is balanced by the cost recouped subsequent to average life. In this procedure, the accrued depreciation is based on the average service life of the group and the average remaining life of each vintage within the group derived from the area under the survivor curve between the attained age of the vintage and the maximum age.

In the ELG procedure, the property group is subdivided according to service life. That is, each equal life group includes that portion of the property which experiences the life of that specific group. The relative size of each equal life group is determined from the property's life dispersion curve. The calculated depreciation for the property group is the summation of the calculated depreciation based on the service life of each equal life group.

The table on the following page presents an illustration of the calculation of equal life group depreciation in a mass property account using the Iowa 15-R3 survivor curve, 0 percent net salvage and a December 31, 2010 calculation date. In the table, each equal life group is defined by the age interval shown in columns 1 and 2. These are the ages at which the first and last retirement of each group occurs, and the group's equal life, shown in column 3, is the midpoint of the interval. For purposes of the calculation, each vintage is divided into equal life groups arranged so that the midpoint of each one-year age interval coincides with the calculation date, e.g., December 31 in this case. This enables the calculation of annual accruals for a twelve-month period centered on the date of calculation.

The retirement during the age interval, shown in column 4, is the size of each equal life group and is derived from the Iowa 15-R3 survivor curve and 0 percent net salvage. It is the difference between the percents surviving at the beginning and end of the age interval. Each equal life group's annual accrual, shown in column 5, equals the group's size (column 4) divided by its life (column 3).

Columns 6 through 10 show the derivation of the annual and accrued factors for each vintage based on the information developed in the first five columns. The year installed is shown in column 6. For all vintages other than 2010, the summation of annual accruals for each year installed, shown in column 7, is calculated by adding one-half of the group annual accrual (column 5) for that vintage's current age interval plus the group annual accruals for all succeeding age intervals. For example, the figure

7.53413204309 for 2009 equals one-half of 0.14669333333 plus all of the succeeding figures in column 5. Only one-half of the annual accrual for the vintage's current age interval group is included in the summation because the equal life group for that interval has reached the year during which it is expected to be retired.

DETAILED COMPUTATION OF ANNUAL AND ACCRUED FACTORS USING THE EQUAL LIFE GROUP PROCEDURE

INPUT PARAMETERS:
CALCULATION DATE.. 12-31-2010
SURVIVOR CURVE.... 15-R3

AGE INTERVAL BEG (1)	END (2)	LIFE (3)	RETIREMENTS DURING INTERVAL (4)	GROUP ANNUAL ACCRUAL (5)=(4)/(3)	YEAR INST (6)	SUMMATION OF ANNUAL ACCRUALS (7)	AVERAGE PERCENT SURVIVING (8)	ANNUAL FACTOR (9)	ACCRUED FACTOR (10)
0.000	1.000	0.500	0.13204	0.13204000000	2010	7.73951870976	99.939619	0.0774	0.0387
1.000	2.000	1.500	0.22004	0.14669333333	2009	7.53413204309	99.757940	0.0755	0.1133
2.000	3.000	2.500	0.34901	0.13960400000	2008	7.39098337643	99.473416	0.0743	0.1858
3.000	4.000	3.500	0.53168	0.15190857143	2007	7.24522709071	99.033069	0.0732	0.2562
4.000	5.000	4.500	0.77648	0.17255111111	2006	7.08299724944	98.378988	0.0720	0.3240
5.000	6.000	5.500	1.09520	0.19912727273	2005	6.89715805752	97.443149	0.0708	0.3894
6.000	7.000	6.500	1.50085	0.23090000000	2004	6.68214442116	96.145127	0.0695	0.4518
7.000	8.000	7.500	1.99686	0.26624800000	2003	6.43357042116	94.396275	0.0682	0.5115
8.000	9.000	8.500	2.59836	0.30568941176	2002	6.14760171528	92.098663	0.0668	0.5678
9.000	10.000	9.500	3.32846	0.35036421053	2001	5.81957490413	89.135249	0.0653	0.6204
10.000	11.000	10.500	4.20015	0.40001428571	2000	5.44438565601	85.370944	0.0638	0.6699
11.000	12.000	11.500	5.24273	0.45588956522	1999	5.01643373055	80.649505	0.0622	0.7153
12.000	13.000	12.500	6.46397	0.51711760000	1998	4.52993014794	74.796157	0.0606	0.7575
13.000	14.000	13.500	7.78086	0.57636000000	1997	3.98319134794	67.673742	0.0589	0.7952
14.000	15.000	14.500	9.04123	0.62353310345	1996	3.38324479621	59.262695	0.0571	0.8280
15.000	16.000	15.500	9.97724	0.64369290323	1995	2.74963179287	49.753461	0.0553	0.8572
16.000	17.000	16.500	10.26569	0.62216303030	1994	2.11670382611	39.631994	0.0534	0.8811
17.000	18.000	17.500	9.71888	0.55536457143	1993	1.52794002524	29.639708	0.0516	0.9030
18.000	19.000	18.500	8.35418	0.45157729730	1992	1.02446909088	20.603179	0.0497	0.9195
19.000	20.000	19.500	6.50335	0.33350512821	1991	0.63192787812	13.174414	0.0480	0.9360
20.000	21.000	20.500	4.58978	0.22389170732	1990	0.35322946036	7.627850	0.0463	0.9492
21.000	22.000	21.500	2.91547	0.13560325581	1989	0.17348197879	3.875224	0.0448	0.9632
22.000	23.000	22.500	1.61144	0.07161955556	1988	0.06987057311	1.611769	0.0434	0.9765
23.000	24.000	23.500	0.66967	0.02849659574	1987	0.01981249746	0.471215	0.0420	0.9870
24.000	25.000	24.500	0.13425	0.00547959184	1986	0.00282440367	0.069256	0.0408	0.9996
25.000	25.350	25.175	0.00213	0.00008460775	1985	0.00001480636	0.000373	0.0397	1.0000
TOTAL			100.00000						

The summation of annual accruals (column 7) for installations during 2010 is calculated on the basis of an in-service date at the midpoint of the year, i.e., June 30. Inasmuch as the overall calculation is centered on December 31, 2010, the first figure in column 7, for vintage 2010, equals all of the group annual accrual for the first equal life group plus the accruals for all of the subsequent equal life groups.

The average percent surviving derived from the Iowa 15-R3 survivor curve and 0 percent net salvage, is shown in column 8 for each age interval. The annual factor, shown in column 9, is the result of dividing the summation of annual accruals (column 7) by the average percent surviving (column 8). The accrued factor, shown in column 10, equals the annual factor multiplied by the age of the group at December 31, 2010.

CALCULATION OF ANNUAL AND ACCRUED AMORTIZATION

Amortization is the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized. Normally, the distribution of the amount is in equal amounts to each year of the amortization period.

The calculation of annual and accrued amortization requires the selection of an amortization period. The amortization periods used in this report were based on judgment which incorporated a consideration of the period during which the assets will render most of their service, the amortization period and service lives used by other utilities, and the service life estimates previously used for the asset under depreciation accounting.

Amortization accounting is proposed for a number of accounts that represent numerous units of property, but a very small portion of depreciable electrical plant in service. The accounts and their amortization periods are as follows:

ACCOUNT	TITLE	AMORTIZATION PERIOD, YEARS
000C	POWERHOUSE RENOVATIONS	25
000L	LICENCE RENEWAL	50
000W	SUPPORT BUILDING RENOVATIONS	20
000M	COMBUSTION TURBINE OVERHAULS	10
1125Z	COMMUNITY DEVELOPMENT COSTS [Pine Falls]	81
1140Z	COMMUNITY DEVELOPMENT COSTS [Grand Rapids]	80
1160Z	COMMUNITY DEVELOPMENT COSTS [Lake Winnipeg Regulation]	100
1165Z	COMMUNITY DEVELOPMENT COSTS [Churchill River Diversion]	100
1300C	BUILDING RENOVATIONS	15
1300M	ENGINES AND GENERATORS - OVERHAULS	5
3000C	BUILDING RENOVATIONS	20
4000K	GROUND LINE TREATMENT	10
4000V	ELECTRONIC EQUIPMENT	10
5000C	BUILDING RENOVATIONS	20
5000K	OPERATIONAL IT EQUIPMENT	5
5000M	MOBILE RADIO, TELEPHONE AND VIDEO CONFERENCING	8
5000N	OPERATIONAL DATA NETWORK	8
8000C	BUILDING RENOVATIONS	20
9000H	TOOLS, SHOP AND GARAGE EQUIPMENT	15
9000K	COMPUTER EQUIPMENT	5
9000L	OFFICE FURNITURE AND EQUIPMENT	20
9000M	HOT WATER TANKS	6
A200H	COMPUTER DEVELOPMENT - SMALL SYSTEMS	10
A200J	COMPUTER SOFTWARE - GENERAL	5
A200K	COMPUTER SOFTWARE - COMMUNICATION/OPERATIONAL	5

For the purpose of calculating annual amortization amounts as of March 31, 2010, the book depreciation reserve for each plant account or subaccount is assigned or allocated to vintages. The book reserve assigned to vintages with an age greater than the amortization period is equal to the vintage's original cost. The remaining book reserve is allocated among vintages with an age less than the amortization period in proportion to the calculated accrued amortization. The calculated accrued amortization is equal to the original cost multiplied by the ratio of the vintage's age to its amortization period. The annual amortization amount is determined by dividing the future amortizations (original cost less allocated book reserve) by the remaining period of amortization for the vintage.

MONITORING OF BOOK ACCUMULATED DEPRECIATION

The calculated accrued depreciation or amortization represents that portion of the depreciable cost which will not be allocated to expense through future depreciation accruals, if current forecasts of service life characteristics and net salvage materialize and are used as a basis for depreciation accounting. Thus, the calculated accrued depreciation provides a measure of the book accumulated depreciation. The use of this measure is recommended in the amortization of book accumulated depreciation variances to insure complete recovery of capital over the life of the property.

The recommended amortization of the variance between the book accumulated depreciation and the calculated accrued depreciation is based on an amortization period equal to the composite remaining life for each property group where the variance exceeds five percent of the calculated accrued depreciation.

The composite remaining life for use in the calculation of accumulated depreciation variances is derived by developing the composite sum of the individual equal life group remaining lives in accordance with the following equation:

$$\text{Composite Remaining Life} = \frac{\sum\left(\frac{\text{Book Cost}}{\text{Life}} \times \text{Remaining Life}\right)}{\sum \frac{\text{Book Cost}}{\text{Life}}}.$$

The book costs and lives of the several equal life groups, which are summed in the foregoing equation, are defined by the estimated future survivor curve.

Inasmuch as book cost divided by life equals the whole life annual accrual, the foregoing equation reduces to the following form:

$$\text{Composite Remaining Life} = \frac{\sum \text{Whole Life Future Accruals}}{\sum \text{Whole Life Annual Accruals}}$$

or

$$\text{Composite Remaining Life} = \frac{\sum \text{Book Cost - Calc. Reserve}}{\sum \text{Whole Life Annual Accrual}}.$$

PART III. RESULTS OF STUDY

PART III. RESULTS OF STUDY

QUALIFICATION OF RESULTS

The calculated annual and accrued depreciation are the principal results of the study. Continued surveillance and periodic revisions are normally required to maintain continued use of appropriate annual depreciation accrual rates. An assumption that accrual rates can remain unchanged over a long period of time implies a disregard for the inherent variability in service lives and salvage and for the change of the composition of property in service. The annual accrual rates and the accrued depreciation were calculated in accordance with the straight line method, using the equal life group procedure based on estimates which reflect considerations of current historical evidence and expected future conditions.

DESCRIPTION OF DETAILED TABULATIONS

The service life estimates were based on judgment that incorporated statistical analysis of retirement data, discussions with management and consideration of estimates made for other electric utilities. The results of the statistical analysis of service life are presented in the section beginning on pages IV-2, within the supporting documents of this report.

For each depreciable group analyzed by the retirement rate method, a chart depicting the original and estimated survivor curves followed by a tabular presentation of the original life table(s) plotted on the chart. The survivor curves estimated for the depreciable groups are shown as dark smooth curves on the charts. Each smooth survivor curve is denoted by a numeral followed by the curve type designation. The numeral used is the average life derived from the entire curve from 100 percent to zero

percent surviving. The titles of the chart indicate the group, the symbol used to plot the points of the original life table, and the experience and placement bands of the life tables which where plotted. The experience band indicates the range of years for which retirements were used to develop the stub survivor curve. The placements indicate, for the related experience band, the range of years of installations which appear in the experience.

The tables of the calculated annual depreciation applicable to depreciable assets as of March 31, 2010 are presented in account sequence starting on page V-2 of the supporting documents. The tables indicate the estimated average survivor curves used in the calculations. The tables set forth, for each installation year, the original cost, calculated accrued depreciation, and the calculated annual accrual.

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DEPRECIABLE WORK (1)	LIFE SPAN DATE	ESTIMATED SURVIVOR CURVE (2)	ESTIMATED NET SALVAGE (3)	SURVIVING ORIGINAL COST AT 03/31/2010 (4)	CALCULATED ANNUAL ACCRUAL AMOUNT (5)	CALCULATED ANNUAL ACCRUAL RATE (%) (6)=(5)/(4)	ANNUAL PROVISION FOR TRUE-UP (7)	TOTAL DEPRECIATION RELATED TO LIFE EXPENSE (8)=(5)+(7)	TOTAL DEPRECIATION RELATED TO LIFE RATE (%) (9)=(8)/(4)	
10000	**GENERATION**										
11000	**HYDRAULIC GENERATION**										
11050	**GREAT FALLS**										
1105A	DAMS, DYKES AND WEIRS	2063	125-R4	0	17,302,772	218,229	1.26	(27,263)	190,966	1.10	
1105B	POWERHOUSE	2063	125-R4	0	7,990,993	99,815	1.25	(13,045)	86,770	1.09	
1105C	POWERHOUSE RENOVATIONS	2063	25-SQ	0						4.00	*/**
1105D	SPILLWAY	2063	75-R2	0	9,676,327	151,875	1.57	(6,958)	144,917	1.50	
1105E	WATER CONTROL SYSTEMS	2063	50-S4	0	24,245,253	497,229	2.05	(50,814)	446,415	1.84	
1105F	ROADS AND SITE IMPROVEMENTS	2063	50-R3	0	213,964	5,129	2.40	(24)	5,105	2.39	
1105G	TURBINES AND GENERATORS	2063	65-S3	0	25,128,789	433,087	1.72	(30,373)	402,714	1.60	
1105H	GOVERNORS AND EXCITATION SYSTEM	2063	50-R4	0	492,218	10,048	2.04	(811)	9,237	1.88	
1105L	LICENCE RENEWAL	2063	50-SQ	0						2.00	*/**
1105P	A/C ELECTRICAL POWER SYSTEMS	2063	50-R3	0	9,493,088	201,933	2.13	(12,866)	189,067	1.99	
1105Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2063	23-L2	0	19,271,956	955,210	4.96	(7,499)	947,711	4.92	
1105R	AUXILIARY STATION PROCESSES	2063	40-R2.5	0	8,345,798	224,470	2.69	(9,108)	215,362	2.58	
1105X	SUPPORT BUILDINGS	2063	65-R3	0	1,495,253	24,424	1.63	(2,820)	21,604	1.44	
1105W	SUPPORT BUILDING RENOVATIONS	2063	20-SQ	0						5.00	*/**
	TOTAL GREAT FALLS				**123,656,412**	**2,821,449**	**2.28**	**(161,581)**	**2,659,868**	**2.15**	
11100	**POINTE DU BOIS**										
1110A	DAMS, DYKES AND WEIRS	2031	125-R4	0	11,263,332	446,825	3.97	(91,296)	355,529	3.16	
1110B	POWERHOUSE	2031	125-R4	0	6,242,749	271,010	4.34	(26,759)	244,251	3.91	
1110C	POWERHOUSE RENOVATIONS	2031	25-SQ	0						4.84	*/**
1110D	SPILLWAY - ORIGINAL	2017	75-R2	0	3,104,842	345,659	11.13	(84,531)	261,128	8.41	
1110E	WATER CONTROL SYSTEMS	2031	50-S4	0	4,027,603	152,884	3.80	(39,522)	113,362	2.81	
1110F	ROADS AND SITE IMPROVEMENTS	2031	50-R3	0	28,533	1,113	3.90	(295)	818	2.87	
1110G	TURBINES AND GENERATORS	2031	65-S3	0	24,610,324	1,022,300	4.15	(153,096)	869,204	3.53	
1110H	GOVERNORS AND EXCITATION SYSTEM	2031	50-R4	0						5.04	*
1110L	LICENCE RENEWAL	2031	50-SQ	0						4.76	*/**
1110P	A/C ELECTRICAL POWER SYSTEMS	2031	50-R3	0	6,057,709	274,987	4.54	(22,954)	252,033	4.16	
1110Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2031	23-L2	0	355,559	20,840	5.86	(2,581)	18,259	5.14	
1110R	AUXILIARY STATION PROCESSES	2031	40-R2.5	0	1,377,014	62,068	4.51	(11,335)	50,733	3.68	
1110X	SUPPORT BUILDINGS	2031	65-R3	0	2,616,290	95,041	3.63	(32,110)	62,931	2.41	
1110W	SUPPORT BUILDING RENOVATIONS	2031	20-SQ	0						5.00	*/**
1111D	SPILLWAY - NEW		75-R2	0						1.33	*
	TOTAL POINTE DU BOIS				**59,683,956**	**2,692,727**	**4.51**	**(464,480)**	**2,228,247**	**3.73**	
11150	**SEVEN SISTERS**										
1115A	DAMS, DYKES AND WEIRS	2072	125-R4	0	31,497,995	353,966	1.12	(76,205)	277,761	0.88	
1115B	POWERHOUSE	2072	125-R4	0	13,653,945	143,721	1.05	(40,679)	103,042	0.75	
1115C	POWERHOUSE RENOVATIONS	2072	25-SQ	0						4.00	*/**
1115D	SPILLWAY	2072	75-R2	0	2,841,355	39,847	1.40	(5,275)	34,572	1.22	
1115E	WATER CONTROL SYSTEMS	2072	50-S4	0	4,296,891	81,034	1.89	(23,695)	57,339	1.33	
1115F	ROADS AND SITE IMPROVEMENTS	2072	50-R3	0	201,701	3,718	1.84	(1,185)	2,533	1.26	
1115G	TURBINES AND GENERATORS	2072	65-S3	0	41,208,963	689,938	1.67	(75,531)	614,407	1.49	
1115H	GOVERNORS AND EXCITATION SYSTEM	2072	50-R4	0	6,860	125	1.82	(451)	(326)	2.00	
1115L	LICENCE RENEWAL	2072	50-SQ	0						2.00	*/**
1115P	A/C ELECTRICAL POWER SYSTEMS	2072	50-R3	0	10,648,619	223,532	2.10	(36,104)	187,428	1.76	
1115Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2072	23-L2	0	3,821,416	163,482	4.28	(29,620)	133,862	3.50	
1115R	AUXILIARY STATION PROCESSES	2072	40-R2.5	0	5,224,958	131,285	2.51	(25,391)	105,894	2.03	
1115X	SUPPORT BUILDINGS	2072	65-R3	0	608,294	11,021	1.81	(676)	10,345	1.70	
1115W	SUPPORT BUILDING RENOVATIONS	2072	20-SQ	0						5.00	*/**
	TOTAL SEVEN SISTERS				**114,010,998**	**1,841,669**	**1.62**	**(314,814)**	**1,526,855**	**1.34**	

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DEPRECIABLE WORK	LIFE SPAN DATE	ESTIMATED SURVIVOR CURVE	ESTIMATED NET SALVAGE	SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE (%)	ANNUAL PROVISION FOR TRUE-UP	TOTAL DEPRECIATION RELATED TO LIFE EXPENSE	TOTAL DEPRECIATION RELATED TO LIFE RATE (%)	
	(1)		(2)	(3)	(4)	(5)	(6)=(5)/(4)	(7)	(8)=(5)+(7)	(9)=(8)/(4)	
11200	**SLAVE FALLS**										
1120A	DAMS, DYKES AND WEIRS	2072	125-R4	0	954,684	14,817	1.55	(153)	14,664	1.54	
1120B	POWERHOUSE	2072	125-R4	0	45,692,194	663,677	1.45	(17,065)	646,612	1.42	
1120C	POWERHOUSE RENOVATIONS	2072	25-SQ	0						4.00	*/**
1120D	SPILLWAY	2072	75-R2	0	760,201	15,394	2.03	58	15,452	2.03	
1120E	WATER CONTROL SYSTEMS	2072	50-S4	0	318,933	6,602	2.07	(96)	6,506	2.04	
1120F	ROADS AND SITE IMPROVEMENTS	2072	50-R3	0	769,506	17,545	2.28	(107)	17,438	2.27	
1120G	TURBINES AND GENERATORS	2072	65-S3	0	11,630,909	200,112	1.72	(4,924)	195,188	1.68	
1120H	GOVERNORS AND EXCITATION SYSTEM	2072	50-R4	0						2.00	*
1120L	LICENCE RENEWAL	2072	50-SQ	0						2.00	*/**
1120P	A/C ELECTRICAL POWER SYSTEMS	2072	50-R3	0	21,815,741	505,179	2.32	(2,972)	502,207	2.30	
1120Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2072	23-L2	0	786,382	42,365	5.39	217	42,582	5.41	
1120R	AUXILIARY STATION PROCESSES	2072	40-R2.5	0	2,201,466	68,661	3.12	262	68,923	3.13	
1120X	SUPPORT BUILDINGS	2072	65-R3	0	3,724,095	67,791	1.82	(955)	66,836	1.79	
1120W	SUPPORT BUILDING RENOVATIONS	2072	20-SQ	0						5.00	*/**
	TOTAL SLAVE FALLS				**88,654,109**	**1,602,143**	**1.81**	**(25,735)**	**1,576,408**	**1.78**	
11250	**PINE FALLS**										
1125A	DAMS, DYKES AND WEIRS	2092	125-R4	0	14,110,589	156,702	1.11	(6,323)	150,379	1.07	
1125B	POWERHOUSE	2092	125-R4	0	10,060,843	87,828	0.87	(15,968)	71,860	0.71	
1125C	POWERHOUSE RENOVATIONS	2092	25-SQ	0						4.00	*/**
1125D	SPILLWAY	2092	75-R2	0	93,376	1,804	1.93	8	1,812	1.94	
1125E	WATER CONTROL SYSTEMS	2092	50-S4	0	3,564,106	67,205	1.89	(15,006)	52,199	1.46	
1125F	ROADS AND SITE IMPROVEMENTS	2092	50-R3	0	1,178,575	19,598	1.66	(18,921)	677	0.06	
1125G	TURBINES AND GENERATORS	2092	65-S3	0	9,464,220	145,587	1.54	(25,177)	120,410	1.27	
1125H	GOVERNORS AND EXCITATION SYSTEM	2092	50-R4	0						2.00	*
1125L	LICENCE RENEWAL	2092	50-SQ	0						2.00	*/**
1125P	A/C ELECTRICAL POWER SYSTEMS	2092	50-R3	0	5,071,108	104,504	2.06	(9,469)	95,035	1.87	
1125Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2092	23-L2	0	2,156,586	99,187	4.60	(3,305)	95,882	4.45	
1125R	AUXILIARY STATION PROCESSES	2092	40-R2.5	0	3,790,230	99,575	2.63	(7,530)	92,045	2.43	
1125X	SUPPORT BUILDINGS	2092	65-R3	0	336,412	5,683	1.69	(241)	5,442	1.62	
1125W	SUPPORT BUILDING RENOVATIONS	2092	20-SQ	0						5.00	*/**
1125Z	COMMUNITY DEVELOPMENT COSTS	2092	81-SQ	0	4,425,543	54,434	1.23	(2,471)	51,963	1.17	**
	TOTAL PINE FALLS				**54,251,587**	**842,107**	**1.55**	**(104,404)**	**737,703**	**1.36**	
11300	**MCARTHUR FALLS**										
1130A	DAMS, DYKES AND WEIRS	2095	125-R4	0	3,578,068	32,928	0.92	(3,695)	29,233	0.82	
1130B	POWERHOUSE	2095	125-R4	0	9,523,798	83,002	0.87	(12,467)	70,535	0.74	
1130C	POWERHOUSE RENOVATIONS	2095	25-SQ	0						4.00	*/**
1130D	SPILLWAY	2095	75-R2	0	2,351,438	28,217	1.20	(4,929)	23,288	0.99	
1130E	WATER CONTROL SYSTEMS	2095	50-S4	0	11,703,203	238,168	2.04	(26,096)	212,072	1.81	
1130F	ROADS AND SITE IMPROVEMENTS	2095	50-R3	0	234,820	4,758	2.03	(551)	4,207	1.79	
1130G	TURBINES AND GENERATORS	2095	65-S3	0	5,096,367	72,094	1.41	(44,855)	27,239	0.53	
1130H	GOVERNORS AND EXCITATION SYSTEM	2095	50-R4	0	119,315	2,513	2.11	(166)	2,347	1.97	
1130L	LICENCE RENEWAL	2095	50-SQ	0						2.00	*/**
1130P	A/C ELECTRICAL POWER SYSTEMS	2095	50-R3	0	2,480,539	45,912	1.85	(9,219)	36,693	1.48	
1130Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2095	23-L2	0	1,245,885	49,056	3.94	(4,082)	44,974	3.61	
1130R	AUXILIARY STATION PROCESSES	2095	40-R2.5	0	3,440,197	90,405	2.63	(5,443)	84,962	2.47	
1130X	SUPPORT BUILDINGS	2095	65-R3	0	227,212	3,840	1.69	(133)	3,707	1.63	
1130W	SUPPORT BUILDING RENOVATIONS	2095	20-SQ	0						5.00	*/**
	TOTAL MCARTHUR FALLS				**40,000,842**	**650,893**	**1.63**	**(111,636)**	**539,257**	**1.35**	

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DEPRECIABLE WORK	LIFE SPAN DATE	ESTIMATED SURVIVOR CURVE	ESTIMATED NET SALVAGE	SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE (%)	ANNUAL PROVISION FOR TRUE-UP	TOTAL DEPRECIATION RELATED TO LIFE EXPENSE	TOTAL DEPRECIATION RELATED TO LIFE RATE (%)	
	(1)		(2)	(3)	(4)	(5)	(6)=(5)/(4)	(7)	(8)=(5)+(7)	(9)=(8)/(4)	
11350	**KELSEY**										
1135A	DAMS, DYKES AND WEIRS	2101	125-R4	0	11,066,409	110,124	1.00	(3,623)	106,501	0.96	
1135B	POWERHOUSE	2101	125-R4	0	27,569,817	239,892	0.87	(19,889)	220,003	0.80	
1135C	POWERHOUSE RENOVATIONS	2101	25-SQ	0						4.00	*/**
1135D	SPILLWAY	2101	75-R2	0	5,331,929	66,116	1.24	(2,091)	64,025	1.20	
1135E	WATER CONTROL SYSTEMS	2101	50-S4	0	11,792,566	233,252	1.98	(20,286)	212,966	1.81	
1135F	ROADS AND SITE IMPROVEMENTS	2101	50-R3	0	6,442,928	126,660	1.97	(12,225)	114,435	1.78	
1135G	TURBINES AND GENERATORS	2101	65-S3	0	130,323,693	2,139,901	1.64	(18,996)	2,120,905	1.63	
1135H	GOVERNORS AND EXCITATION SYSTEM	2101	50-R4	0	88,651	1,871	2.11	(87)	1,784	2.01	
1135L	LICENCE RENEWAL	2101	50-SQ	0						2.00	*/**
1135P	A/C ELECTRICAL POWER SYSTEMS	2101	50-R3	0	5,751,610	113,771	1.98	(12,141)	101,630	1.77	
1135Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2101	23-L2	0	3,595,490	162,610	4.52	3,100	165,710	4.61	
1135R	AUXILIARY STATION PROCESSES	2101	40-R2.5	0	7,788,815	203,179	2.61	(4,650)	198,529	2.55	
1135X	SUPPORT BUILDINGS	2101	65-R3	0	9,953,977	170,743	1.72	(2,021)	168,722	1.70	
1135W	SUPPORT BUILDING RENOVATIONS	2101	20-SQ	0						5.00	*/**
	TOTAL KELSEY				**219,705,886**	**3,568,119**	**1.62**	**(92,910)**	**3,475,209**	**1.58**	
11400	**GRAND RAPIDS**										
1140A	DAMS, DYKES AND WEIRS	2091	125-R4	0	53,468,974	514,944	0.96	(46,792)	468,152	0.88	
1140B	POWERHOUSE	2091	125-R4	0	24,506,522	223,336	0.91	(25,953)	197,383	0.81	
1140C	POWERHOUSE RENOVATIONS	2091	25-SQ	0						4.00	*/**
1140D	SPILLWAY	2091	75-R2	0	5,308,334	68,207	1.28	(4,198)	64,009	1.21	
1140E	WATER CONTROL SYSTEMS	2091	50-S4	0	15,982,492	309,243	1.93	(61,544)	247,699	1.55	
1140F	ROADS AND SITE IMPROVEMENTS	2091	50-R3	0	2,581,475	47,126	1.83	(15,904)	31,222	1.21	
1140G	TURBINES AND GENERATORS	2091	65-S3	0	113,066,160	1,856,605	1.64	(81,564)	1,775,041	1.57	
1140H	GOVERNORS AND EXCITATION SYSTEM	2091	50-R4	0	42,718	897	2.10	(44)	853	2.00	
1140L	LICENCE RENEWAL	2091	50-SQ	0						2.00	*/**
1140P	A/C ELECTRICAL POWER SYSTEMS	2091	50-R3	0	8,240,545	173,871	2.11	(12,341)	161,530	1.96	
1140Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2091	23-L2	0	4,674,247	165,394	3.54	(17,828)	147,566	3.16	
1140R	AUXILIARY STATION PROCESSES	2091	40-R2.5	0	5,600,506	153,945	2.75	(3,785)	150,160	2.68	
1140X	SUPPORT BUILDINGS	2091	65-R3	0	6,190,376	106,722	1.72	(2,100)	104,622	1.69	
1140W	SUPPORT BUILDING RENOVATIONS	2091	20-SQ	0						5.00	*/**
1140Z	COMMUNITY DEVELOPMENT COSTS	2091	80-SQ	0	101,442,997	1,268,037	1.25	(90,628)	1,177,409	1.16	**
	TOTAL GRAND RAPIDS				**341,105,346**	**4,888,327**	**1.43**	**(362,682)**	**4,525,645**	**1.33**	
11450	**KETTLE**										
1145A	DAMS, DYKES AND WEIRS	2111	125-R4	0	45,280,663	390,107	0.86	(34,169)	355,938	0.79	
1145B	POWERHOUSE	2111	125-R4	0	146,207,420	1,262,257	0.86	(108,788)	1,153,469	0.79	
1145C	POWERHOUSE RENOVATIONS	2111	25-SQ	0						4.00	*/**
1145D	SPILLWAY	2111	75-R2	0	25,406,960	337,913	1.33	(11,392)	326,521	1.29	
1145E	WATER CONTROL SYSTEMS	2111	50-S4	0	17,834,945	355,361	1.99	(173,994)	181,367	1.02	
1145F	ROADS AND SITE IMPROVEMENTS	2111	50-R3	0	10,591	235	2.22	(5)	230	2.17	
1145G	TURBINES AND GENERATORS	2111	65-S3	0	70,740,028	1,123,607	1.59	(208,486)	915,121	1.29	
1145H	GOVERNORS AND EXCITATION SYSTEM	2111	50-R4	0	3,304,326	64,753	1.96	(26,160)	38,593	1.17	
1145L	LICENCE RENEWAL	2111	50-SQ	0						2.00	*/**
1145P	A/C ELECTRICAL POWER SYSTEMS	2111	50-R3	0	6,771,761	141,808	2.09	(11,636)	130,172	1.92	
1145Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2111	23-L2	0	12,001,279	430,663	3.59	(34,185)	396,478	3.30	
1145R	AUXILIARY STATION PROCESSES	2111	40-R2.5	0	15,361,985	379,871	2.47	(50,094)	329,777	2.15	
1145X	SUPPORT BUILDINGS	2111	65-R3	0	3,908,404	60,260	1.54	(10,284)	49,976	1.28	
1145W	SUPPORT BUILDING RENOVATIONS	2111	20-SQ	0						5.00	*/**
	TOTAL KETTLE				**346,828,362**	**4,546,835**	**1.31**	**(669,194)**	**3,877,641**	**1.12**	

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DEPRECIABLE WORK	LIFE SPAN DATE	ESTIMATED SURVIVOR CURVE	ESTIMATED NET SALVAGE	SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE (%)	ANNUAL PROVISION FOR TRUE-UP	TOTAL DEPRECIATION RELATED TO LIFE EXPENSE	TOTAL DEPRECIATION RELATED TO LIFE RATE (%)	
	(1)		(2)	(3)	(4)	(5)	(6)=(5)/(4)	(7)	(8)=(5)+(7)	(9)=(8)/(4)	
11500	**LAURIE RIVER**										
1150A	DAMS, DYKES AND WEIRS	2032	125-R4	0	355,538	8,089	2.28	2,634	10,723	3.02	
1150B	POWERHOUSE	2032	125-R4	0	7,664,146	263,014	3.43	27,948	290,962	3.80	
1150C	POWERHOUSE RENOVATIONS	2032	25-SQ	0						4.55	*/**
1150D	SPILLWAY	2032	75-R2	0	870,000	24,012	2.76	6,380	30,392	3.49	
1150E	WATER CONTROL SYSTEMS	2032	50-S4	0	458,033	12,783	2.79	2,722	15,505	3.39	
1150F	ROADS AND SITE IMPROVEMENTS	2032	50-R3	0	1,441,914	41,644	2.89	10,679	52,323	3.63	
1150G	TURBINES AND GENERATORS	2032	65-S3	0	4,603,136	174,447	3.79	11,639	186,086	4.04	
1150H	GOVERNORS AND EXCITATION SYSTEM	2032	50-R4	0	882,653	36,143	4.09	1,427	37,570	4.26	
1150L	LICENCE RENEWAL	2032	50-SQ	0						4.55	*/**
1150P	A/C ELECTRICAL POWER SYSTEMS	2032	50-R3	0	1,441,945	44,385	3.08	9,003	53,388	3.70	
1150Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2032	23-L2	0	1,220,047	49,483	4.06	39,641	89,124	7.30	
1150R	AUXILIARY STATION PROCESSES	2032	40-R2.5	0	308,504	9,748	3.16	2,697	12,445	4.03	
1150X	SUPPORT BUILDINGS	2032	65-R3	0	355,919	9,254	2.60	2,622	11,876	3.34	
1150W	SUPPORT BUILDING RENOVATIONS	2032	20-SQ	0						5.00	*/**
	TOTAL LAURIE RIVER				**19,601,835**	**673,002**	**3.43**	**117,391**	**790,393**	**4.03**	
11550	**JENPEG**										
1155A	DAMS, DYKES AND WEIRS	2118	125-R4	0	15,295,318	135,504	0.89	(3,801)	131,703	0.86	
1155B	POWERHOUSE	2118	125-R4	0	76,905,294	663,443	0.86	(24,816)	638,627	0.83	
1155C	POWERHOUSE RENOVATIONS	2118	25-SQ	0						4.00	*/**
1155D	SPILLWAY	2118	75-R2	0	14,942,733	206,583	1.38	10,126	216,709	1.45	
1155E	WATER CONTROL SYSTEMS	2118	50-S4	0	16,762,099	342,073	2.04	(72,470)	269,603	1.61	
1155F	ROADS AND SITE IMPROVEMENTS	2118	50-R3	0	1,563,205	32,252	2.06	(1,292)	30,960	1.98	
1155G	TURBINES AND GENERATORS	2118	65-S3	0	79,641,550	1,287,144	1.62	(88,046)	1,199,098	1.51	
1155H	GOVERNORS AND EXCITATION SYSTEM	2118	50-R4	0						2.00	*
1155L	LICENCE RENEWAL	2118	50-SQ	0						2.00	*/**
1155P	A/C ELECTRICAL POWER SYSTEMS	2118	50-R3	0	19,308,049	377,217	1.95	(35,925)	341,292	1.77	
1155Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2118	23-L2	0	3,343,800	130,993	3.92	15,464	146,457	4.38	
1155R	AUXILIARY STATION PROCESSES	2118	40-R2.5	0	9,796,258	253,561	2.59	(4,392)	249,169	2.54	
1155X	SUPPORT BUILDINGS	2118	65-R3	0	7,885,397	131,668	1.67	(1,490)	130,178	1.65	
1155W	SUPPORT BUILDING RENOVATIONS	2118	20-SQ	0						5.00	*/**
	TOTAL JENPEG				**245,443,703**	**3,560,438**	**1.45**	**(206,644)**	**3,353,794**	**1.37**	
11600	**LAKE WINNIPEG REGULATION**										
1160A	DAMS, DYKES AND WEIRS		125-R4	0	96,807,065	813,275	0.84	(79,651)	733,624	0.76	
1160L	LICENCE RENEWAL		50-SQ	0						2.00	*/**
1160Z	COMMUNITY DEVELOPMENT COSTS		100-SQ	0	387,802,871	3,878,029	1.00	(223,323)	3,654,706	0.94	**
	TOTAL LAKE WINNIPEG REGULATION				**484,609,937**	**4,691,304**	**0.97**	**(302,973)**	**4,388,331**	**0.91**	
11650	**CHURCHILL RIVER DIVERSION**										
1165A	DAMS, DYKES AND WEIRS		125-R4	0	114,718,213	964,090	0.84	(13,751)	950,339	0.83	
1165D	SPILLWAY		75-R2	0	56,442,246	778,903	1.38	67,622	846,525	1.50	
1165E	WATER CONTROL SYSTEMS		50-S4	0	17,583,551	358,391	2.04	(42,591)	315,800	1.80	
1165F	ROADS AND SITE IMPROVEMENTS		50-R3	0	6,799,023	132,832	1.95	(1,007)	131,825	1.94	
1165L	LICENCE RENEWAL		50-SQ	0						2.00	*/**
1165P	A/C ELECTRICAL POWER SYSTEMS		50-R3	0	1,596,593	31,177	1.95	(247)	30,930	1.94	
1165Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		23-L2	0	1,417,862	36,897	2.60	14,977	51,874	3.66	
1165R	AUXILIARY STATION PROCESSES		40-R2.5	0	1,799,312	50,377	2.80	1,435	51,812	2.88	
1165X	SUPPORT BUILDINGS		65-R3	0	28,361	491	1.73	4	495	1.75	
1165W	SUPPORT BUILDING RENOVATIONS		20-SQ	0						5.00	*/**
1165Z	COMMUNITY DEVELOPMENT COSTS		100-SQ	0	305,036,524	3,050,365	1.00	(228,014)	2,822,351	0.93	**
	TOTAL CHURCHILL RIVER DIVERSION				**505,421,684**	**5,403,523**	**1.07**	**(201,571)**	**5,201,952**	**1.03**	

MH Exhibit #22

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DEPRECIABLE WORK (1)	LIFE SPAN DATE	ESTIMATED SURVIVOR CURVE (2)	ESTIMATED NET SALVAGE (3)	SURVIVING ORIGINAL COST AT 03/31/2010 (4)	CALCULATED ANNUAL ACCRUAL AMOUNT (5)	CALCULATED ANNUAL ACCRUAL RATE (%) (6)=(5)/(4)	ANNUAL PROVISION FOR TRUE-UP (7)	TOTAL DEPRECIATION RELATED TO LIFE EXPENSE (8)=(5)+(7)	TOTAL DEPRECIATION RELATED TO LIFE RATE (%) (9)=(8)/(4)
11700	**LONG SPRUCE**									
1170A	DAMS, DYKES AND WEIRS	2118	125-R4	0	64,744,494	558,569	0.86	(19,500)	539,069	0.83
1170B	POWERHOUSE	2118	125-R4	0	143,780,355	1,240,493	0.86	(43,364)	1,197,129	0.83
1170C	POWERHOUSE RENOVATIONS	2118	25-SQ	0						4.00 */**
1170D	SPILLWAY	2118	75-R2	0	42,273,617	584,041	1.38	28,146	612,187	1.45
1170E	WATER CONTROL SYSTEMS	2118	50-S4	0	57,946,281	1,182,124	2.04	(242,437)	939,687	1.62
1170F	ROADS AND SITE IMPROVEMENTS	2118	50-R3	0	1,172,867	23,483	2.00	(1,383)	22,100	1.88
1170G	TURBINES AND GENERATORS	2118	65-S3	0	143,328,643	2,323,085	1.62	(165,333)	2,157,752	1.51
1170H	GOVERNORS AND EXCITATION SYSTEM	2118	50-R4	0	145,844	3,092	2.12	(40)	3,052	2.09
1170L	LICENCE RENEWAL	2118	50-SQ	0						2.00 */**
1170P	A/C ELECTRICAL POWER SYSTEMS	2118	50-R3	0	30,503,528	605,258	1.98	(41,664)	563,594	1.85
1170Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2118	23-L2	0	4,409,200	127,168	2.88	20,949	148,117	3.36
1170R	AUXILIARY STATION PROCESSES	2118	40-R2.5	0	12,199,119	300,072	2.46	(12,642)	287,430	2.36
1170X	SUPPORT BUILDINGS	2118	65-R3	0	160,484	2,815	1.75	1	2,816	1.75
1170W	SUPPORT BUILDING RENOVATIONS	2118	20-SQ	0						5.00 */**
	TOTAL LONG SPRUCE				**500,664,431**	**6,950,200**	**1.39**	**(477,268)**	**6,472,932**	**1.29**
11750	**LIMESTONE**									
1175A	DAMS, DYKES AND WEIRS	2131	125-R4	0	33,258,073	288,035	0.87	(3,907)	284,128	0.85
1175B	POWERHOUSE	2131	125-R4	0	461,430,334	3,997,313	0.87	(53,896)	3,943,417	0.85
1175C	POWERHOUSE RENOVATIONS	2131	25-SQ	0						4.00 */**
1175D	SPILLWAY	2131	75-R2	0	201,240,773	3,035,196	1.51	156,773	3,191,969	1.59
1175E	WATER CONTROL SYSTEMS	2131	50-S4	0	116,224,392	2,405,845	2.07	(132,827)	2,273,018	1.96
1175F	ROADS AND SITE IMPROVEMENTS	2131	50-R3	0	17,164,432	363,550	2.12	(1,281)	362,269	2.11
1175G	TURBINES AND GENERATORS	2131	65-S3	0	403,825,745	6,663,125	1.65	(141,734)	6,521,391	1.61
1175H	GOVERNORS AND EXCITATION SYSTEM	2131	50-R4	0	16,584,271	346,998	2.09	(13,989)	333,009	2.01
1175L	LICENCE RENEWAL	2131	50-SQ	0						2.00 */**
1175P	A/C ELECTRICAL POWER SYSTEMS	2131	50-R3	0	144,317,307	3,056,641	2.12	(10,784)	3,045,857	2.11
1175Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2131	23-L2	0	8,333,373	339,021	4.07	50,445	389,466	4.67
1175R	AUXILIARY STATION PROCESSES	2131	40-R2.5	0	36,054,205	940,241	2.61	22,659	962,900	2.67
1175X	SUPPORT BUILDINGS	2131	65-R3	0	5,703,494	95,625	1.68	222	95,847	1.68
1175W	SUPPORT BUILDING RENOVATIONS	2131	20-SQ	0						5.00 **
	TOTAL LIMESTONE				**1,444,136,399**	**21,531,590**	**1.49**	**(128,319)**	**21,403,271**	**1.48**
11800	**WUSKWATIM**									
1180A	DAMS, DYKES AND WEIRS	2152	125-R4	0						0.80 *
1180B	POWERHOUSE	2152	125-R4	0						0.80 *
1180C	POWERHOUSE RENOVATIONS	2152	25-SQ	0						4.00 */**
1180D	SPILLWAY	2152	75-R2	0						1.33 *
1180E	WATER CONTROL SYSTEMS	2152	50-S4	0						2.00 *
1180F	ROADS AND SITE IMPROVEMENTS	2152	50-R3	0						2.00 *
1180G	TURBINES AND GENERATORS	2152	65-S3	0						1.54 *
1180H	GOVERNORS AND EXCITATION SYSTEM	2152	50-R4	0						2.00 *
1180P	A/C ELECTRICAL POWER SYSTEMS	2152	50-R3	0						2.00 *
1180Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2152	23-L2	0						4.35 *
1180R	AUXILIARY STATION PROCESSES	2152	40-R2.5	0						2.50 *
1180X	SUPPORT BUILDINGS	2152	65-R3	0						1.54 *
1180W	SUPPORT BUILDING RENOVATIONS	2152	20-SQ	0						5.00 */**
	TOTAL WUSKWATIM				**0**	**0**		**0**	**0**	
11990	**INFRASTRUCTURE SUPPORTING GENERATION**									
1199F	PROVINCIAL ROADS		50-R3	0	25,380,938	507,851	2.00	25,909	533,760	2.10
1199V	TOWN SITE BUILDING		65-L3	0	63,280,714	1,067,664	1.69	77,766	1,145,430	1.81
1199W	TOWN SITE BUILDINGS RENOVATIONS		20-SQ	0	13,502,581	674,829	5.00	79,558	754,387	5.59 **
1199Y	TOWN SITE OTHER INFRASTRUCTURE		45-R3	0	26,527,464	643,245	2.42	19,722	662,967	2.50
	TOTAL INFRASTRUCTURE SUPPORTING GENERATION				**128,691,696**	**2,893,589**	**2.25**	**202,955**	**3,096,544**	**2.41**
	TOTAL HYDRAULIC GENERATION				**4,716,467,183**	**69,157,915**	**1.47**	**(3,303,866)**	**65,854,049**	**1.40**

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DEPRECIABLE WORK	LIFE SPAN DATE	ESTIMATED SURVIVOR CURVE	ESTIMATED NET SALVAGE	SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE (%)	ANNUAL PROVISION FOR TRUE-UP	TOTAL DEPRECIATION RELATED TO LIFE EXPENSE	TOTAL DEPRECIATION RELATED TO LIFE RATE (%)
	(1)		(2)	(3)	(4)	(5)	(6)=(5)/(4)	(7)	(8)=(5)+(7)	(9)=(8)/(4)
12000	**THERMAL GENERATION**									
12050	**BRANDON UNIT 5 (COAL)**									
1205B	POWERHOUSE	2020	65-R4	0	11,729,518	421,297	3.59	33,269	454,566	3.88
1205C	POWERHOUSE RENOVATIONS	2020	25-SQ	0						10.00 */**
1205F	ROADS AND SITE IMPROVEMENTS	2020	50-R3	0	4,012,331	172,888	4.31	10,876	183,764	4.58
1205G	THERMAL TURBINES AND GENERATORS	2020	50-S3	0	19,611,168	943,669	4.81	43,658	987,327	5.03
1205H	GOVERNORS AND EXCITATION SYSTEM	2020	50-R4	0	2,343,861	114,615	4.89	4,453	119,068	5.08
1205J	STEAM GENERATOR AND AUXILIARIES	2020	65-R2.5	0	14,827,183	537,727	3.63	48,406	586,133	3.95
1205L	LICENCE RENEWAL	2020	50-SQ	0				0		10.00 */**
1205P	A/C ELECTRICAL POWER SYSTEMS	2020	50-R3	0	8,009,703	298,720	3.73	26,752	325,472	4.06
1205Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2020	23-L2	0	26,389,775	1,187,090	4.50	325,754	1,512,844	5.73
1205R	AUXILIARY STATION PROCESSES	2020	40-R2.5	0	47,306,417	2,029,000	4.29	194,813	2,223,813	4.70
1205X	SUPPORT BUILDINGS	2020	65-R3	0	7,253,899	290,663	4.01	18,192	308,855	4.26
1205W	SUPPORT BUILDING RENOVATIONS	2020	20-SQ	0						10.00 */**
	TOTAL BRANDON UNIT 5 (COAL)				**141,483,855**	**5,995,669**	**4.24**	**706,173**	**6,701,842**	**4.74**
12100	**BRANDON UNITS 6 AND 7**									
1210B	POWERHOUSE		65-R4	0	14,925,029	243,278	1.63	(8,469)	234,809	1.57
1210C	POWERHOUSE RENOVATIONS		25-SQ	0						4.00 */**
1210G	THERMAL TURBINES AND GENERATORS		50-S3	0	9,823,758	210,228	2.14	(9,612)	200,616	2.04
1210H	GOVERNORS AND EXCITATION SYSTEM		50-R4	0						2.00 *
1210K	COMBUSTION TURBINE		25-R3	0	143,284,091	6,209,411	4.33	(491,857)	5,717,554	3.99
1210L	LICENCE RENEWAL		50-SQ	0				0		2.00 */**
1210M	COMBUSTION TURBINE OVERHAULS		10-SQ	0						10.00 */**
1210P	A/C ELECTRICAL POWER SYSTEMS		50-R3	0	6,252,586	140,103	2.24	(4,300)	135,803	2.17
1210Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		23-L2	0	1,114,338	58,917	5.29	(954)	57,963	5.20
1210R	AUXILIARY STATION PROCESSES		40-R2.5	0	10,639,560	303,938	2.86	(6,089)	297,849	2.80
	TOTAL BRANDON UNITS 6 AND 7				**186,039,362**	**7,165,875**	**3.85**	**(521,281)**	**6,644,594**	**3.57**
12150	**SELKIRK**									
1215B	POWERHOUSE		65-R4	0	6,808,812	103,363	1.52	(103,363)	0	0.00
1215C	POWERHOUSE RENOVATIONS		25-SQ	0						4.00 */**
1215F	ROADS AND SITE IMPROVEMENTS		50-R3	0	1,630,443	33,192	2.04	(11,996)	21,196	1.30
1215G	THERMAL TURBINES AND GENERATORS		50-S3	0	22,750,003	463,219	2.04	(131,847)	331,372	1.46
1215H	GOVERNORS AND EXCITATION SYSTEM		50-R4	0	17,307	363	2.10	0	363	2.10
1215J	STEAM GENERATOR AND AUXILIARIES		65-R2.5	0	48,630,259	875,389	1.80	(90,184)	785,205	1.61
1215L	LICENCE RENEWAL		50-SQ	0				0		2.00 */**
1215P	A/C ELECTRICAL POWER SYSTEMS		50-R3	0	3,171,700	60,074	1.89	(60,074)	0	0.00
1215Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		23-L2	0	5,257,468	230,742	4.39	(86,725)	144,017	2.74
1215R	AUXILIARY STATION PROCESSES		40-R2.5	0	13,791,022	347,456	2.52	(131,794)	215,662	1.56
1215X	SUPPORT BUILDINGS		65-R3	0	1,033,229	16,411	1.59	(5,711)	10,700	1.04
1215W	SUPPORT BUILDING RENOVATIONS		20-SQ	0						5.00 */**
	TOTAL SELKIRK				**103,090,244**	**2,130,209**	**2.07**	**(621,693)**	**1,508,516**	**1.46**
	TOTAL THERMAL GENERATION				**430,613,460**	**15,291,753**	**3.55**	**(436,801)**	**14,854,952**	**3.45**
	TOTAL GENERATION				**5,147,080,643**	**84,449,668**	**1.64**	**(3,740,667)**	**80,709,001**	**1.57**
	DIESEL GENERATION									
1300B	BUILDINGS		30-R3	0	9,191,362	326,843	3.56	(86,671)	240,172	2.61
1300C	BUILDING RENOVATIONS		15-SQ	0	17,685	1,180	6.67	0	1,180	6.67 **
1300M	ENGINES AND GENERATORS - OVERHAULS		5-SQ	0						20.00 */**
1300N	ENGINES AND GENERATORS		25-R2	0	18,152,912	786,200	4.33	(417,080)	369,120	2.03
1300Q	ACCESSORY STATION EQUIPMENT		20-R3	0	13,457,225	691,488	5.14	(324,773)	366,715	2.73
1300T	FUEL STORAGE AND HANDLING		30-R2	0	3,803,695	132,221	3.48	(44,685)	87,536	2.30
	TOTAL DIESEL GENERATION				**44,622,878**	**1,937,932**	**4.34**	**(873,209)**	**1,064,723**	**2.39**

MH Exhibit #22

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DEPRECIABLE WORK (1)	LIFE SPAN DATE	ESTIMATED SURVIVOR CURVE (2)	ESTIMATED NET SALVAGE (3)	SURVIVING ORIGINAL COST AT 03/31/2010 (4)	CALCULATED ANNUAL ACCRUAL AMOUNT (5)	CALCULATED ANNUAL ACCRUAL RATE (%) (6)=(5)/(4)	ANNUAL PROVISION FOR TRUE-UP (7)	TOTAL DEPRECIATION RELATED TO LIFE EXPENSE (8)=(5)+(7)	TOTAL DEPRECIATION RELATED TO LIFE RATE (%) (9)=(8)/(4)
	TRANSMISSION									
2000F	ROADS, TRAILS AND BRIDGES		45-R2.5	0	4,045,718	99,873	2.47	6,361	106,234	2.63
2000G	METAL TOWERS AND CONCRETE POLES		85-R4	0	340,022,220	4,214,624	1.24	(161,184)	4,053,440	1.19
2000J	POLES AND FIXTURES		55-R3	0	104,983,312	2,062,273	1.96	(148,017)	1,914,256	1.82
2000K	GROUND LINE TREATMENT		10-SQ	0	1,410,002	141,000	10.00	0	141,000	10.00 **
2000L	OVERHEAD CONDUCTOR AND DEVICES		65-R4	0	304,577,152	4,878,544	1.60	(678,291)	4,200,253	1.38
2000M	UNDERGROUND CABLE AND DEVICES		45-R3	0	1,167,763	25,632	2.20	(55)	25,577	2.19
	TOTAL TRANSMISSION				**756,206,167**	**11,421,946**	**1.51**	**(981,186)**	**10,440,760**	**1.38**
	SUBSTATIONS									
3000B	BUILDINGS		65-R4	0	109,491,690	1,744,398	1.59	(139,988)	1,604,410	1.47
3000C	BUILDING RENOVATIONS		20-SQ	0	32,047	1,602	5.00	(154)	1,448	4.52 **
3000F	ROADS, STEEL STRUCTURES AND CIVIL SITE WORK		50-R4	0	109,211,425	2,277,088	2.09	(154,010)	2,123,078	1.94
3000J	POLES AND FIXTURES		40-R2	0	7,810,315	226,063	2.89	(18,563)	207,500	2.66
3100R	POWER TRANSFORMERS		50-R2	0	287,449,387	6,655,180	2.32	(111,017)	6,544,163	2.28
3100S	OTHER TRANSFORMERS		35-R2	0	72,153,356	2,236,110	3.10	(136,576)	2,099,534	2.91
3100T	INTERRUPTING EQUIPMENT		45-R2	0	156,214,257	3,796,877	2.43	(188,410)	3,608,467	2.31
3100U	OTHER STATION EQUIPMENT		43-R2	0	503,404,372	12,895,343	2.56	(535,320)	12,360,023	2.46
3100V	ELECTRONIC EQUIPMENT AND BATTERIES		20-R2	0	151,238,104	7,387,316	4.88	(587,409)	6,799,907	4.50
3200M	SYNCHRONOUS CONDENSERS AND TRANSFORMERS - HVDC		65-R2	0	111,737,981	1,868,055	1.67	(33,295)	1,834,760	1.64
3200N	SYNCHRONOUS CONDENSER OVERHAULS - HVDC		15-R2	0	11,320,594	872,949	7.71	(4,157)	868,792	7.67
3200P	CONVERTER EQUIPMENT - HVDC		25-R3	0	214,981,687	8,345,612	3.88	(1,677,703)	6,667,909	3.10
3200S	SERIALIZED EQUIPMENT - HVDC		25-R2	0	646,219,985	25,602,847	3.96	(2,939,742)	22,663,105	3.51
3200U	ACCESSORY STATION EQUIPMENT - HVDC		37-R4	0	55,177,090	1,517,320	2.75	(224,782)	1,292,538	2.34
3200V	ELECTRONIC EQUIPMENT AND BATTERIES - HVDC		20-R2	0	10,401,883	475,612	4.57	(71,832)	403,780	3.88
	TOTAL SUBSTATIONS				**2,446,844,172**	**75,902,372**	**3.10**	**(6,822,958)**	**69,079,414**	**2.82**
	DISTRIBUTION									
4000A	UNDERGROUND DUCT AND CONDUIT - CONCRETE		75-R4	0	63,964,331	1,527,948	2.39	(25,537)	1,502,410	2.35
4000C	UNDERGROUND DUCT - ROOF		50-R3	0	2,908,307	67,443	2.32	(180)	67,263	2.31
4000G	METAL TOWERS		50-R4	0	4,571,448	95,692	2.09	(31,968)	63,724	1.39
4000J	POLES AND FIXTURES		55-R3	0	566,174,558	11,372,345	2.01	(3,393,713)	7,978,632	1.41
4000K	GROUND LINE TREATMENT		10-SQ	0	33,145,019	3,175,797	9.58	0	3,175,797	9.58 **
4000L	OVERHEAD CONDUCTOR AND DEVICES		60-R2	0	613,820,471	12,240,277	1.99	(2,758,926)	9,481,351	1.54
4000M	UNDERGROUND CABLE AND DEVICES - 66 KV		70-R3	0	19,523,432	315,800	1.62	(2,459)	313,341	1.60
4000N	UNDERGROUND CABLE AND DEVICES - PRIMARY		60-R4	0	255,063,759	4,481,143	1.76	(175,275)	4,305,868	1.69
4000P	UNDERGROUND CABLE AND DEVICES - SECONDARY		45-R4	0	193,755,072	4,515,645	2.33	(231,986)	4,283,659	2.21
4000Q	SERIALIZED EQUIPMENT - OVERHEAD		35-R3	0	175,924,348	5,338,957	3.03	(961,308)	4,377,649	2.49
4000R	DSC - HIGH VOLTAGE TRANSFORMERS		50-R2	0	5,415,940	141,158	2.61	(5,659)	135,499	2.50
4000S	SERIALIZED EQUIPMENT - UNDERGROUND		40-R3	0	174,049,772	4,765,046	2.74	(543,161)	4,221,885	2.43
4000V	ELECTRONIC EQUIPMENT		10-SQ	0						10.00 */**
4000W	SERVICES		30-R2	0	123,228,795	4,491,301	3.64	(783,649)	3,707,652	3.01
4000X	STREET LIGHTING		35-R3	0	147,121,573	4,368,898	2.97	(529,097)	3,839,801	2.61
	TOTAL DISTRIBUTION				**2,378,666,825**	**56,897,450**	**2.39**	**(9,442,919)**	**47,454,531**	**2.00**
	METERS									
4900V	METERS - ELECTRONIC		20-R1.5	0	16,111,185	926,414	5.75	345,036	1,271,450	7.89
4900Y	METERS - ANALOG		25-R3	0	22,469,156	747,164	3.33	2,484,180	3,231,344	14.38
4900Z	METERING TRANSFORMERS		40-R1.5	0	8,984,899	252,210	2.81	(4,448)	247,762	2.76
	TOTAL METERS				**47,565,240**	**1,925,788**	**4.05**	**2,824,768**	**4,750,556**	**9.99**

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DEPRECIABLE WORK	LIFE SPAN DATE	ESTIMATED SURVIVOR CURVE	ESTIMATED NET SALVAGE	SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE (%)	ANNUAL PROVISION FOR TRUE-UP	TOTAL DEPRECIATION RELATED TO LIFE EXPENSE	TOTAL DEPRECIATION RELATED TO LIFE RATE (%)	
	(1)		(2)	(3)	(4)	(5)	(6)=(5)/(4)	(7)	(8)=(5)+(7)	(9)=(8)/(4)	
	COMMUNICATION										
5000B	BUILDINGS		65-R4	0	4,154,458	67,568	1.63	2,456	70,024	1.69	
5000C	BUILDING RENOVATIONS		20-SQ	0	2,741,652	135,856	4.96	9,033	144,889	5.28	**
5000D	BUILDING - SYSTEM CONTROL CENTRE		65-R4	0	15,857,686	258,480	1.63	10,718	269,198	1.70	
5000G	COMMUNICATION TOWERS		60-R2.5	0	8,733,929	169,211	1.94	12,444	181,655	2.08	
5000H	FIBRE OPTIC AND METALLIC CABLE		35-R1.5	0	117,999,925	4,182,599	3.54	477,843	4,660,442	3.95	
5000J	CARRIER EQUIPMENT		15-S0.5	0	119,230,804	8,327,782	6.98	2,228,785	10,556,567	8.85	
5000K	OPERATIONAL IT EQUIPMENT		5-SQ	0	2,197,495	366,710	16.69	72,460	439,170	19.99	**
5000M	MOBILE RADIO, TELEPHONE AND VIDEO CONFERENCING		8-SQ	0	22,085,412	1,412,806	6.40	395,972	1,808,778	8.19	**
5000N	OPERATIONAL DATA NETWORK		8-SQ	0	8,530,264	1,066,283	12.50	58,577	1,124,860	13.19	**
5000R	POWER SYSTEM CONTROL		10-R2	0	7,738,280	572,474	7.40	253,796	826,270	10.68	
	TOTAL COMMUNICATION				**309,269,905**	**16,559,769**	**5.35**	**3,522,083**	**20,081,852**	**6.49**	
	MOTOR VEHICLES										
6000E	PASSENGER VEHICLES		9-L2	20	1,304,413	116,873	8.96	61,394	178,267	13.67	
6000F	LIGHT TRUCKS		10-L3	15	52,299,249	4,431,892	8.47	166,143	4,598,035	8.79	
6000G	HEAVY TRUCKS		15-L2	10	61,004,014	3,855,518	6.32	517,820	4,373,338	7.17	
6000H	CONSTRUCTION EQUIPMENT		15-L2	20	17,016,205	941,112	5.53	131,746	1,072,858	6.30	
6000I	LARGE SOFT-TRACK EQUIPMENT		22-L2.5	15	13,146,265	536,840	4.08	116,795	653,635	4.97	
6000J	TRAILERS		35-R3	25	15,996,331	370,448	2.32	(22,001)	348,447	2.18	
6000K	MISCELLANEOUS VEHICLES		10-L1.5	15	5,724,654	481,594	8.41	(81,188)	400,406	6.99	
	TOTAL MOTOR VEHICLES				**166,491,131**	**10,734,277**	**6.45**	**890,708**	**11,624,985**	**6.98**	
	BUILDINGS										
8000B	BUILDINGS - GENERAL		65-R4	0	88,797,107	1,428,579	1.61	(23,061)	1,405,518	1.58	
8000C	BUILDING RENOVATIONS		20-SQ	0	46,779,508	2,272,271	4.86	841,795	3,114,066	6.66	**
8000D	BUILDING - 360 PORTAGE - CIVIL		100-R4	0	207,292,785	2,198,841	1.06	(1,752)	2,197,089	1.06	
8000E	BUILDING - 360 PORTAGE - ELECTRO/MECHANICAL		45-R2	0	65,888,581	2,016,603	3.06	24,589	2,041,192	3.10	
	TOTAL BUILDINGS				**408,757,981**	**7,916,294**	**1.94**	**841,572**	**8,757,866**	**2.14**	
	GENERAL EQUIPMENT										
9000H	TOOLS, SHOP AND GARAGE EQUIPMENT		15-SQ	0	78,461,837	5,233,405	6.67	842,696	6,076,101	7.74	**
9000K	COMPUTER EQUIPMENT		5-SQ	0	48,379,758	9,401,982	19.43	4,375,187	13,777,169	28.48	**
9000L	OFFICE FURNITURE AND EQUIPMENT		20-SQ	0	21,726,896	1,086,345	5.00	(41,021)	1,045,324	4.81	**
9000M	HOT WATER TANKS		6-SQ	0	4,511,783	197,108	4.37	759,615	956,723	21.20	**
	TOTAL GENERAL EQUIPMENT				**153,080,275**	**15,918,840**	**10.40**	**5,936,477**	**21,855,317**	**14.28**	
	EASEMENTS										
A100A	EASEMENTS		75-R3	0	50,612,345	749,695	1.48	5,463	755,158	1.49	
	TOTAL EASEMENTS				**50,612,345**	**749,695**	**1.48**	**5,463**	**755,158**	**1.49**	
	COMPUTER SOFTWARE AND DEVELOPMENT										
A200G	COMPUTER DEVELOPMENT - MAJOR SYSTEMS		10-R3	0	100,980,015	10,205,232	10.11	324,889	10,530,121	10.43	
A200H	COMPUTER DEVELOPMENT - SMALL SYSTEMS		10-SQ	0	42,827,602	4,282,760	10.00	0	4,282,760	10.00	**
A200J	COMPUTER SOFTWARE - GENERAL		5-SQ	0	5,076,404	1,002,927	19.76	0	1,002,927	19.76	**
A200K	COMPUTER SOFTWARE - COMMUNICATION/OPERATIONAL		5-SQ	0	3,639,540	360,800	9.91	146,167	506,967	13.93	**
A200L	OPERATIONAL SYSTEM MAJOR SOFTWARE - EMS/SCADA		6-R3	0	6,016,817	811,282	13.48	577,570	1,388,852	23.08	
	TOTAL COMPUTER SOFTWARE AND DEVELOPMENT				**158,540,378**	**16,663,001**	**10.51**	**1,048,625**	**17,711,626**	**11.17**	
	TOTAL DEPRECIABLE ASSETS				**12,067,737,939**	**301,077,032**	**2.49**	**(6,791,243)**	**294,285,788**	**2.44**	

* The account has no balance as of March 31, 2010 and rate will be used on a go-forward basis for future additions.
** On amortized accounts any true-up of less than 10% is not considered significant.

MANITOBA HYDRO

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION		SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE AMOUNT	ACCUMULATED DEPRECIATION VARIANCE PERCENT	PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP	
	(1)		(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)	
10000	**GENERATION**									
11000	**HYDRAULIC GENERATION**									
11050	**GREAT FALLS**									
1105A	DAMS, DYKES AND WEIRS		17,302,772	6,214,538	7,613,124	(1,398,586)	(0.23)	51.3	(27,263)	
1105B	POWERHOUSE		7,990,993	3,038,329	3,698,385	(660,056)	(0.22)	50.6	(13,045)	
1105C	POWERHOUSE RENOVATIONS	*								**
1105D	SPILLWAY		9,676,327	3,727,033	3,999,802	(272,769)	(0.07)	39.2	(6,958)	
1105E	WATER CONTROL SYSTEMS		24,245,253	8,269,309	9,971,579	(1,702,270)	(0.21)	33.5	(50,814)	
1105F	ROADS AND SITE IMPROVEMENTS		213,964	10,408	11,365	(957)	(0.09)	39.7	(24)	
1105G	TURBINES AND GENERATORS		25,128,789	7,085,426	8,424,895	(1,339,469)	(0.19)	44.1	(30,373)	
1105H	GOVERNORS AND EXCITATION SYSTEM		492,218	161,825	193,442	(31,617)	(0.20)	39.0	(811)	
1105L	LICENCE RENEWAL	*								**
1105P	A/C ELECTRICAL POWER SYSTEMS		9,493,088	3,314,653	3,714,794	(400,141)	(0.12)	31.1	(12,866)	
1105Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		19,271,956	6,679,465	6,778,449	(98,984)	(0.01)	13.2	(7,499)	
1105R	AUXILIARY STATION PROCESSES		8,345,798	3,026,374	3,244,974	(218,600)	(0.07)	24.0	(9,108)	
1105X	SUPPORT BUILDINGS		1,495,253	638,944	750,898	(111,954)	(0.18)	39.7	(2,820)	
1105W	SUPPORT BUILDING RENOVATIONS	*								**
	TOTAL GREAT FALLS		**123,656,412**	**42,166,304**	**48,401,707**	**(6,235,403)**	**(0.15)**		**(161,581)**	
11100	**POINTE DU BOIS**									
1110A	DAMS, DYKES AND WEIRS		11,263,332	1,889,913	3,807,139	(1,917,226)	(1.01)	21.0	(91,296)	
1110B	POWERHOUSE		6,242,749	552,108	1,114,041	(561,933)	(1.02)	21.0	(26,759)	
1110C	POWERHOUSE RENOVATIONS	*								**
1110D	SPILLWAY - ORIGINAL		3,104,842	717,684	1,300,951	(583,267)	(0.81)	6.9	(84,531)	
1110E	WATER CONTROL SYSTEMS		4,027,603	814,575	1,644,546	(829,971)	(1.02)	21.0	(39,522)	
1110F	ROADS AND SITE IMPROVEMENTS		28,533	6,120	12,046	(5,926)	(0.97)	20.1	(295)	
1110G	TURBINES AND GENERATORS	*	24,610,324	3,159,817	6,374,825	(3,215,008)	(1.02)	21.0	(153,096)	
1110H	GOVERNORS AND EXCITATION SYSTEM	*								**
1110L	LICENCE RENEWAL									
1110P	A/C ELECTRICAL POWER SYSTEMS		6,057,709	481,479	947,448	(465,969)	(0.97)	20.3	(22,954)	
1110Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		355,559	50,269	88,467	(38,198)	(0.76)	14.8	(2,581)	
1110R	AUXILIARY STATION PROCESSES		1,377,014	239,152	448,852	(209,700)	(0.88)	18.5	(11,335)	
1110X	SUPPORT BUILDINGS	*	2,616,290	666,189	1,324,449	(658,260)	(0.99)	20.5	(32,110)	**
1110W	SUPPORT BUILDING RENOVATIONS	*								
1111D	SPILLWAY - NEW	*								
	TOTAL POINTE DU BOIS		**59,683,956**	**8,577,306**	**17,062,765**	**(8,485,459)**	**(0.99)**		**(464,480)**	
11150	**SEVEN SISTERS**									
1115A	DAMS, DYKES AND WEIRS		31,497,995	10,903,236	15,406,970	(4,503,734)	(0.41)	59.1	(76,205)	
1115B	POWERHOUSE		13,653,945	5,953,556	8,292,614	(2,339,058)	(0.39)	57.5	(40,679)	
1115C	POWERHOUSE RENOVATIONS	*								**
1115D	SPILLWAY		2,841,355	1,392,766	1,607,456	(214,690)	(0.15)	40.7	(5,275)	
1115E	WATER CONTROL SYSTEMS		4,296,891	2,019,990	2,839,823	(819,833)	(0.41)	34.6	(23,695)	
1115F	ROADS AND SITE IMPROVEMENTS		201,701	102,573	142,642	(40,069)	(0.39)	33.8	(1,185)	
1115G	TURBINES AND GENERATORS		41,208,963	9,885,456	13,488,286	(3,602,830)	(0.36)	47.7	(75,531)	
1115H	GOVERNORS AND EXCITATION SYSTEM		6,860	5,805	8,062	(2,257)	(0.39)	5.0	(451)	
1115L	LICENCE RENEWAL	*								**
1115P	A/C ELECTRICAL POWER SYSTEMS		10,648,619	3,796,763	4,966,536	(1,169,773)	(0.31)	32.4	(36,104)	
1115Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		3,821,416	2,049,090	2,386,760	(337,670)	(0.16)	11.4	(29,620)	
1115R	AUXILIARY STATION PROCESSES		5,224,958	2,217,975	2,809,589	(591,614)	(0.27)	23.3	(25,391)	
1115X	SUPPORT BUILDINGS		608,294	105,899	137,334	(31,435)	(0.30)	46.5	(676)	
1115W	SUPPORT BUILDING RENOVATIONS	*								**
	TOTAL SEVEN SISTERS		**114,010,998**	**38,433,109**	**52,086,073**	**(13,652,964)**	**(0.36)**		**(314,814)**	

MANITOBA HYDRO

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION	SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE AMOUNT	ACCUMULATED DEPRECIATION VARIANCE PERCENT	PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP
	(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)
11200	**SLAVE FALLS**							
1120A	DAMS, DYKES AND WEIRS	954,684	44,764	54,185	(9,421)	(0.21)	61.4	(153)
1120B	POWERHOUSE	45,692,194	4,903,168	5,952,681	(1,049,513)	(0.21)	61.5	(17,065)
1120C	POWERHOUSE RENOVATIONS *							**
1120D	SPILLWAY	760,201	61,294	58,657	2,637	0.04	45.4	58
1120E	WATER CONTROL SYSTEMS	318,933	24,068	28,347	(4,279)	(0.18)	44.7	(96)
1120F	ROADS AND SITE IMPROVEMENTS	769,506	78,949	83,156	(4,207)	(0.05)	39.4	(107)
1120G	TURBINES AND GENERATORS	11,630,909	1,490,317	1,739,984	(249,667)	(0.17)	50.7	(4,924)
1120H	GOVERNORS AND EXCITATION SYSTEM *							
1120L	LICENCE RENEWAL *							**
1120P	A/C ELECTRICAL POWER SYSTEMS	21,815,741	1,944,102	2,060,897	(116,795)	(0.06)	39.3	(2,972)
1120Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	786,382	108,358	104,882	3,476	0.03	16.0	217
1120R	AUXILIARY STATION PROCESSES	2,201,466	179,198	171,468	7,730	0.04	29.5	262
1120X	SUPPORT BUILDINGS	3,724,095	507,079	552,458	(45,379)	(0.09)	47.5	(955)
1120W	SUPPORT BUILDING RENOVATIONS *							**
	TOTAL SLAVE FALLS	**88,654,109**	**9,341,297**	**10,806,713**	**(1,465,416)**	**(0.16)**		**(25,735)**
11250	**PINE FALLS**							
1125A	DAMS, DYKES AND WEIRS	14,110,589	2,084,324	2,573,116	(488,792)	(0.23)	77.3	(6,323)
1125B	POWERHOUSE	10,060,843	4,528,984	5,542,973	(1,013,989)	(0.22)	63.5	(15,968)
1125C	POWERHOUSE RENOVATIONS *							**
1125D	SPILLWAY	93,376	3,551	3,149	402	0.11	49.8	8
1125E	WATER CONTROL SYSTEMS	3,564,106	1,925,975	2,388,172	(462,197)	(0.24)	30.8	(15,006)
1125F	ROADS AND SITE IMPROVEMENTS	1,178,575	932,226	1,130,898	(198,672)	(0.21)	10.5	(18,921)
1125G	TURBINES AND GENERATORS	9,464,220	4,932,555	5,889,287	(956,732)	(0.19)	38.0	(25,177)
1125H	GOVERNORS AND EXCITATION SYSTEM *							
1125L	LICENCE RENEWAL *							**
1125P	A/C ELECTRICAL POWER SYSTEMS	5,071,108	1,827,772	2,169,610	(341,838)	(0.19)	36.1	(9,469)
1125Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2,156,586	1,110,121	1,145,153	(35,032)	(0.03)	10.6	(3,305)
1125R	AUXILIARY STATION PROCESSES	3,790,230	1,523,378	1,704,847	(181,469)	(0.12)	24.1	(7,530)
1125X	SUPPORT BUILDINGS	336,412	88,521	99,028	(10,507)	(0.12)	43.6	(241)
1125W	SUPPORT BUILDING RENOVATIONS *							**
1125Z	COMMUNITY DEVELOPMENT COSTS	4,425,543	533,832	710,240	(176,408)	(0.33)	71.4	(2,471) **
	TOTAL PINE FALLS	**54,251,587**	**19,491,239**	**23,356,474**	**(3,865,235)**	**(0.20)**		**(104,404)**
11300	**MCARTHUR FALLS**							
1130A	DAMS, DYKES AND WEIRS	3,578,068	1,327,762	1,583,088	(255,326)	(0.19)	69.1	(3,695)
1130B	POWERHOUSE	9,523,798	4,217,087	5,018,727	(801,640)	(0.19)	64.3	(12,467)
1130C	POWERHOUSE RENOVATIONS *							**
1130D	SPILLWAY	2,351,438	1,566,058	1,703,092	(137,034)	(0.09)	27.8	(4,929)
1130E	WATER CONTROL SYSTEMS	11,703,203	4,138,832	5,007,819	(868,987)	(0.21)	33.3	(26,096)
1130F	ROADS AND SITE IMPROVEMENTS	234,820	111,788	127,773	(15,985)	(0.14)	29.0	(551)
1130G	TURBINES AND GENERATORS	5,096,367	3,966,488	4,670,712	(704,224)	(0.18)	15.7	(44,855)
1130H	GOVERNORS AND EXCITATION SYSTEM	119,315	32,237	38,021	(5,784)	(0.18)	34.9	(166)
1130L	LICENCE RENEWAL *							**
1130P	A/C ELECTRICAL POWER SYSTEMS	2,480,539	1,548,716	1,818,844	(270,128)	(0.17)	29.3	(9,219)
1130Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	1,245,885	697,673	747,884	(50,211)	(0.07)	12.3	(4,082)
1130R	AUXILIARY STATION PROCESSES	3,440,197	1,347,401	1,483,474	(136,073)	(0.10)	25.0	(5,443)
1130X	SUPPORT BUILDINGS	227,212	59,529	65,327	(5,798)	(0.10)	43.7	(133)
1130W	SUPPORT BUILDING RENOVATIONS *							**
	TOTAL MCARTHUR FALLS	**40,000,842**	**19,013,571**	**22,264,760**	**(3,251,189)**	**(0.17)**		**(111,636)**

MH Exhibit #22

MANITOBA HYDRO

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION (1)	SURVIVING ORIGINAL COST AT 03/31/2010 (2)	CALCULATED ACCRUED DEPRECIATION (3)	BOOK ACCUMULATED DEPRECIATION (4)	ACCUMULATED DEPRECIATION VARIANCE AMOUNT (5) = (3)-(4)	ACCUMULATED DEPRECIATION VARIANCE PERCENT (6) = (5)/(3)	PROBABLE REMAINING LIFE (7)	ANNUAL PROVISION FOR TRUE-UP (8)=(5)/(7)
11350	**KELSEY**							
1135A	DAMS, DYKES AND WEIRS	11,066,409	2,091,406	2,388,154	(296,748)	(0.14)	81.9	(3,623)
1135B	POWERHOUSE	27,569,817	10,369,448	11,797,459	(1,428,011)	(0.14)	71.8	(19,889)
1135C	POWERHOUSE RENOVATIONS	*						**
1135D	SPILLWAY	5,331,929	3,272,738	3,337,776	(65,038)	(0.02)	31.1	(2,091)
1135E	WATER CONTROL SYSTEMS	11,792,566	5,095,822	5,858,592	(762,770)	(0.15)	37.6	(20,286)
1135F	ROADS AND SITE IMPROVEMENTS	6,442,928	3,327,136	3,675,535	(348,399)	(0.10)	28.5	(12,225)
1135G	TURBINES AND GENERATORS	130,323,693	9,810,603	10,889,594	(1,078,991)	(0.11)	56.8	(18,996)
1135H	GOVERNORS AND EXCITATION SYSTEM	88,651	25,248	28,203	(2,955)	(0.12)	33.9	(87)
1135L	LICENCE RENEWAL	*						**
1135P	A/C ELECTRICAL POWER SYSTEMS	5,751,610	3,144,625	3,442,084	(297,459)	(0.09)	24.5	(12,141)
1135Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	3,595,490	1,573,603	1,535,475	38,128	0.02	12.3	3,100
1135R	AUXILIARY STATION PROCESSES	7,788,815	3,256,761	3,361,853	(105,092)	(0.03)	22.6	(4,650)
1135X	SUPPORT BUILDINGS	9,953,977	1,934,994	2,030,173	(95,179)	(0.05)	47.1	(2,021)
1135W	SUPPORT BUILDING RENOVATIONS	*						**
	TOTAL KELSEY	**219,705,886**	**43,902,384**	**48,344,899**	**(4,442,515)**	**(0.10)**		**(92,910)**
11400	**GRAND RAPIDS**							
1140A	DAMS, DYKES AND WEIRS	53,468,974	16,904,945	20,241,182	(3,336,237)	(0.20)	71.3	(46,792)
1140B	POWERHOUSE	24,506,522	9,074,278	10,870,236	(1,795,958)	(0.20)	69.2	(25,953)
1140C	POWERHOUSE RENOVATIONS	*						**
1140D	SPILLWAY	5,308,334	2,984,459	3,127,598	(143,139)	(0.05)	34.1	(4,198)
1140E	WATER CONTROL SYSTEMS	15,982,492	10,781,268	12,935,293	(2,154,025)	(0.20)	35.0	(61,544)
1140F	ROADS AND SITE IMPROVEMENTS	2,581,475	1,853,663	2,151,076	(297,413)	(0.16)	18.7	(15,904)
1140G	TURBINES AND GENERATORS	113,066,160	24,914,070	28,837,308	(3,923,238)	(0.16)	48.1	(81,564)
1140H	GOVERNORS AND EXCITATION SYSTEM	42,718	9,742	11,420	(1,678)	(0.17)	37.8	(44)
1140L	LICENCE RENEWAL	*						**
1140P	A/C ELECTRICAL POWER SYSTEMS	8,240,545	2,996,076	3,393,467	(397,391)	(0.13)	32.2	(12,341)
1140Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	4,674,247	3,162,334	3,344,181	(181,847)	(0.06)	10.2	(17,828)
1140R	AUXILIARY STATION PROCESSES	5,600,506	1,772,923	1,867,556	(94,633)	(0.05)	25.0	(3,785)
1140X	SUPPORT BUILDINGS	6,190,376	1,167,718	1,266,627	(98,909)	(0.08)	47.1	(2,100)
1140W	SUPPORT BUILDING RENOVATIONS	*						**
1140Z	COMMUNITY DEVELOPMENT COSTS	101,442,997	11,399,379	17,852,104	(6,452,725)	(0.57)	71.2	(90,628)
	TOTAL GRAND RAPIDS	**341,105,346**	**87,020,855**	**105,898,046**	**(18,877,191)**	**(0.22)**		**(362,682)**
11450	**KETTLE**							
1145A	DAMS, DYKES AND WEIRS	45,280,663	14,457,365	17,156,728	(2,699,363)	(0.19)	79.0	(34,169)
1145B	POWERHOUSE	146,207,420	46,205,345	54,832,267	(8,626,922)	(0.19)	79.3	(108,788)
1145C	POWERHOUSE RENOVATIONS	*						**
1145D	SPILLWAY	25,406,960	12,672,991	13,102,475	(429,484)	(0.03)	37.7	(11,392)
1145E	WATER CONTROL SYSTEMS	17,834,945	12,943,500	15,570,815	(2,627,315)	(0.20)	15.1	(173,994)
1145F	ROADS AND SITE IMPROVEMENTS	10,591	2,234	2,424	(190)	(0.08)	35.5	(5)
1145G	TURBINES AND GENERATORS	70,740,028	38,119,760	44,332,641	(6,212,881)	(0.16)	29.8	(208,486)
1145H	GOVERNORS AND EXCITATION SYSTEM	3,304,326	2,291,949	2,718,363	(426,414)	(0.19)	16.3	(26,160)
1145L	LICENCE RENEWAL	*						**
1145P	A/C ELECTRICAL POWER SYSTEMS	6,771,761	2,715,301	3,063,216	(347,915)	(0.13)	29.9	(11,636)
1145Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	12,001,279	7,812,908	8,161,591	(348,683)	(0.04)	10.2	(34,185)
1145R	AUXILIARY STATION PROCESSES	15,361,985	8,293,267	9,355,269	(1,062,002)	(0.13)	21.2	(50,094)
1145X	SUPPORT BUILDINGS	3,908,404	2,242,225	2,527,081	(284,856)	(0.13)	27.7	(10,284)
1145W	SUPPORT BUILDING RENOVATIONS	*						**
	TOTAL KETTLE	**346,828,362**	**147,756,845**	**170,822,869**	**(23,066,024)**	**(0.16)**		**(669,194)**

MH Exhibit #22

MANITOBA HYDRO

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION		SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE AMOUNT	ACCUMULATED DEPRECIATION VARIANCE PERCENT	PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP	
	(1)		(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)	
11500	**LAURIE RIVER**									
1150A	DAMS, DYKES AND WEIRS		355,538	177,539	119,594	57,945	0.33	22.0	2,634	
1150B	POWERHOUSE		7,664,146	1,880,047	1,265,197	614,850	0.33	22.0	27,948	
1150C	POWERHOUSE RENOVATIONS	*								**
1150D	SPILLWAY		870,000	372,186	240,118	132,068	0.35	20.7	6,380	
1150E	WATER CONTROL SYSTEMS		458,033	180,347	121,277	59,070	0.33	21.7	2,722	
1150F	ROADS AND SITE IMPROVEMENTS		1,441,914	607,104	394,599	212,505	0.35	19.9	10,679	
1150G	TURBINES AND GENERATORS		4,603,136	777,293	522,394	254,899	0.33	21.9	11,639	
1150H	GOVERNORS AND EXCITATION SYSTEM		882,653	94,232	63,131	31,101	0.33	21.8	1,427	
1150L	LICENCE RENEWAL	*								**
1150P	A/C ELECTRICAL POWER SYSTEMS		1,441,945	532,317	347,758	184,559	0.35	20.5	9,003	
1150Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		1,220,047	769,647	436,660	332,987	0.43	8.4	39,641	
1150R	AUXILIARY STATION PROCESSES		308,504	130,042	80,696	49,346	0.38	18.3	2,697	
1150X	SUPPORT BUILDINGS		355,919	161,943	106,876	55,067	0.34	21.0	2,622	
1150W	SUPPORT BUILDING RENOVATIONS	*								**
	TOTAL LAURIE RIVER		**19,601,835**	**5,682,697**	**3,698,298**	**1,984,399**	**0.35**		**117,391**	
11550	**JENPEG**									
1155A	DAMS, DYKES AND WEIRS		15,295,318	3,325,195	3,661,242	(336,047)	(0.10)	88.4	(3,801)	
1155B	POWERHOUSE		76,905,294	21,018,339	23,110,365	(2,092,026)	(0.10)	84.3	(24,816)	
1155C	POWERHOUSE RENOVATIONS	*								**
1155D	SPILLWAY		14,942,733	6,657,678	6,251,622	406,056	0.06	40.1	10,126	
1155E	WATER CONTROL SYSTEMS		16,762,099	10,865,384	12,126,362	(1,260,978)	(0.12)	17.4	(72,470)	
1155F	ROADS AND SITE IMPROVEMENTS		1,563,205	735,898	769,243	(33,345)	(0.05)	25.8	(1,292)	
1155G	TURBINES AND GENERATORS		79,641,550	36,965,814	39,906,553	(2,940,739)	(0.08)	33.4	(88,046)	
1155H	GOVERNORS AND EXCITATION SYSTEM	*								
1155L	LICENCE RENEWAL	*								**
1155P	A/C ELECTRICAL POWER SYSTEMS		19,308,049	12,128,595	12,814,770	(686,175)	(0.06)	19.1	(35,925)	
1155Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		3,343,800	2,154,070	2,014,895	139,175	0.06	9.0	15,464	
1155R	AUXILIARY STATION PROCESSES		9,796,258	4,363,099	4,457,960	(94,861)	(0.02)	21.6	(4,392)	
1155X	SUPPORT BUILDINGS		7,885,397	2,301,830	2,365,167	(63,337)	(0.03)	42.5	(1,490)	
1155W	SUPPORT BUILDING RENOVATIONS	*								**
	TOTAL JENPEG		**245,443,703**	**100,515,902**	**107,478,180**	**(6,962,278)**	**(0.07)**		**(206,644)**	
11600	**LAKE WINNIPEG REGULATION**									
1160A	DAMS, DYKES AND WEIRS		96,807,065	26,325,352	33,231,067	(6,905,715)	(0.26)	86.7	(79,651)	
1160L	LICENCE RENEWAL	*								**
1160Z	COMMUNITY DEVELOPMENT COSTS		387,802,871	54,108,862	73,448,592	(19,339,730)	(0.36)	86.6	(223,323)	**
	TOTAL LAKE WINNIPEG REGULATION		**484,609,937**	**80,434,214**	**106,679,659**	**(26,245,445)**	**(0.33)**		**(302,973)**	
11650	**CHURCHILL RIVER DIVERSION**									
1165A	DAMS, DYKES AND WEIRS		114,718,213	30,724,065	31,921,746	(1,197,681)	(0.04)	87.1	(13,751)	
1165D	SPILLWAY		56,442,246	25,314,347	22,609,467	2,704,880	0.11	40.0	67,622	
1165E	WATER CONTROL SYSTEMS		17,583,551	11,612,927	12,324,199	(711,272)	(0.06)	16.7	(42,591)	
1165F	ROADS AND SITE IMPROVEMENTS		6,799,023	4,272,805	4,291,935	(19,130)	(0.00)	19.0	(1,007)	
1165L	LICENCE RENEWAL	*								**
1165P	A/C ELECTRICAL POWER SYSTEMS		1,596,593	1,005,012	1,009,712	(4,700)	(0.00)	19.0	(247)	
1165Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		1,417,862	1,197,658	1,107,794	89,864	0.08	6.0	14,977	
1165R	AUXILIARY STATION PROCESSES		1,799,312	498,971	462,083	36,888	0.07	25.7	1,435	
1165X	SUPPORT BUILDINGS		28,361	4,169	3,968	201	0.05	49.3	4	
1165W	SUPPORT BUILDING RENOVATIONS	*								**
1165Z	COMMUNITY DEVELOPMENT COSTS		305,036,524	55,319,169	74,130,320	(18,811,151)	(0.34)	82.5	(228,014)	**
	TOTAL CHURCHILL RIVER DIVERSION		**505,421,684**	**129,949,123**	**147,861,224**	**(17,912,101)**	**(0.14)**		**(201,571)**	

MANITOBA HYDRO

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION		SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE AMOUNT	ACCUMULATED DEPRECIATION VARIANCE PERCENT	PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP	
	(1)		(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)	
11700	**LONG SPRUCE**									
1170A	DAMS, DYKES AND WEIRS		64,744,494	17,136,124	18,797,519	(1,661,395)	(0.10)	85.2	(19,500)	
1170B	POWERHOUSE		143,780,355	38,092,455	41,787,059	(3,694,604)	(0.10)	85.2	(43,364)	
1170C	POWERHOUSE RENOVATIONS	*								**
1170D	SPILLWAY		42,273,617	18,296,252	17,142,264	1,153,988	0.06	41.0	28,146	
1170E	WATER CONTROL SYSTEMS		57,946,281	37,207,115	41,449,762	(4,242,647)	(0.11)	17.5	(242,437)	
1170F	ROADS AND SITE IMPROVEMENTS		1,172,867	657,177	687,609	(30,432)	(0.05)	22.0	(1,383)	
1170G	TURBINES AND GENERATORS		143,328,643	72,028,075	77,103,787	(5,075,712)	(0.07)	30.7	(165,333)	
1170H	GOVERNORS AND EXCITATION SYSTEM		145,844	20,097	21,732	(1,635)	(0.08)	40.7	(40)	
1170L	LICENCE RENEWAL	*								**
1170P	A/C ELECTRICAL POWER SYSTEMS		30,503,528	17,655,095	18,542,547	(887,452)	(0.05)	21.3	(41,664)	
1170Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		4,409,200	3,518,156	3,373,611	144,545	0.04	6.9	20,949	
1170R	AUXILIARY STATION PROCESSES		12,199,119	6,909,582	7,135,875	(226,293)	(0.03)	17.9	(12,642)	
1170X	SUPPORT BUILDINGS		160,484	18,662	18,618	44	0.00	50.4	1	
1170W	SUPPORT BUILDING RENOVATIONS	*								**
	TOTAL LONG SPRUCE		**500,664,431**	**211,538,790**	**226,060,384**	**(14,521,594)**	**(0.07)**		**(477,268)**	
11750	**LIMESTONE**									
1175A	DAMS, DYKES AND WEIRS		33,258,073	5,378,081	5,756,238	(378,157)	(0.07)	96.8	(3,907)	
1175B	POWERHOUSE		461,430,334	74,262,785	79,485,351	(5,222,566)	(0.07)	96.9	(53,896)	
1175C	POWERHOUSE RENOVATIONS	*								**
1175D	SPILLWAY		201,240,773	56,703,974	49,241,598	7,462,376	0.13	47.6	156,773	
1175E	WATER CONTROL SYSTEMS		116,224,392	44,988,138	48,919,806	(3,931,668)	(0.09)	29.6	(132,827)	
1175F	ROADS AND SITE IMPROVEMENTS		17,164,432	6,795,781	6,832,303	(36,522)	(0.01)	28.5	(1,281)	
1175G	TURBINES AND GENERATORS		403,825,745	124,076,655	130,029,479	(5,952,824)	(0.05)	42.0	(141,734)	
1175H	GOVERNORS AND EXCITATION SYSTEM		16,584,271	6,439,021	6,847,507	(408,486)	(0.06)	29.2	(13,989)	
1175L	LICENCE RENEWAL	*								**
1175P	A/C ELECTRICAL POWER SYSTEMS		144,317,307	57,149,653	57,457,004	(307,351)	(0.01)	28.5	(10,784)	
1175Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		8,333,373	5,237,449	4,778,396	459,053	0.09	9.1	50,445	
1175R	AUXILIARY STATION PROCESSES		36,054,205	16,111,470	15,631,104	480,366	0.03	21.2	22,659	
1175X	SUPPORT BUILDINGS		5,703,494	1,625,607	1,616,130	9,477	0.01	42.6	222	
1175W	SUPPORT BUILDING RENOVATIONS	*								**
	TOTAL LIMESTONE		**1,444,136,399**	**398,768,614**	**406,594,917**	**(7,826,303)**	**(0.02)**		**(128,319)**	
11800	**WUSKWATIM**									
1180A	DAMS, DYKES AND WEIRS	*								
1180B	POWERHOUSE	*								
1180C	POWERHOUSE RENOVATIONS	*								**
1180D	SPILLWAY	*								
1180E	WATER CONTROL SYSTEMS	*								
1180F	ROADS AND SITE IMPROVEMENTS	*								
1180G	TURBINES AND GENERATORS	*								
1180H	GOVERNORS AND EXCITATION SYSTEM	*								
1180P	A/C ELECTRICAL POWER SYSTEMS	*								
1180Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	*								
1180R	AUXILIARY STATION PROCESSES	*								
1180X	SUPPORT BUILDINGS	*								
1180W	SUPPORT BUILDING RENOVATIONS	*								**
	TOTAL WUSKWATIM		**0**	**0**	**0**	**0**	**0.00**		**0**	
11990	**INFRASTRUCTURE SUPPORTING GENERATION**									
1199F	PROVINCIAL ROADS		25,380,938	14,256,798	13,691,986	564,812	0.04	21.8	25,909	
1199V	TOWN SITE BUILDINGS		63,280,714	21,821,338	18,850,678	2,970,660	0.14	38.2	77,766	
1199W	TOWN SITE BUILDINGS RENOVATIONS		13,502,581	2,082,369	809,439	1,272,930	0.61	16.0	79,558	**
1199Y	TOWN SITE OTHER INFRASTRUCTURE		26,527,464	6,785,574	6,187,988	597,586	0.09	30.3	19,722	
	TOTAL INFRASTRUCTURE SUPPORTING GENERATION		**128,691,696**	**44,946,079**	**39,540,091**	**5,405,988**	**0.12**		**202,955**	
	TOTAL HYDRAULIC GENERATION		**4,716,467,183**	**1,387,538,329**	**1,536,957,059**	**(149,418,730)**	**(0.11)**		**(3,303,866)**	

MANITOBA HYDRO

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION		SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE AMOUNT	ACCUMULATED DEPRECIATION VARIANCE PERCENT	PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP	
	(1)		(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)	
12000	**THERMAL GENERATION**									
12050	**BRANDON UNIT 5 (COAL)**									
1205B	POWERHOUSE		11,729,518	7,632,440	7,309,729	322,711	0.04	9.7	33,269	
1205C	POWERHOUSE RENOVATIONS	*								**
1205F	ROADS AND SITE IMPROVEMENTS		4,012,331	2,328,563	2,223,066	105,497	0.05	9.7	10,876	
1205G	THERMAL TURBINES AND GENERATORS		19,611,168	10,357,790	9,929,941	427,849	0.04	9.8	43,658	
1205H	GOVERNORS AND EXCITATION SYSTEM		2,343,861	1,203,338	1,159,256	44,082	0.04	9.9	4,453	
1205J	STEAM GENERATOR AND AUXILIARIES		14,827,183	9,606,334	9,136,797	469,537	0.05	9.7	48,406	
1205L	LICENCE RENEWAL	*								**
1205P	A/C ELECTRICAL POWER SYSTEMS		8,009,703	5,163,840	4,909,693	254,147	0.05	9.5	26,752	
1205Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		26,389,775	18,364,654	16,247,252	2,117,402	0.12	6.5	325,754	
1205R	AUXILIARY STATION PROCESSES		47,306,417	28,484,735	26,692,451	1,792,284	0.06	9.2	194,813	
1205X	SUPPORT BUILDINGS		7,253,899	4,385,802	4,205,706	180,096	0.04	9.9	18,192	
1205W	SUPPORT BUILDING RENOVATIONS	*								**
	TOTAL BRANDON UNIT 5 (COAL)		**141,483,855**	**87,527,496**	**81,813,891**	**5,713,605**	**0.07**		**706,173**	
12100	**BRANDON UNITS 6 AND 7**									
1210B	POWERHOUSE		14,925,029	1,823,651	2,280,114	(456,463)	(0.25)	53.9	(8,469)	
1210C	POWERHOUSE RENOVATIONS	*								**
1210G	THERMAL TURBINES AND GENERATORS		9,823,758	1,575,357	1,952,163	(376,806)	(0.24)	39.2	(9,612)	
1210H	GOVERNORS AND EXCITATION SYSTEM	*								
1210K	COMBUSTION TURBINE		143,284,091	44,692,977	52,513,510	(7,820,533)	(0.17)	15.9	(491,857)	
1210L	LICENCE RENEWAL	*								**
1210M	COMBUSTION TURBINE OVERHAULS	*								**
1210P	A/C ELECTRICAL POWER SYSTEMS		6,252,586	1,040,520	1,200,472	(159,952)	(0.15)	37.2	(4,300)	
1210Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		1,114,338	244,755	258,878	(14,123)	(0.06)	14.8	(954)	
1210R	AUXILIARY STATION PROCESSES		10,639,560	2,211,095	2,379,753	(168,658)	(0.08)	27.7	(6,089)	
	TOTAL BRANDON UNITS 6 AND 7		**186,039,362**	**51,588,355**	**60,584,890**	**(8,996,535)**	**(0.17)**		**(521,281)**	
12150	**SELKIRK**									
1215B	POWERHOUSE		6,808,812	4,128,965	6,606,843	(2,477,878)	(0.60)	15.4	(103,363)	****
1215C	POWERHOUSE RENOVATIONS	*								**
1215F	ROADS AND SITE IMPROVEMENTS		1,630,443	707,589	1,096,260	(388,671)	(0.55)	32.4	(11,996)	
1215G	THERMAL TURBINES AND GENERATORS		22,750,003	8,478,353	13,369,871	(4,891,518)	(0.58)	37.1	(131,847)	
1215H	GOVERNORS AND EXCITATION SYSTEM		17,307	6,360	10,050	(3,690)	(0.58)	30.1		***
1215J	STEAM GENERATOR AND AUXILIARIES		48,630,259	10,023,062	14,243,657	(4,220,595)	(0.42)	46.8	(90,184)	
1215L	LICENCE RENEWAL	*								**
1215P	A/C ELECTRICAL POWER SYSTEMS		3,171,700	1,919,424	3,013,273	(1,093,849)	(0.57)	17.2	(60,074)	****
1215Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		5,257,468	2,814,592	3,837,942	(1,023,350)	(0.36)	11.8	(86,725)	
1215R	AUXILIARY STATION PROCESSES		13,791,022	6,369,464	9,558,873	(3,189,409)	(0.50)	24.2	(131,794)	
1215X	SUPPORT BUILDINGS		1,033,229	450,923	691,355	(240,432)	(0.53)	42.1	(5,711)	**
1215W	SUPPORT BUILDING RENOVATIONS	*								**
	TOTAL SELKIRK		**103,090,244**	**34,898,732**	**52,428,124**	**(17,529,392)**	**(0.50)**		**(621,693)**	
	TOTAL THERMAL GENERATION		**430,613,460**	**174,014,583**	**194,826,905**	**(20,812,322)**	**(0.12)**		**(436,801)**	
	TOTAL GENERATION		**5,147,080,643**	**1,561,552,912**	**1,731,783,964**	**(170,231,052)**	**(0.11)**		**(3,740,667)**	
	DIESEL GENERATION									
1300B	BUILDINGS		9,191,362	3,251,508	4,906,932	(1,655,424)	(50.91)	19.1	(86,671)	
1300C	BUILDING RENOVATIONS		17,685	4,497	7,587	(3,090)	(68.71)	11.4	0	**/***
1300M	ENGINES AND GENERATORS - OVERHAULS	*								**
1300N	ENGINES AND GENERATORS		18,152,912	6,799,275	13,597,682	(6,798,407)	(99.99)	16.3	(417,080)	
1300Q	ACCESSORY STATION EQUIPMENT		13,457,225	6,246,425	10,143,698	(3,897,273)	(62.39)	12.0	(324,773)	
1300T	FUEL STORAGE AND HANDLING		3,803,695	1,628,376	2,410,356	(781,980)	(48.02)	17.5	(44,685)	
	TOTAL DIESEL GENERATION		**44,622,878**	**17,930,081**	**31,066,255**	**(13,136,174)**	**(73.26)**		**(873,209)**	

MH Exhibit #22

MANITOBA HYDRO

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION	SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE AMOUNT	ACCUMULATED DEPRECIATION VARIANCE PERCENT	PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP
	(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)
	TRANSMISSION							
2000F	ROADS, TRAILS AND BRIDGES	4,045,718	1,118,735	937,453	181,282	16.20	28.5	6,361
2000G	METAL TOWERS AND CONCRETE POLES	340,022,220	90,153,172	99,791,962	(9,638,790)	(10.69)	59.8	(161,184)
2000J	POLES AND FIXTURES	104,983,312	31,662,039	37,079,466	(5,417,427)	(17.11)	36.6	(148,017)
2000K	GROUND LINE TREATMENT	1,410,002	406,685	384,224	22,461	5.52	7.1	**
2000L	OVERHEAD CONDUCTOR AND DEVICES	304,577,152	101,223,234	131,135,862	(29,912,628)	(29.55)	44.1	(678,291)
2000M	UNDERGROUND CABLE AND DEVICES	1,167,763	668,351	669,421	(1,070)	(0.16)	19.5	(55)
	TOTAL TRANSMISSION	**756,206,167**	**225,232,216**	**269,998,388**	**(44,766,172)**	**(19.88)**		**(981,186)**
	SUBSTATIONS							
3000B	BUILDINGS	109,491,690	43,169,830	48,643,362	(5,473,532)	(12.68)	39.1	(139,988)
3000C	BUILDING RENOVATIONS	32,047	13,582	15,351	(1,769)	(13.03)	11.5	(154) **
3000F	ROADS, STEEL STRUCTURES AND CIVIL SITE WORK	109,211,425	30,704,401	36,248,752	(5,544,351)	(18.06)	36.0	(154,010)
3000J	POLES AND FIXTURES	7,810,315	2,159,493	2,630,995	(471,502)	(21.83)	25.4	(18,563)
3100R	POWER TRANSFORMERS	287,449,387	81,301,746	84,754,364	(3,452,618)	(4.25)	31.1	(111,017)
3100S	OTHER TRANSFORMERS	72,153,356	28,485,678	31,244,518	(2,758,840)	(9.69)	20.2	(136,576)
3100T	INTERRUPTING EQUIPMENT	156,214,257	57,460,857	62,510,255	(5,049,398)	(8.79)	26.8	(188,410)
3100U	OTHER STATION EQUIPMENT	503,404,372	177,009,144	190,927,472	(13,918,328)	(7.86)	26.0	(535,320)
3100V	ELECTRONIC EQUIPMENT AND BATTERIES	151,238,104	72,646,527	79,225,503	(6,578,976)	(9.06)	11.2	(587,409)
3200M	SYNCHRONOUS CONDENSERS AND TRANSFORMERS - HVDC	111,737,981	39,137,448	40,432,632	(1,295,184)	(3.31)	38.9	(33,295)
3200N	SYNCHRONOUS CONDENSER OVERHAULS - HVDC	11,320,594	2,820,878	2,861,617	(40,739)	(1.44)	9.8	(4,157)
3200P	CONVERTOR EQUIPMENT - HVDC	214,981,687	114,636,506	138,795,432	(24,158,926)	(21.07)	14.4	(1,677,703)
3200S	SERIALIZED EQUIPMENT - HVDC	646,219,985	325,860,262	367,310,621	(41,450,359)	(12.72)	14.1	(2,939,742)
3200U	ACCESSORY STATION EQUIPMENT - HVDC	55,177,090	23,419,465	29,083,976	(5,664,511)	(24.19)	25.2	(224,782)
3200V	ELECTRONIC EQUIPMENT AND BATTERIES - HVDC	10,401,883	6,589,238	7,206,990	(617,752)	(9.38)	8.6	(71,832)
	TOTAL SUBSTATIONS	**2,446,844,172**	**1,005,415,055**	**1,121,891,841**	**(116,476,786)**	**(11.58)**		**(6,822,958)**
	DISTRIBUTION	*						
4000A	UNDERGROUND DUCT AND CONDUIT - CONCRETE	63,964,331	11,217,533	12,951,513	(1,733,980)	(15.46)	67.9	(25,537)
4000C	UNDERGROUND DUCT - ROOF	2,908,307	145,836	153,212	(7,376)	(5.06)	41.0	(180)
4000G	METAL TOWERS	4,571,448	1,173,035	2,355,833	(1,182,798)	(100.83)	37.0	(31,968)
4000J	POLES AND FIXTURES	566,174,558	127,369,656	264,136,310	(136,766,654)	(107.38)	40.3	(3,393,713)
4000K	GROUND LINE TREATMENT	33,145,019	15,894,039	16,746,756	(852,717)	(5.37)	5.7	**
4000L	OVERHEAD CONDUCTOR AND DEVICES	613,820,471	134,801,042	245,433,977	(110,632,935)	(82.07)	40.1	(2,758,926)
4000M	UNDERGROUND CABLE AND DEVICES - 66 KV	19,523,432	2,161,937	2,297,161	(135,224)	(6.25)	55.0	(2,459)
4000N	UNDERGROUND CABLE AND DEVICES - PRIMARY	255,063,759	51,410,314	59,472,977	(8,062,663)	(15.68)	46.0	(175,275)
4000P	UNDERGROUND CABLE AND DEVICES - SECONDARY	193,755,072	48,230,397	55,909,148	(7,678,751)	(15.92)	33.1	(231,986)
4000Q	SERIALIZED EQUIPMENT - OVERHEAD	175,924,348	60,006,665	82,981,927	(22,975,262)	(38.29)	23.9	(961,308)
4000R	DSC - HIGH VOLTAGE TRANSFORMERS	5,415,940	509,552	706,487	(196,935)	(38.65)	34.8	(5,659)
4000S	SERIALIZED EQUIPMENT - UNDERGROUND	174,049,772	43,083,841	58,998,471	(15,914,630)	(36.94)	29.3	(543,161)
4000V	ELECTRONIC EQUIPMENT	*						**
4000W	SERVICES	123,228,795	44,884,752	59,460,620	(14,575,868)	(32.47)	18.6	(783,649)
4000X	STREET LIGHTING	147,121,573	61,545,017	72,708,967	(11,163,950)	(18.14)	21.1	(529,097)
	TOTAL DISTRIBUTION	**2,378,666,825**	**602,433,616**	**934,313,358**	**(331,879,742)**	**(55.09)**		**(9,442,919)**
	METERS							
4900V	METERS - ELECTRONIC	16,111,185	5,320,309	1,490,413	3,829,896	71.99	11.1	345,036
4900Y	METERS - ANALOG	22,469,156	16,861,536	5,931,142	10,930,394	64.82	4.4	2,484,180
4900Z	METERING TRANSFORMERS	8,984,899	3,313,305	3,413,836	(100,531)	(3.03)	22.6	(4,448)
	TOTAL METERS	**47,565,240**	**25,495,150**	**10,835,391**	**14,659,759**	**57.50**		**2,824,768**

MH Exhibit #22

MANITOBA HYDRO

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION	SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE AMOUNT	ACCUMULATED DEPRECIATION VARIANCE PERCENT	PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP
	(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)
	COMMUNICATION							
5000B	BUILDINGS	4,154,458	699,804	574,811	124,993	17.86	50.9	2,456
5000C	BUILDING RENOVATIONS	2,741,652	887,750	773,028	114,722	12.92	12.7	9,033 **
5000D	BUILDING - SYSTEM CONTROL CENTRE	15,857,686	2,970,157	2,435,337	534,820	18.01	49.9	10,718
5000G	COMMUNICATION TOWERS	8,733,929	1,827,718	1,324,964	502,754	27.51	40.4	12,444
5000H	FIBRE OPTIC AND METALLIC CABLE	117,999,925	25,692,882	15,180,344	10,512,538	40.92	22.0	477,843
5000J	CARRIER EQUIPMENT	119,230,804	53,498,641	37,005,633	16,493,008	30.83	7.4	2,228,785
5000K	OPERATIONAL IT EQUIPMENT	2,197,495	1,401,781	1,220,632	181,149	12.92	2.5	72,460 **
5000M	MOBILE RADIO, TELEPHONE AND VIDEO CONFERENCING	22,085,412	15,627,104	13,607,649	2,019,456	12.92	5.1	395,972 **
5000N	OPERATIONAL DATA NETWORK	8,530,264	2,447,746	2,131,429	316,317	12.92	5.4	58,577 **
5000R	POWER SYSTEM CONTROL	7,738,280	5,228,135	4,187,570	1,040,565	19.90	4.1	253,796
	TOTAL COMMUNICATION	**309,269,905**	**110,281,718**	**78,441,398**	**31,840,320**	**28.87**		**3,522,083**
	MOTOR VEHICLES							
6000E	PASSENGER VEHICLES	1,304,413	524,561	278,987	245,574	46.82	4.0	61,394
6000F	LIGHT TRUCKS	52,299,249	23,436,917	22,656,047	780,870	3.33	4.7	166,143
6000G	HEAVY TRUCKS	61,004,014	25,444,402	21,612,533	3,831,869	15.06	7.4	517,820
6000H	CONSTRUCTION EQUIPMENT	17,016,205	6,026,089	5,037,993	988,096	16.40	7.5	131,746
6000I	LARGE SOFT-TRACK EQUIPMENT	13,146,265	4,170,185	2,827,041	1,343,144	32.21	11.5	116,795
6000J	TRAILERS	15,996,331	3,513,147	4,034,578	(521,431)	(14.84)	23.7	(22,001)
6000K	MISCELLANEOUS VEHICLES	5,724,654	2,531,307	2,945,366	(414,059)	(16.36)	5.1	(81,188)
	TOTAL MOTOR VEHICLES	**166,491,131**	**65,646,608**	**59,392,546**	**6,254,062**	**9.53**		**890,708**
	BUILDINGS							
8000B	BUILDINGS - GENERAL	88,797,107	25,336,746	26,367,552	(1,030,806)	(4.07)	44.7	(23,061)
8000C	BUILDING RENOVATIONS	46,779,508	17,543,869	8,199,943	9,343,926	53.26	11.1	841,795 **
8000D	BUILDING - 360 PORTAGE - CIVIL	207,292,785	3,134,499	3,297,099	(162,600)	(5.19)	92.8	(1,752)
8000E	BUILDING - 360 PORTAGE - ELECTRO/MECHANICAL	65,888,581	2,864,820	2,097,639	767,181	26.78	31.2	24,589
	TOTAL BUILDINGS	**408,757,981**	**48,879,934**	**39,962,233**	**8,917,701**	**18.24**		**841,572**
	GENERAL EQUIPMENT							
9000H	TOOLS, SHOP AND GARAGE EQUIPMENT	78,461,837	32,266,768	25,609,471	6,657,297	20.63	7.9	842,696 **
9000K	COMPUTER EQUIPMENT	48,379,758	21,246,665	10,308,698	10,937,967	51.48	2.5	4,375,187 **
9000L	OFFICE FURNITURE AND EQUIPMENT	21,726,896	4,008,883	4,689,826	(680,943)	(16.99)	16.6	(41,021) **
9000M	HOT WATER TANKS	4,511,783	3,821,910	2,226,719	1,595,191	41.74	2.1	759,615 **
	TOTAL GENERAL EQUIPMENT	**153,080,275**	**61,344,226**	**42,834,715**	**18,509,511**	**30.17**		**5,936,477**
	EASEMENTS							
A100A	EASEMENTS	50,612,345	10,261,639	9,974,853	286,786	2.79	52.5	5,463
	TOTAL EASEMENTS	**50,612,345**	**10,261,639**	**9,974,853**	**286,786**	**2.79**		**5,463**
	COMPUTER SOFTWARE AND DEVELOPMENT							
A200G	COMPUTER DEVELOPMENT - MAJOR SYSTEMS	100,980,015	51,486,494	49,927,029	1,559,465	3.03	4.8	324,889
A200H	COMPUTER DEVELOPMENT - SMALL SYSTEMS	42,827,602	20,884,256	22,172,434	(1,288,178)	(6.17)	5.8	**
A200J	COMPUTER SOFTWARE - GENERAL	5,076,404	1,864,607	1,979,619	(115,012)	(6.17)	3.5	**
A200K	COMPUTER SOFTWARE - COMMUNICATION/OPERATIONAL	3,639,540	2,483,317	2,059,432	423,885	17.07	2.9	146,167 **
A200L	OPERATIONAL SYSTEM MAJOR SOFTWARE - EMS/SCADA	6,016,817	4,636,876	3,655,008	981,868	21.18	1.7	577,570
	TOTAL COMPUTER SOFTWARE AND DEVELOPMENT	**158,540,378**	**81,355,550**	**79,793,523**	**1,562,027**	**1.92**		**1,048,625**
	TOTAL DEPRECIABLE ASSETS	**12,067,737,939**	**3,815,828,705**	**4,410,288,464**	**(594,459,759)**	**(15.58)**		**(6,791,243)**

* The account has no balance as of March 31, 2010 and will be used on a go-forward basis for future additions.
** On amortized account any true-up of less than 10% is not considered significant.
*** True-up was deemed as not significant or has been limited to the annual depreciation expenses.

MANITOBA HYDRO

WINNIPEG, MANITOBA

DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION ACCRUAL RATES APPLICABLE TO DEPRECIABLE ASSETS IN SERVICE AS OF MARCH 31, 2010

DRAFT

Gannett Fleming
Valuation and Rate Division
Excellence Delivered As Promised

Harrisburg, Pennsylvania *Calgary, Alberta* *Valley Forge, Pennsylvania*

Gannett Fleming

Excellence Delivered ***As Promised***

November 2, 2011

Manitoba Hydro
360 Portage Avenue
Winnipeg, Manitoba R3C 0G8

Attention: Mr. Vince Warden, Vice President
Finance & Administration
And Chief Financial Officer

Gentlemen:

Pursuant to your request, we have conducted a depreciation study related to the electric generation, transmission, substation, distribution and general plant systems of Manitoba Hydro as of March 31, 2010. Our report presents a description of the methods used in the estimation of depreciation, the statistical analyses of service life and the summary and detailed tabulations of annual and accrued depreciation.

The calculated annual depreciation accrual rates presented in the report are applicable to plant in service as of March 31, 2010. The depreciation rates are based on the straight-line method, equal life group procedure applied on a whole life basis, using the equal life group procedure, with any accumulated depreciation variances amortized over the estimated remaining life of the assets.

Respectfully submitted,
GANNETT FLEMING, INC.

DRAFT

LARRY E. KENNEDY
Director, Canadian Services
Valuation and Rate Division

LEK/hac
Project: 052988.100

Gannett Fleming, Inc.
Valuation and Rate Division
Suite 277 • 200 Rivercrest Drive S.E. • Calgary, AB T2C 2X5 • Canada
t: 403.257.5946 • f: 403.257.5947
www.gannettfleming.com www.gfvrd.com

TABLE OF CONTENTS

PART I. INTRODUCTION

PART II. METHODS USED IN THE ESTIMATION OF DEPRECIATION

PART III RESULTS OF STUDY

TABLE OF CONTENTS, Cont'd.

PART I. INTRODUCTION

MANITOBA HYDRO
DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION ACCRUAL RATES APPLICABLE TO DEPRECIABLE ASSETS IN SERVICE AS OF MARCH 31, 2010

PART I. INTRODUCTION

SCOPE

This report sets forth the results of the depreciation study conducted for the depreciable assets of Manitoba Hydro ("Company") to determine the annual depreciation accrual rates and amounts for financial reporting purposes applicable to the original cost of plant as of March 31, 2010.

The depreciation accrual rates presented herein are based on generally-accepted methods and procedures for calculating depreciation. The estimated survivor curves used in this report are based on studies incorporating data through 2010.

Part I, Introduction, contains statements with respect to the scope of the report and the basis of the study. Part II, Methods Used in the Estimation of Depreciation, presents the methods used in the estimation of average service lives and survivor curves used in the calculation of depreciation. Part III, Results of Study, presents a summary of annual depreciation. A separate document presenting statistical analysis of service life estimates and the detailed tabulations of annual depreciation is also provided.

BASIS OF THE STUDY

Depreciation. The depreciation accrual rates and accrued depreciation were calculated using the straight line method, the equal life group (ELG) procedure, applied on a whole life basis. The calculation was based on the attained ages and estimated service life for each depreciable group of assets, as of March 31, 2010.

Service Life Estimates. The method of estimating service life consisted of compiling the service life history of the plant accounts and subaccounts, reducing this history to trends through the use of analytical techniques that have been generally accepted in various regulatory jurisdictions, and forecasting the trend of survivors for each depreciable group on the basis of interpretations of past trends and consideration of Company plans for the future. The combination of the historical trend and the estimated future trend yielded a complete pattern of life characteristics from which the average service life was derived. The service life estimates used in the depreciation calculation incorporated historical data compiled through March 31, 2010. Such data included plant additions, retirements, transfers and other plant activity.

A general understanding of the function of the plant and information with respect to the reasons for past retirements and the expected future causes of retirement was obtained through interviews with Company representatives. The information gained through these discussions with company representatives was also used in the development of the average service life estimates.

International Financial Reporting Standards The Canadian Accounting Standards Board has announced that Canadian Generally Accepted Accounting Principles (GAAP) will be converged to comply, for reporting purposes, with the International Financial Reporting Standards (IFRS) by 2011[1]. Gannett Fleming views

[1] In September 2010, the Canadian Accounting Standards Board announced an optional one-year deferral for the implementation of IFRS is available for Rate Regulated Entities.

the depreciation methods and procedures as recommended in this report will comply with IFRS.

In preparation for this change, Gannett Fleming has developed depreciation rates and parameters that are in compliance with the new standard. As such, this study has included the following changes from previous Manitoba Hydro depreciation studies:

- Inclusion of a significant number of new accounts in order to comply with the componentization requirements of the International Accounting Standard ("IAS") 16;
- Elimination of the pre-collection of costs of removal; and
- Incorporation of the Equal Life Group Procedure (ELG).

Gannett Fleming has reviewed the depreciable groupings established by Manitoba Hydro and believes that the groups, as provided to Gannett Fleming, are in conformance with the componentization requirements of IFRS and continue to provide a reasonable grouping of homogeneous assets for regulatory purposes.

IFRS does not allow for any recognition of costs of removal within the depreciation expense. Removal of these costs for financial disclosure purposes is required in order to comply with IFRS and as such, all cost of removal provisions have been removed from this study.

In the view of Gannett Fleming, group accounting methods using the ELG procedure are compliant with the new standard. The ELG procedure provides a precise matching of service life estimates to depreciation expense.

RECOMMENDATIONS

The calculated annual depreciation accrual rates set forth herein apply specifically to plant in service as of March 31, 2010. Continued surveillance and periodic revisions are normally required to maintain continued use of appropriate depreciation rates, and to comply with the standards as set out in International Accounting Standard (“IAS”) 16 of IFRS.

The depreciation rates should be reviewed periodically to reflect the changes that result from plant and reserve account activity. A depreciation reserve deficiency or surplus will develop if future capital expenditures vary significantly from those anticipated in this study.

PART II. METHODS USED IN THE ESTIMATION OF DEPRECIATION

PART II. METHODS USED IN THE ESTIMATION OF DEPRECIATION

DEPRECIATION

Depreciation, in public utility regulation, is the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of utility plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among causes to be given consideration are wear and tear, deterioration, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand, and the requirements of public authorities.

Depreciation, as used in accounting, is a method of distributing fixed capital costs, less net salvage, over a period of time by allocating annual amounts to expense. Each annual amount of such depreciation expense is part of that year's total cost of providing electric utility service. Normally, the period of time over which the fixed capital cost is allocated to the cost of service is equal to the period of time over which an item renders service, that is, the item's service life. The most prevalent method of allocation is to distribute an equal amount of cost to each year of service life. This method is known as the straight-line method of depreciation.

The calculation of annual and accrued depreciation based on the straight line method requires the estimation of survivor curves and the selection of group depreciation procedures. These subjects are discussed in the sections that follow.

ESTIMATION OF SURVIVOR CURVES

Survivor Curves. The use of an average service life for a property group implies that the various units in the group have different lives. Thus, the average life may be obtained by determining the separate lives of each of the units, or by constructing a survivor curve by plotting the number of units which survive at successive ages. A discussion of the general concept of survivor curves is presented. Also, the Iowa type survivor curves are reviewed.

The survivor curve graphically depicts the amount of property existing at each age throughout the life of an original group. From the survivor curve, the average life of the group, the remaining life expectancy, the probable life, and the frequency curve can be calculated. In Figure 1, a typical smooth survivor curve and the derived curves are illustrated. The average life is obtained by calculating the area under the survivor curve, from age zero to the maximum age, and dividing this area by the ordinate at age zero. The remaining life expectancy at any age can be calculated by obtaining the area under the curve, from the observation age to the maximum age, and dividing this area by the percent surviving at the observation age. For example, in Figure 1, the remaining life at age 30 is equal to the crosshatched area under the survivor curve divided by 29.5 percent surviving at age 30. The probable life at any age is developed by adding the age and remaining life. If the probable life of the property is calculated for each year of age, the probable life curve shown in the chart can be developed. The frequency curve presents the number of units retired in each age interval. It is derived by obtaining the differences between the amount of property surviving at the beginning and at the end of each interval.

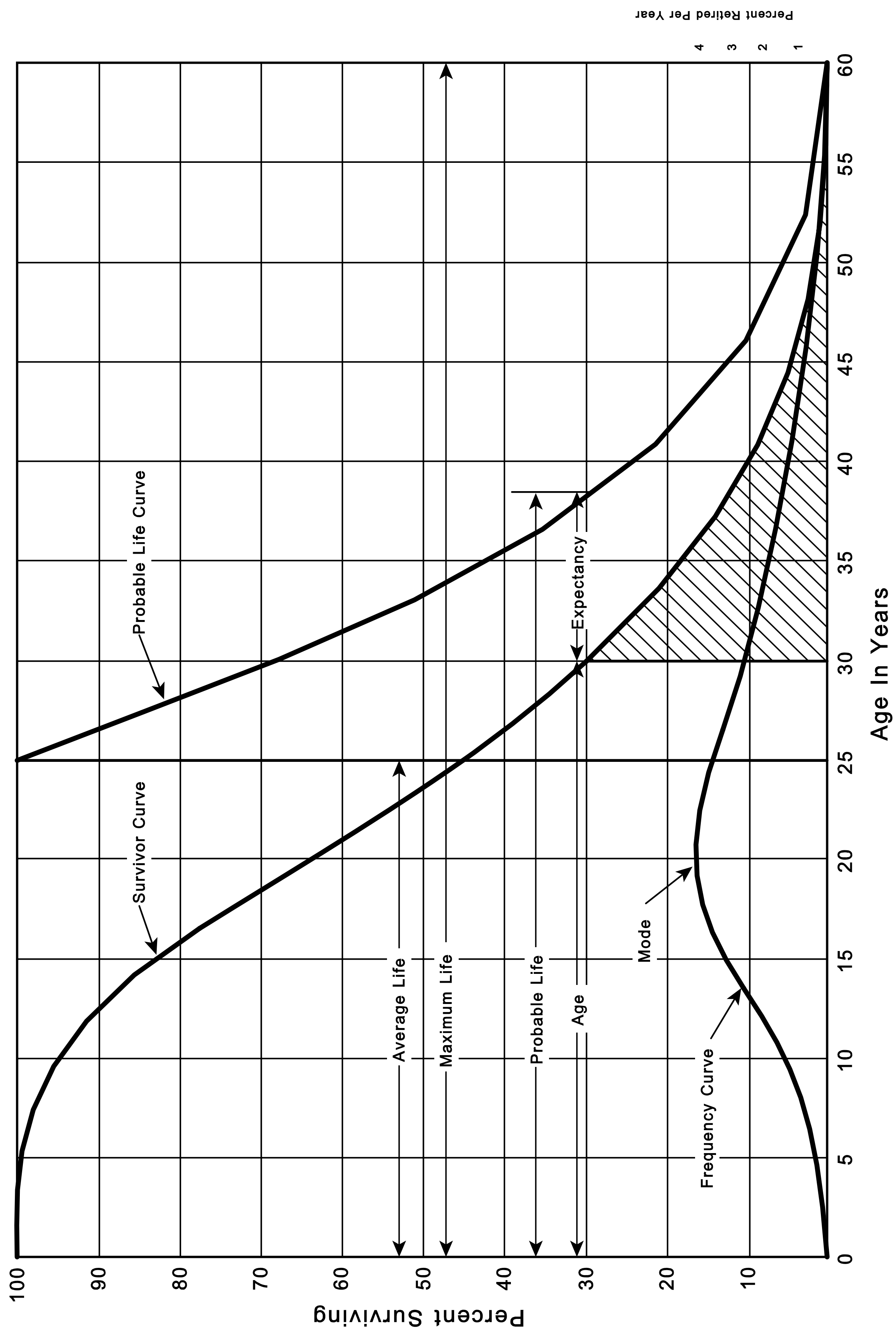


Figure 1. A Typical Survivor Curve and Derived Curves

Iowa Type Curves. The range of survivor characteristics usually experienced by utility and industrial properties is encompassed by a system of generalized survivor curves known as the Iowa type curves. There are four families in the Iowa system, labeled in accordance with the location of the modes of the retirements in relationship to the average life and the relative height of the modes. The left moded curves, presented in Figure 2, are those in which the greatest frequency of retirement occurs to the left of, or prior to, average service life. The symmetrical moded curves, presented in Figure 3, are those in which the greatest frequency of retirement occurs at average service life. The right moded curves, presented in Figure 4, are those in which the greatest frequency occurs to the right of, or after, average service life. The origin moded curves, presented in Figure 5, are those in which the greatest frequency of retirement occurs at the origin, or immediately after age zero. The letter designation of each family of curves (L, S, R or O) represents the location of the mode of the associated frequency curve with respect to the average service life. The numbers represent the relative heights of the modes of the frequency curves within each family.

The Iowa curves were developed at the Iowa State College Engineering Experiment Station through an extensive process of observation and classification of the ages at which industrial property had been retired. A report of the study which resulted in the classification of property survivor characteristics into 18 type curves, which constitute three of the four families, was published in 1935 in the form of the

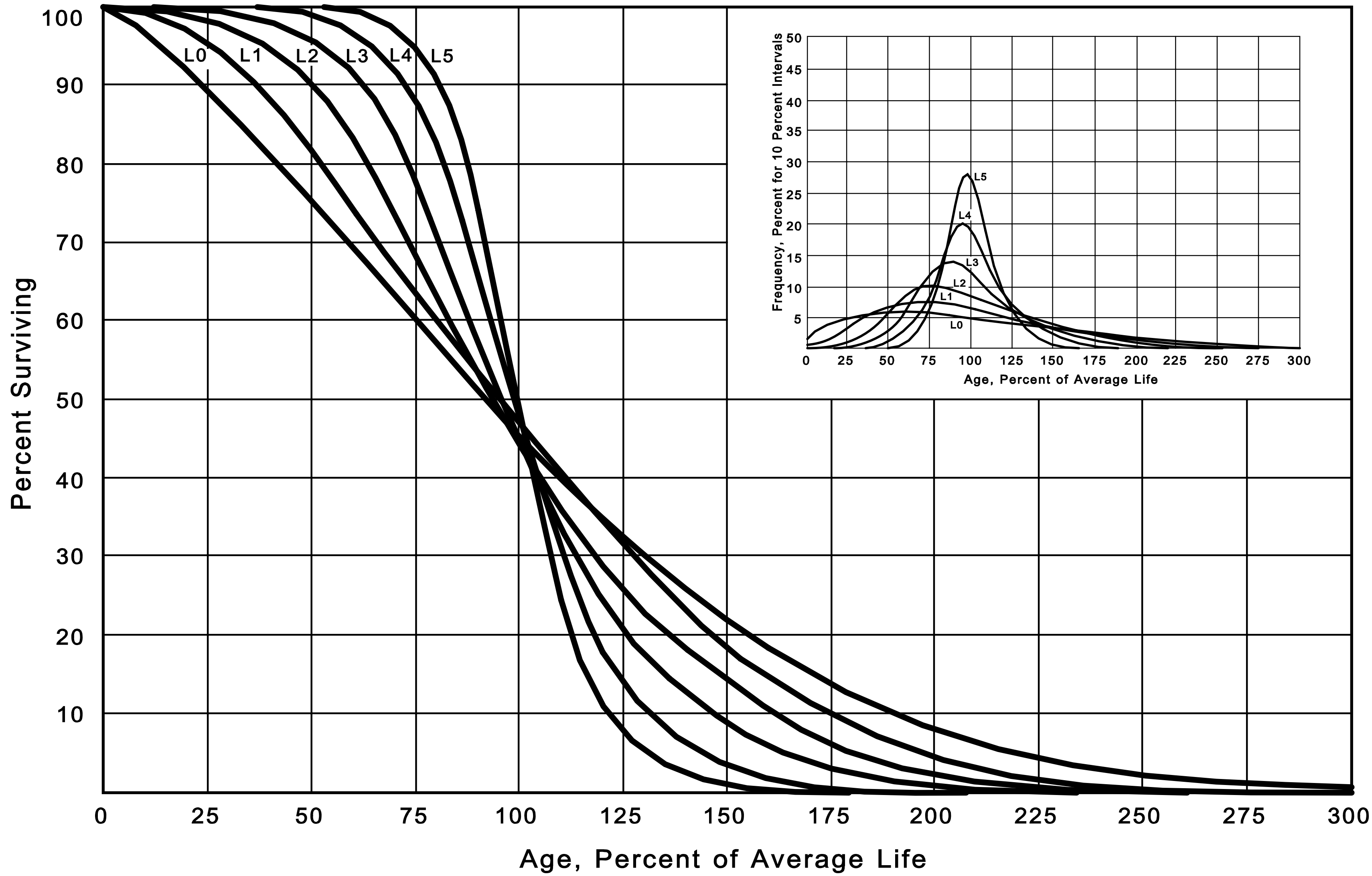


Figure 2. Left Modal or "L" Iowa Type Survivor Curves

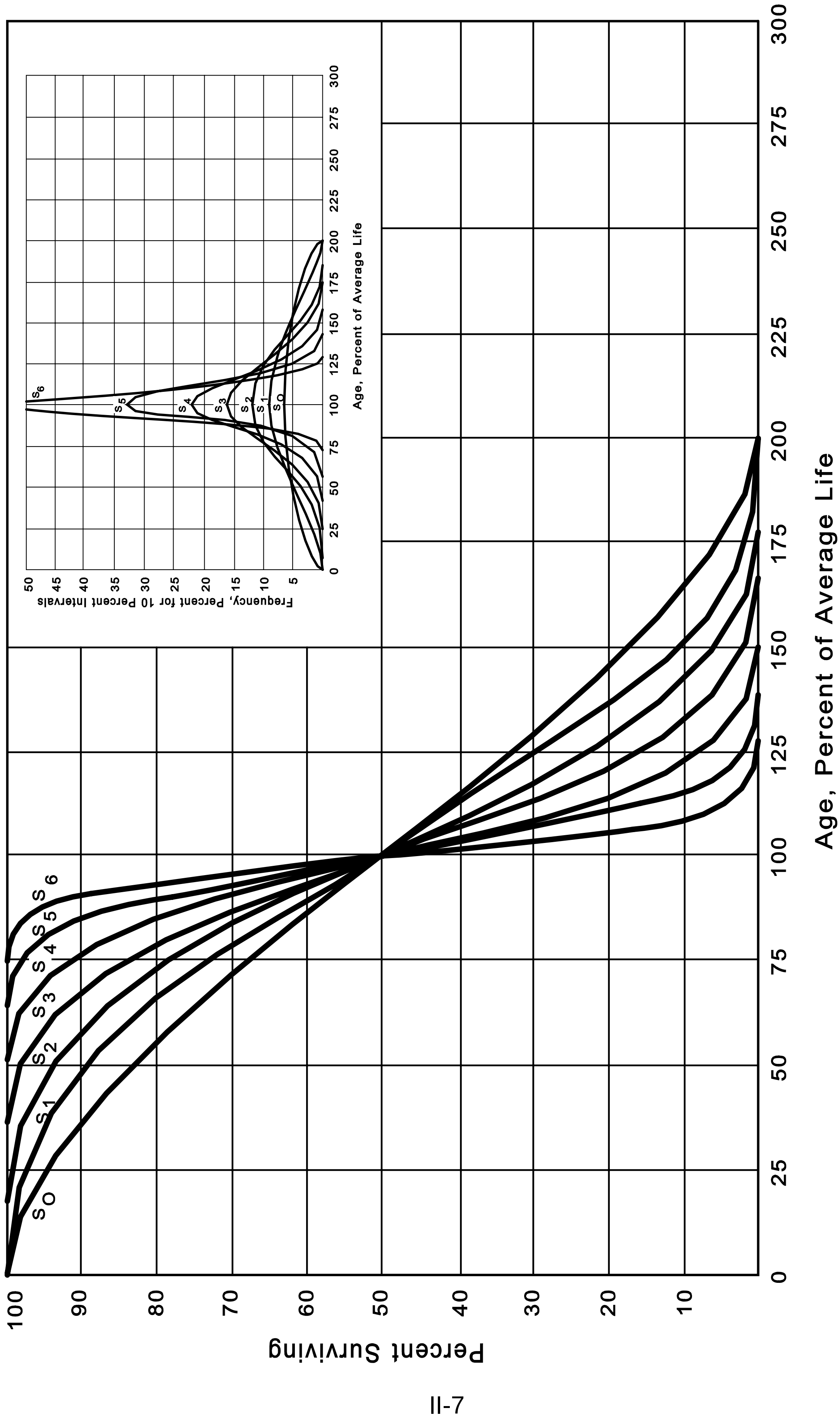


Figure 3. Symmetrical or "S" Iowa Type Survivor Curves

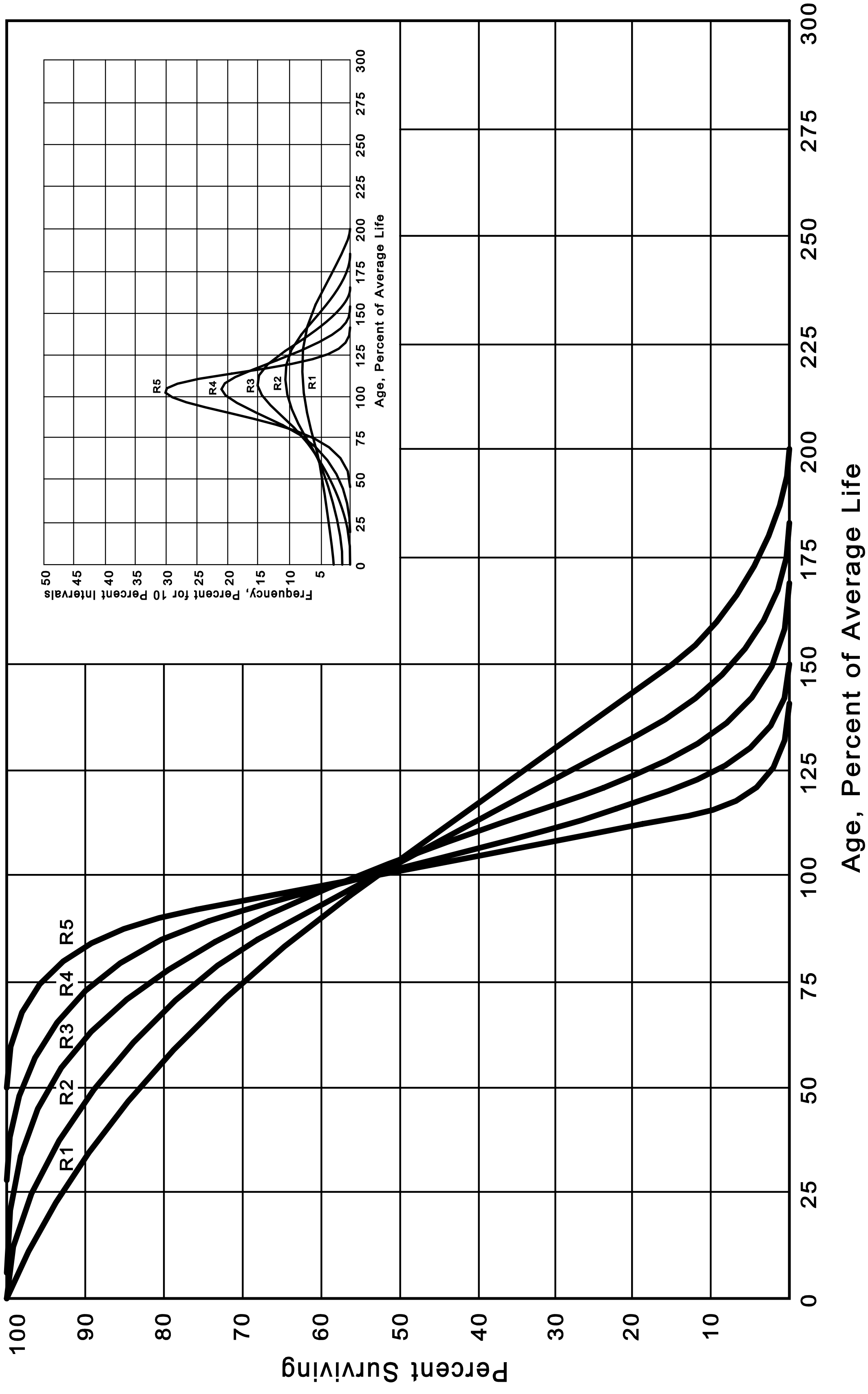


Figure 4. Right Modal or "R" Iowa Type Survivor Curves

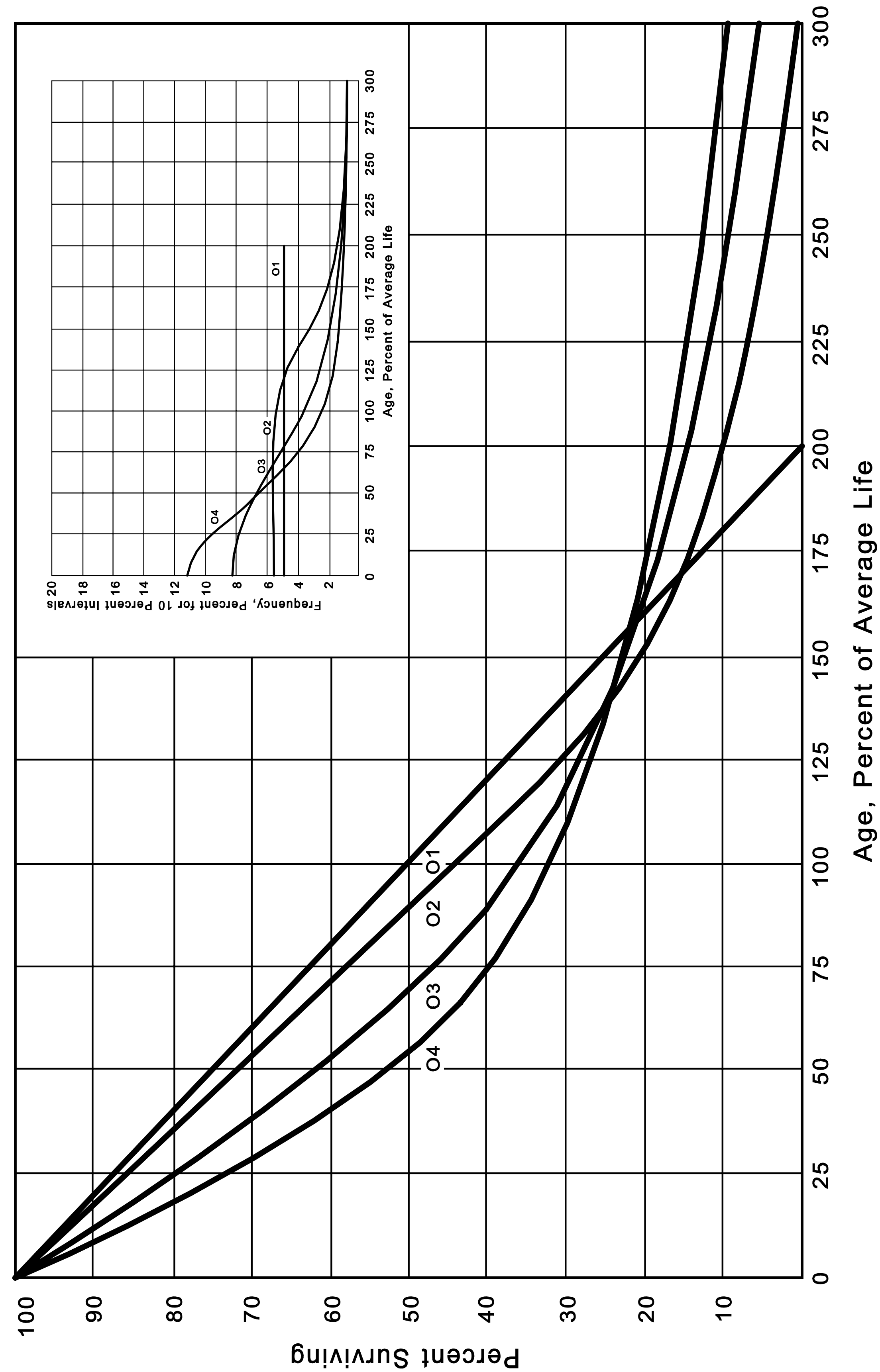


Figure 5. Origin Modal or "O" Iowa Type Survivor Curves

Experiment Station's Bulletin 125.[2] These curve types have also been presented in subsequent Experiment Station bulletins and in the text, "Engineering Valuation and Depreciation."[3] In 1957, Frank V. B. Couch, Jr., an Iowa State College graduate student, submitted a thesis[4] presenting his development of the fourth family consisting of the four O type survivor curves.

Retirement Rate Method of Analysis. The retirement rate method is an actuarial method of deriving survivor curves using the average rates at which property of each age group is retired. The method relates to property groups for which aged accounting experience is available and is the method used to develop the original stub survivor curves in this study. The method (also known as the annual rate method) is illustrated through the use of an example in the following text, and is also explained in several publications, including "Statistical Analyses of Industrial Property Retirements,"[5] "Engineering Valuation and Depreciation,"[6] and "Depreciation Systems."[7]

The average rate of retirement used in the calculation of the percent surviving for the survivor curve (life table) requires two sets of data: first, the property retired during a period of observation, identified by the property's age at retirement; and second, the property exposed to retirement at the beginning of the age intervals during the same period. The period of observation is referred to as the experience band, and the band of years which represent the installation dates of the property exposed to retirement

---

[2] Winfrey, Robley. Statistical Analyses of Industrial Property Retirements. Iowa State College, Engineering Experiment Station, Bulletin 125. 1935.

[3] Marston, Anson, Robley Winfrey and Jean C. Hempstead. Engineering Valuation and Depreciation, 2nd Edition. New York, McGraw-Hill Book Company. 1953.

[4] Couch, Frank V. B., Jr. "Classification of Type O Retirement Characteristics of Industrial Property." Unpublished M.S. thesis (Engineering Valuation). Library, Iowa State College, Ames, Iowa. 1957.

[5] Winfrey, Robley, Supra Note 1.

[6] Marston, Anson, Robley Winfrey, and Jean C. Hempstead, Supra Note 2.

[7] Wolf, Frank K. and W. Chester Fitch. Depreciation Systems. Iowa State University Press. 1994

during the experience band is referred to as the placement band. An example of the calculations used in the development of a life table follows. The example includes schedules of annual aged property transactions, a schedule of plant exposed to retirement, a life table and illustrations of smoothing the stub survivor curve.

Schedules of Annual Transactions in Plant Records. The property group used to illustrate the retirement rate method is observed for the experience band 2001-2010 during which there were placements during the years 1996-2010. In order to illustrate the summation of the aged data by age interval, the data were compiled in the manner presented in Tables 1 and 2 on pages II-12 and II-14. In Table 1, the year of installation (year placed) and the year of retirement are shown. The age interval during which a retirement occurred is determined from this information. In the example which follows, \$10,000 of the dollars invested in 1996 were retired in 2001. The \$10,000 retirement occurred during the age interval between 4½ and 5½ years on the basis that approximately one-half of the amount of property was installed prior to and subsequent to July 1 of each year. That is, on the average, property installed during a year is placed in service at the midpoint of the year for the purpose of the analysis. All retirements also are stated as occurring at the midpoint of a one-year age interval of time, except the first age interval which encompasses only one-half year.

The total retirements occurring in each age interval in a band are determined by summing the amounts for each transaction year-installation year combination for that age interval. For example, the total of \$143,000 retired for age interval 4½-5½ is the

MH Exhibit #22

TABLE 1. RETIREMENTS FOR EACH YEAR 2001-2010
SUMMARIZED BY AGE INTERVAL

Experience Band 2001-2010 | Placement Band 1996-2010

Year Placed	Retirements, Thousands of Dollars During Year										Total During Age Interval	Age Interval
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1996	10	11	12	13	14	16	23	24	25	26	26	13½-14½
1997	11	12	13	15	16	18	20	21	22	19	44	12½-13½
1998	11	12	13	14	16	17	19	21	22	18	64	11½-12½
1999	8	9	10	11	11	13	14	15	16	17	83	10½-11½
2000	9	10	11	12	13	14	16	17	19	20	93	9½-10½
2001	4	9	10	11	12	13	14	15	16	20	105	8½-9½
2002		5	11	12	13	14	15	16	18	20	113	7½-8½
2003			6	12	13	15	16	17	19	19	124	6½-7½
2004				6	13	15	16	17	19	19	131	5½-6½
2005					7	14	16	17	19	20	143	4½-5½
2006						8	18	20	22	23	146	3½-4½
2007							9	20	22	25	150	2½-3½
2008								11	23	25	151	1½-2½
2009									11	24	153	½-1½
2010	—	—	—	—	—	—	—	—	—	13	80	0-½
Total	53	68	86	106	128	157	196	231	273	308	1,606	

sum of the retirements entered on Table 1 immediately above the stair step line drawn on the table beginning with the 2001 retirements of 1996 installations and ending with the 2010 retirements of the 2005 installations. Thus, the total amount of 143 for age interval 4½-5½ equals the sum of:

$$10 + 12 + 13 + 11 + 13 + 13 + 15 + 17 + 19 + 20.$$

In Table 2, other transactions which affect the group are recorded in a similar manner. The entries illustrated include transfers and sales. The entries which are credits to the plant account are shown in parentheses. The items recorded on this schedule are not totaled with the retirements, but are used in developing the exposures at the beginning of each age interval.

Schedule of Plant Exposed to Retirement. The development of the amount of plant exposed to retirement at the beginning of each age interval is illustrated in Table 3 on page II-15. The surviving plant at the beginning of each year from 2001 through 2010 is recorded by year in the portion of the table headed "Annual Survivors at the Beginning of the Year." The last amount entered in each column is the amount of new plant added to the group during the year. The amounts entered in Table 3 for each successive year following the beginning balance or addition are obtained by adding or subtracting the net entries shown on Tables 1 and 2. For the purpose of determining the plant exposed to retirement, transfers-in are considered as being exposed to retirement in this group at the beginning of the year in which they occurred, and the sales and transfers-out are considered to be removed from the plant exposed to retirement at the beginning of the following year. Thus, the amounts of plant shown

TABLE 2. OTHER TRANSACTIONS FOR EACH YEAR 2001-2010
SUMMARIZED BY AGE INTERVAL

Experience Band 2001-2010 | Placement Band 1996-2010

	Acquisitions, Transfers and Sales, Thousands of Dollars During Year											
Placed (1)	2001 (2)	2002 (3)	2003 (4)	2004 (5)	2005 (6)	2006 (7)	2007 (8)	2008 (9)	2009 (10)	2010 (11)	Total During Age Interval (12)	Age Interval (13)
1996	-	-	-	-	-	-	60[a]	-	-	-	-	13½-14½
1997	-	-	-	-	-	-	-	-	-	-	-	12½-13½
1998	-	-	-	-	-	-	-	-	-	-	-	11½-12½
1999	-	-	-	-	-	-	-	(5)[b]	-	-	60	10½-11½
2000	-	-	-	-	-	-	-	6[a]	-	-	-	9½-10½
2001		-	-	-	-	-	-	-	-	-	(5)	8½-9½
2002			-	-	-	-	-	-	-	-	-	7½-8½
2003			-	-	-	-	-	-	-	-	-	6½-7½
2004				-	-	-	-	(12)[b]	-	-	-	5½-6½
2005					-	-	-	-	22[a]	-	-	4½-5½
2006						-	-	(19)[b]	-	-	10	3½-4½
2007							-	-	-	-	-	2½-3½
2008								-	-	(102)[c]	(121)	1½-2½
2009									-	-	-	½-1½
2010											-	0-½
Total	-	-	-	-	-	-	60	(30)	22	(102)	(50)	

[a] Transfer Affecting Exposures at Beginning of Year
[b] Transfer Affecting Exposures at End of Year
[c] Sale with Continued Use
Parentheses denote Credit amount.

TABLE 3. PLANT EXPOSED TO RETIREMENT JANUARY 1
OF EACH YEAR 2001-2010
SUMMARIZED BY AGE INTERVAL

Experience Band 2001-2010 | Placement Band 1996-2010

Year Placed (1)	2001 (2)	2002 (3)	2003 (4)	2004 (5)	2005 (6)	2006 (7)	2007 (8)	2008 (9)	2009 (10)	2010 (11)	Total at Beginning of Age Interval (12)	Age Interval (13)
	Exposures, Thousands of Dollars — Annual Survivors at the Beginning of the Year											
1996	255	245	234	222	209	195	239	216	192	167	167	13½-14½
1997	279	268	256	243	228	212	194	174	153	131	323	12½-13½
1998	307	296	284	271	257	241	224	205	184	162	531	11½-12½
1999	338	330	321	311	300	289	276	262	242	226	823	10½-11½
2000	376	367	357	346	334	321	307	297	280	261	1,097	9½-10½
2001	420[a]	416	407	397	386	374	361	347	332	316	1,503	8½-9½
2002		460[a]	455	444	432	419	405	390	374	356	1,952	7½-8½
2003			510[a]	504	492	479	464	448	431	412	2,463	6½-7½
2004				580[a]	574	561	546	530	501	482	3,057	5½-6½
2005					660[a]	653	639	623	628	609	3,789	4½-5½
2006						750[a]	742	724	685	663	4,332	3½-4½
2007							850[a]	841	821	799	4,955	2½-3½
2008								960[a]	949	926	5,719	1½-2½
2009									1,080[a]	1,069	6,579	½-1½
2010											7,490	0-½
Total	1,975	2,382	2,824	3,318	3,872	4,494	5,247	6,017	6,852	7,799	44,780	

[a] Additions during the year.

at the beginning of each year are the amounts of plant from each placement year considered to be exposed to retirement at the beginning of each successive transaction year. For example, the exposures for the installation year 2006 are calculated in the following manner:

Exposures at age 0	= amount of addition	= $750,000
Exposures at age ½	= $750,000 - $ 8,000	= $742,000
Exposures at age 1½	= $742,000 - $18,000	= $724,000
Exposures at age 2½	= $724,000 - $20,000 - $19,000	= $685,000
Exposures at age 3½	= $685,000 - $22,000	= $663,000

For the entire experience band 2001-2010, the total exposures at the beginning of an age interval are obtained by summing diagonally in a manner similar to the summing of the retirements during an age interval (Table 1). For example, the figure of 3,789, shown as the total exposures at the beginning of age interval 4½-5½, is obtained by summing:

255 + 268 + 284 + 311 + 334 + 374 + 405 + 448 + 501 + 609.

<u>Original Life Table</u>. The original life table, illustrated in Table 4 on page II-17**,** is developed from the totals shown on the schedules of retirements and exposures, Tables 1 and 3, respectively. The exposures at the beginning of the age interval are obtained from the corresponding age interval of the exposure schedule, and the retirements during the age interval are obtained from the corresponding age interval of the retirement schedule. The retirement ratio is the result of dividing the retirements during the age interval by the exposures at the beginning of the age interval. The percent surviving at the beginning of each age interval is derived from survivor ratios,

TABLE 4. ORIGINAL LIFE TABLE
CALCULATED BY THE RETIREMENT RATE METHOD

Experience Band 2001-2010

Placement Band 1996-2010

(Exposure and Retirement Amounts are in Thousands of Dollars)

Age at Beginning of Interval (1)	Exposures at Beginning of Age Interval (2)	Retirements During Age Interval (3)	Retirement Ratio (4)	Survivor Ratio (5)	Percent Surviving at Beginning of Age Interval (6)
0.0	7,490	80	0.0107	0.9893	100.00
0.5	6,579	153	0.0233	0.9767	98.93
1.5	5,719	151	0.0264	0.9736	96.62
2.5	4,955	150	0.0303	0.9697	94.07
3.5	4,332	146	0.0337	0.9663	91.22
4.5	3,789	143	0.0377	0.9623	88.15
5.5	3,057	131	0.0429	0.9571	84.83
6.5	2,463	124	0.0503	0.9497	81.19
7.5	1,952	113	0.0579	0.9421	77.11
8.5	1,503	105	0.0699	0.9301	72.65
9.5	1,097	93	0.0848	0.9152	67.57
10.5	823	83	0.1009	0.8991	61.84
11.5	531	64	0.1205	0.8795	55.60
12.5	323	44	0.1362	0.8638	48.90
13.5	167	26	0.1557	0.8443	42.24
					35.66
Total	44,780	1,606			

Column 2 from Table 3, Column 12, Plant Exposed to Retirement.
Column 3 from Table 1, Column 12, Retirements for Each Year.
Column 4 = Column 3 divided by Column 2.
Column 5 = 1.0000 minus Column 4.
Column 6 = Column 5 multiplied by Column 6 as of the Preceding Age Interval.

each of which equals one minus the retirement ratio. The percent surviving is developed by starting with 100% at age zero and successively multiplying the percent surviving at the beginning of each interval by the survivor ratio, i.e., one minus the retirement ratio for that age interval. The calculations necessary to determine the percent surviving at age 5½ are as follows:

Percent surviving at age 4½	=	88.15				
Exposures at age 4½	=	3,789,000				
Retirements from age 4½ to 5½	=	143,000				
Retirement Ratio	=	143,000	÷	3,789,000	=	0.0377
Survivor Ratio	=	1.000	-	0.0377	=	0.9623
Percent surviving at age 5½	=	(88.15)	x	(0.9623)	=	84.83

The totals of the exposures and retirements (columns 2 and 3) are shown for the purpose of checking with the respective totals in Tables 1 and 3. The ratio of the total retirements to the total exposures, other than for each age interval, is meaningless.

The original survivor curve is plotted from the original life table (column 6, Table 4). When the curve terminates at a percent surviving greater than zero, it is called a stub survivor curve. Survivor curves developed from retirement rate studies generally are stub curves.

<u>Smoothing the Original Survivor Curve</u>. The smoothing of the original survivor curve eliminates any irregularities and serves as the basis for the preliminary extrapolation to zero percent surviving of the original stub curve. Even if the original survivor curve is complete from 100% to zero percent, it is desirable to eliminate any irregularities, as there is still an extrapolation for the vintages which have not yet lived to the age at which the curve reaches zero percent. In this study, the smoothing of the original curve with established type curves was used to eliminate irregularities in the original curve.

The Iowa type curves are used in this study to smooth those original stub curves which are expressed as percents surviving at ages in years. Each original survivor curve was compared to the Iowa curves using visual and mathematical matching in order to determine the better fitting smooth curves. In Figures 6, 7, and 8, the original curve developed in Table 4 is compared with the L, S, and R Iowa type curves which most nearly fit the original survivor curve. In Figure 6, the L1 curve with an average life between 12 and 13 years appears to be the best fit. In Figure 7, the S0 type curve with a 12-year average life appears to be the best fit and appears to be better than the L1 fitting. In Figure 8, the R1 type curve with a 12-year average life appears to be the best fit and appears to be better than either the L1 or the S0.

In Figure 9, the three fittings, 12-L1, 12-S0 and 12-R1 are drawn for comparison purposes. It is probable that the 12-R1 Iowa curve would be selected as the most representative of the plotted survivor characteristics of the group.

Compliance of the Retirement Rate Method of Analysis to IFRS

The Canadian Accounting Standards Board has announced that Canadian Generally Accepted Accounting Principles (GAAP) will cease to exist as of a target date in 2011 (or 2012 for regulated entities that elect to defer implementation for 1 year). As of that date many organizations will be required to report under the International Financial Accounting Standards (IFRS). The International Accounting Standard (IAS) 16 deals with the recognition and reporting of property, plant and equipment.

This standard requires that the depreciation expense associated with an asset be aligned with the expected service life of the asset. Gannett Fleming notes that the

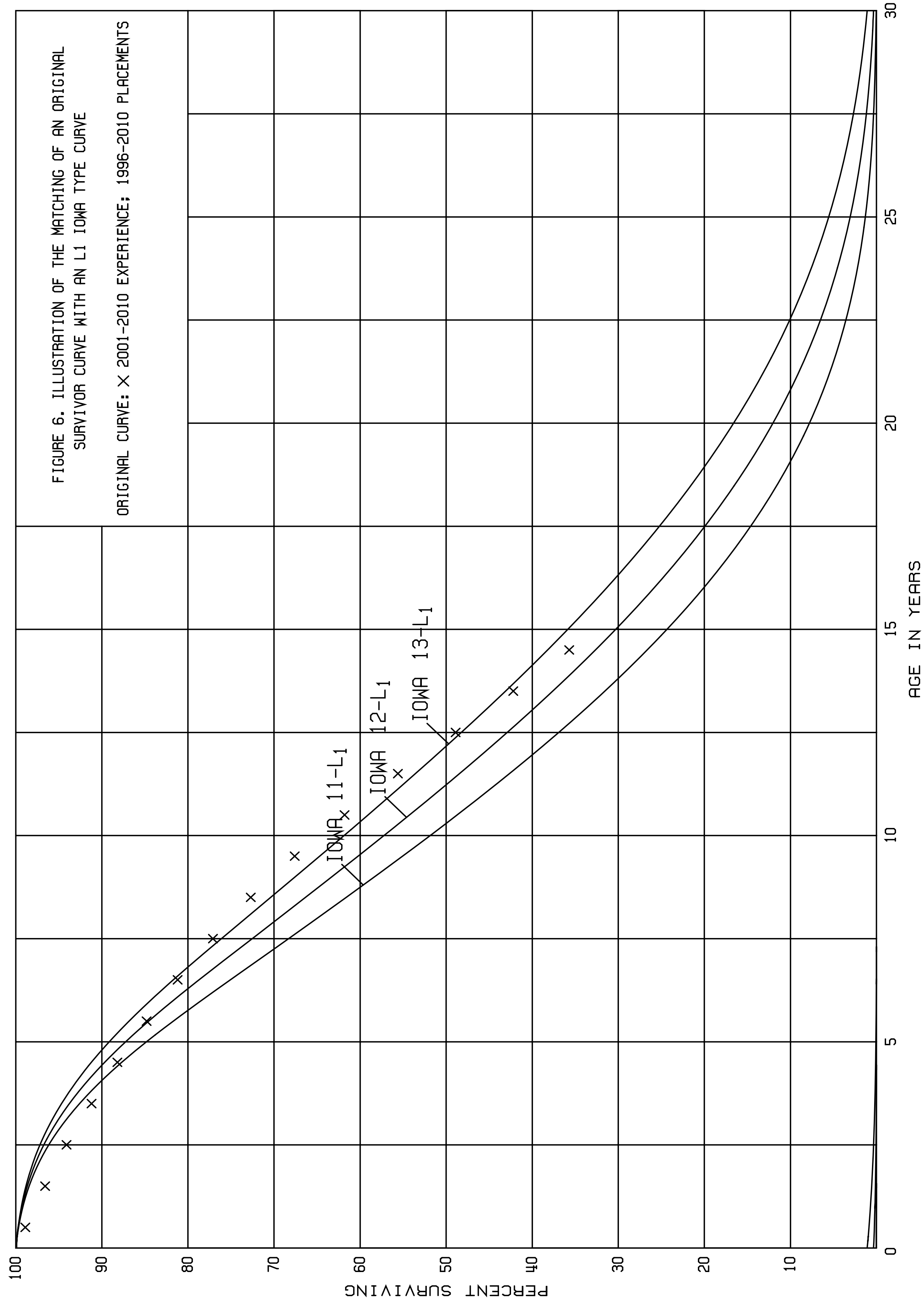


FIGURE 6. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN L1 IOWA TYPE CURVE
ORIGINAL CURVE: × 2001-2010 EXPERIENCE; 1996-2010 PLACEMENTS
IOWA 11-L1
IOWA 12-L1
IOWA 13-L1
AGE IN YEARS
PERCENT SURVIVING
0
5
10
15
20
25
30
100
90
80
70
60
50
40
30
20
10

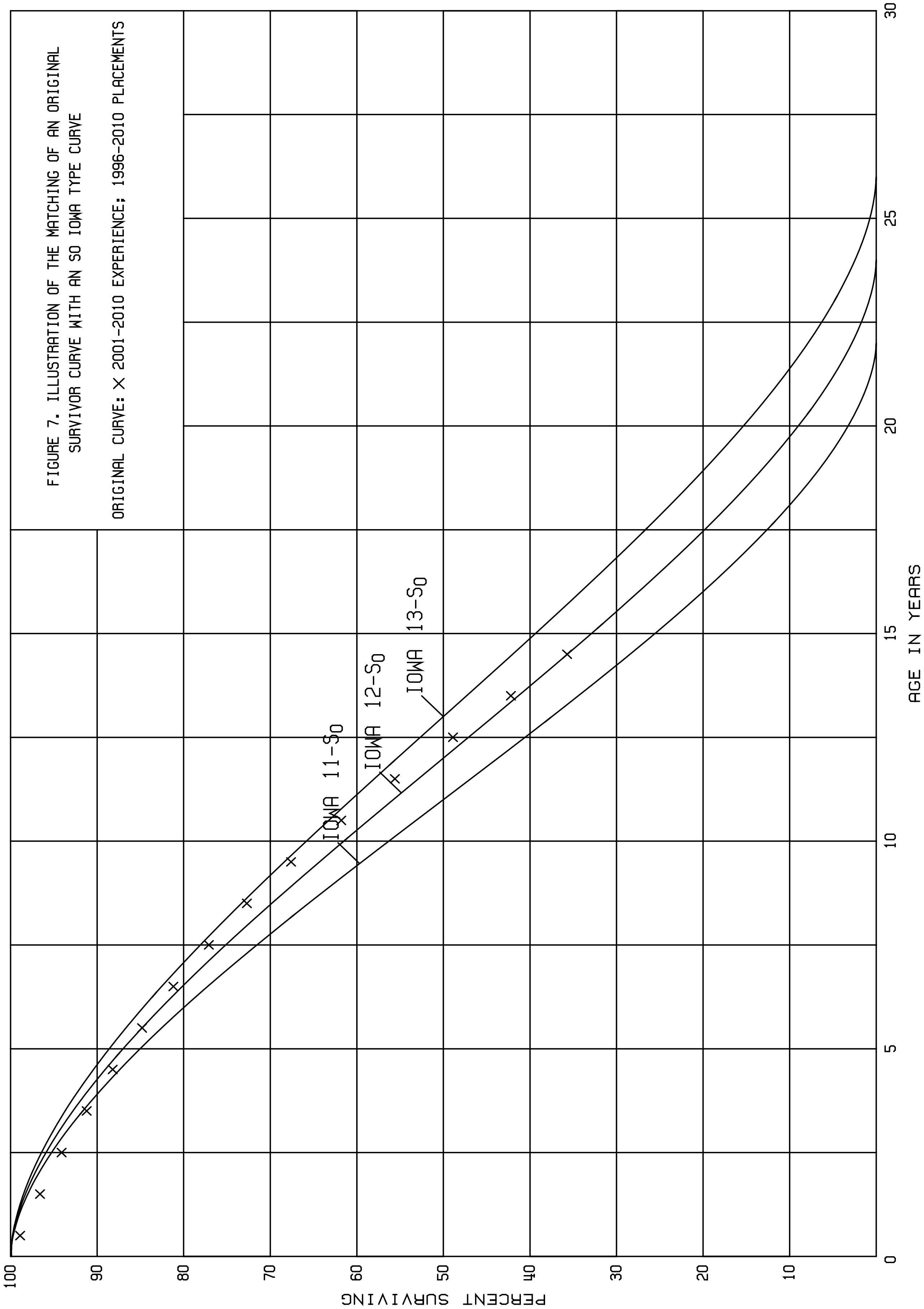


FIGURE 7. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN SO IOWA TYPE CURVE
ORIGINAL CURVE: × 2001-2010 EXPERIENCE; 1996-2010 PLACEMENTS
IOWA 11-S0
IOWA 12-S0
IOWA 13-S0
PERCENT SURVIVING
100
90
80
70
60
50
40
30
20
10
AGE IN YEARS
0
5
10
15
20
25
30

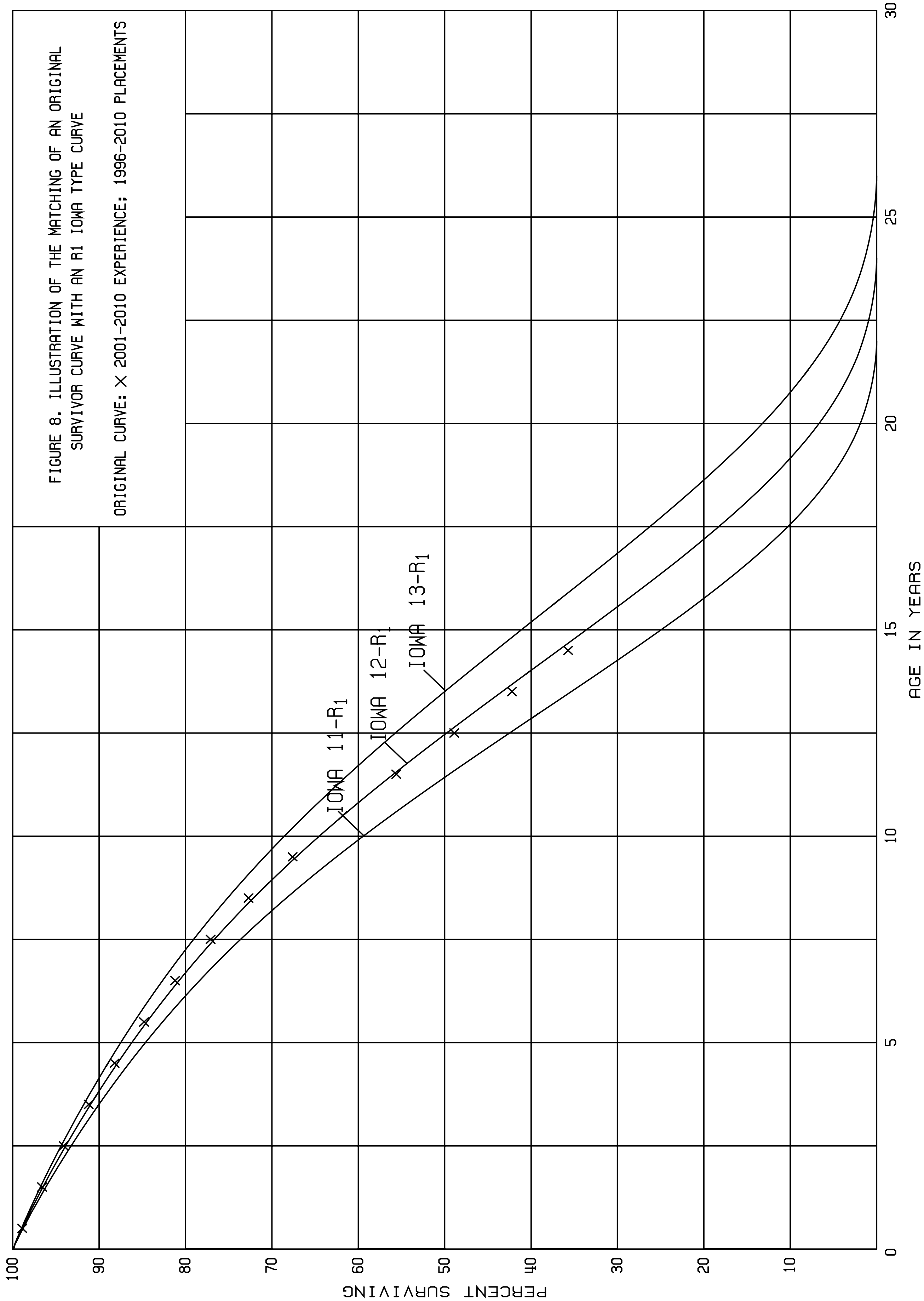


FIGURE 8. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN R1 IOWA TYPE CURVE

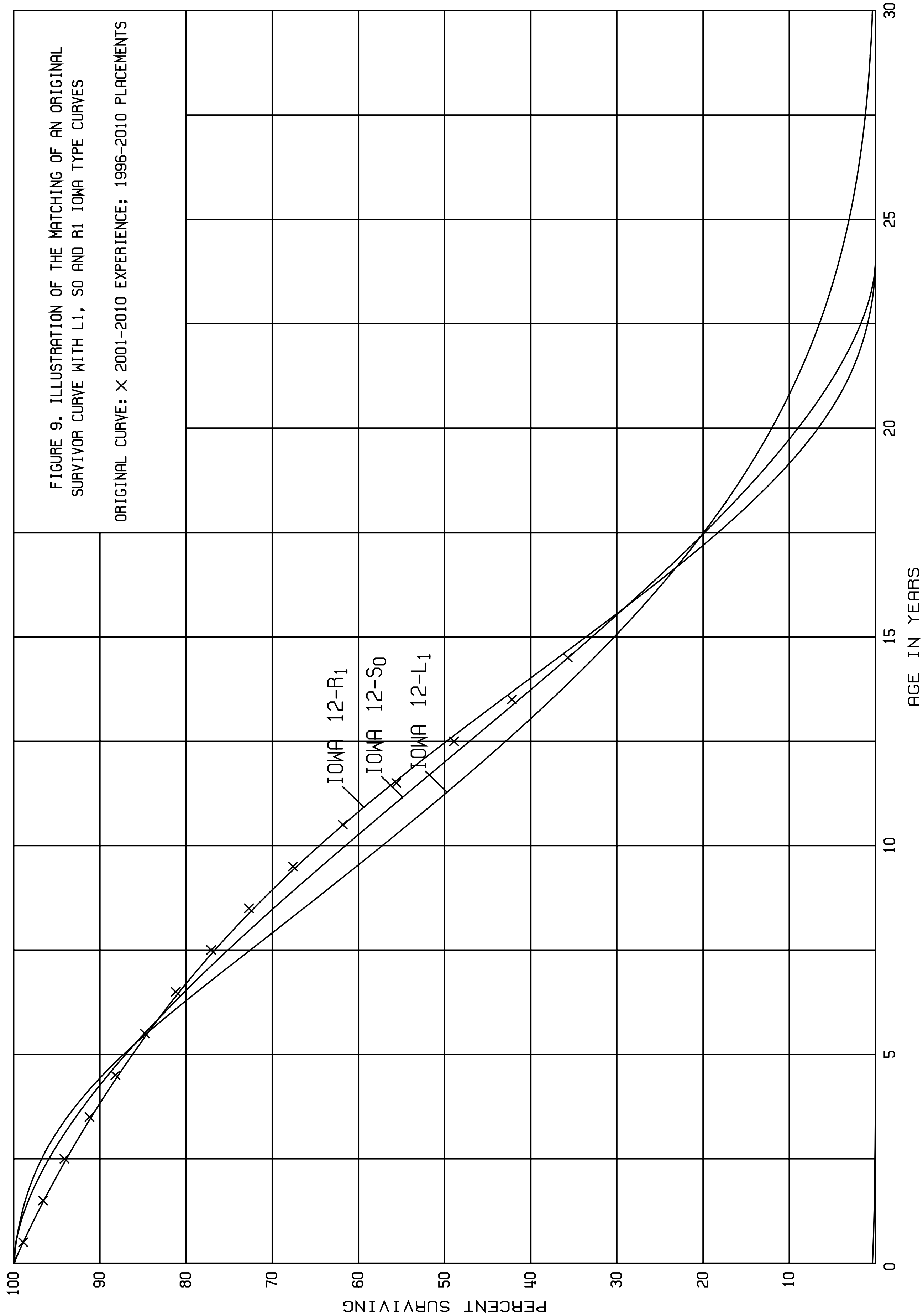


FIGURE 9. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH L1, S0 AND R1 IOWA TYPE CURVES

requirements and implementation of IFRS are generally aligned with the appropriate and reasonable depreciation practices and procedures commonly used for regulatory purposes.

In the view of Gannett Fleming, the use of an Iowa curve in the estimation of average service life and retirement expectations of a group of homogenous assets meets the requirements of IAS 16. However, the account structure of the utility must be analyzed to ensure that the assets included in each group are like in nature and service of the asset to the utility is similar. In this manner, it can be expected that any one of the assets in the group are equally likely to be subjected to any of the forces of retirement to which the group of assets are subjected.

In order to better meet the componentization requirements as discussed above, and to continue to use group accounting and depreciation practices, the company reviewed the type of physical assets included in all plant accounts. As a result of this review, Manitoba Hydro has developed a significant number of new accounts, particularly with regard to electric generation plant. Also as part of this development of new accounts, the company has recreated a database of aged plant accounting retirements and balances. Gannett Fleming used this database to perform a detailed retirement rate analysis as described previously in the report. In a limited number of accounts, Manitoba Hydro was not able to develop aged retirement balances. In these circumstances, Gannett Fleming statistically aged the unaged transactions in order that the retirement rate analysis could be completed for all accounts.

Survivor Curve Judgments. The survivor curve estimates were based on judgment which considered a number of factors. The primary factors were the statistical

analysis of data; current policies and outlook as determined during conversations with management personnel and on the knowledge Gannett Fleming developed through the completion of numerous electric utility studies.

The following discussion, dealing with a number of accounts which comprise the majority of the investment analyzed, presents an overview of the factors considered by Gannett Fleming in the determination of the average service life estimates. The survivor curve estimates for the remainder of the accounts not discussed in the following sections were based on similar considerations.

GENERATION ACCOUNTS

Gannett Fleming developed unique depreciation rate calculations for each of the hydraulic generation plants in order to specially recognize the life span of each of the plants. However, the retirement rate analysis was prepared on the basis of a grouping at an account level of the plant accounting data related to the combined databases from all hydraulic generation sites. Therefore, the analyses presented in Section IV of the Supporting Documents and as discussed below, are based on the combined data from all locations for each account.

Account Grouping A – Dams, Dykes and Weirs, represents 10% of the generation and 4.3% of depreciable assets studied. The investment in this account related mainly to the geo-technical components, including the earthen structures. Company management and operational staff have indicated that these structures were engineered to a high standard in order to provide an increased level of safety and longevity. Additionally, the operational staff views that the environmental conditions to which the investment in this account is exposed will result in a slower erosion of the physical structures. As such, it is expected that the investment in this account would have a longer average life expectation than many of the peer group of Canadian electric generation utilities. Additionally, on a yearly basis the company invests between $4 and $5 million on dam safety programs throughout its system.

The retirement rate analysis as presented on pages IV-3 through IV-5 has reviewed the retirement history from 1952 through 2010. The currently approved Iowa curve related to these assets is the Iowa 100-R3. Based on the retirement rate analysis, and on the expectations of operational staff, Gannett Fleming recommends the extension of the average service life estimate and an increase to the mode of the retirement dispersion curve to the Iowa 125-R4.

Account Grouping B – Powerhouse, represents 20% of the generation assets and 8.4% of the depreciable assets studied. The investment in this account relates to the powerhouses and civil buildings, including the structural and concrete components.

The hydraulic generation powerhouses are normally part of the physical concrete dam structure. However, in the circumstance of the Grand Rapids generation site, the powerhouse is physically located behind the dam in a separate structure. Based on the retirement rate analysis as presented on pages IV-7 through IV-9 and on the expectations of operational staff, Gannett Fleming recommends the extension of the average service life estimate for this account to the Iowa 125-R4 from the Iowa 100-R3 curve for the civil assets related to the hydraulic assets. In this recommendation, the average service life characteristics of the powerhouses will be matched to the estimated retirement dispersion related to the Dams, Dykes and Weirs account.

With regard to the powerhouses related to thermal generation plants, the powerhouse is more typical of industrial concrete or steel buildings. As such it is estimated that the average service life associated with powerhouse buildings related to thermal plant locations would have a shorter average service life than the estimates for the hydraulic generation sites. Therefore, based on the expectations of operational staff, Gannett Fleming recommends continuation of the currently approved Iowa 65-R4 curve for thermal assets.

Account Grouping D – Spillway, represents 7% of the generation assets and 3.1% of the depreciable assets studied. The typical average service lives for spillways within the Canadian electric generation industry range from 60 to 100 years. The investment in this account was, in previous deprecation studies, included in the large group of civil assets and depreciated with an Iowa 100-R3 curve. Given the ability to separately analyze this investment, based on the retirement rate analysis as presented on pages IV-11 through IV-13 of the supporting documents and on the expectations of operational staff, Gannett Fleming recommends the reduction of the average service life estimate for this account to the Iowa 75-R2 curve.

Account Grouping E – Water Control Systems, represents 6% of the generation assets and 2.5% of the depreciated assets studied. The investment in this account includes the investment related to gates, guides and hoists. These types of assets are subjected to wear and tear and will require replacement over the life of the generation plant. The average service life estimates among Canadian peer utilities range from 45 to 75 years.

Interviews with company operational staff have indicated an expectation of a 50 year life. The investment in this account was, in previous deprecation studies, included in the large group of civil assets and depreciated with an Iowa 100-R3 curve. Based on the retirement rate analysis as presented on pages IV-15 through IV-17 of the supporting documents, and on the expectations of operational staff, Gannett Fleming recommends the use of a 50-year average service life estimate and an increase in the mode of the Iowa curve from R3 to S4, resulting in a recommended Iowa 50-S4 curve.

Account Grouping P – A/C Electrical Power Systems, represents 22% of the generation assets and 9.2% of the depreciable assets studied. The investment in this account relates to the station electric transformer and station service. The assets in this account were previously depreciated with the Accessory Station Equipment using the Iowa 50-R3 curve. With the separation of this account, a retirement rate analysis was undertaken. Based on the retirement rate analysis as presented on pages IV-34 through IV-36 and on the expectations of operational staff, Gannett Fleming recommends the continued use of the Iowa 50-R3, as shown on page IV-33 of the Supporting Documents.

Life Span Estimates. Life expectancy of electric generation plant assets are impacted by not only physical wear and tear of the assets but also on economic factors including the feasibility of the economic replacement of major operating components or the economic viability of the plant as a whole. In circumstances where the replacement of major operating components is not economically feasible, the life of the major component can be the determining factor of the generation plant and all of the assets within the plant. As such, the depreciable remaining life of electric generation plant assets is the lesser of the physical life expectation of the asset or the period at the end of the life span of the generation plant.

The use of life span dates for determining depreciable lives for regulated electric generation plant is common through many North American Regulatory jurisdictions. The basis for the determination of the life span date is usually based on one or all of the following:

- The physical life estimation of the major and vital components of the generating plant;
- The duration of operating licenses;
- Precedent and policy of the regulatory jurisdiction;
- Expiration of the supply source for which the generation plant is dependent; and
- Expiration of market demand upon which the generation plant is dependent.

In prior depreciation reviews, Manitoba Hydro has determined a life span date for most of the regulated hydraulic plants based on an overall life estimate of 100 years. The management and operational staff of Manitoba Hydro have reviewed this policy and determined that the economic life of the generation plants should be extended to 140 years beyond the date of initial construction. The application of this policy was reviewed for its reasonableness at each of the generation plants and was modified in three circumstances as follows:

- Pointe du Bois – March 31, 2031 (125 years)
- Grand Rapids – March 31, 2091 (125 years)
- Laurie River – March 31, 2032 (80 years)

DIESEL ACCOUNTS

Account 1300B – Buildings, represents 21% of the diesel assets and less than 1% of the depreciable assets studied. The statistical analysis indicates a 30-year average service life expectation. In addition, the Diesel Buildings are subjected to increased amounts of wear and tear than other generation buildings within the Manitoba Hydro system, and therefore will have a shorter life expectation. Based on the retirement rate analysis as presented on page IV-56, and on the expectations of operational staff, Gannett Fleming recommends the extension of the average service life estimate for this account to the 30-R3 from the 18-R2 Iowa curve which was previously used.

Account 1300N – Engines and Generators, represents 41% of the diesel assets and less than 1% of the depreciable assets studied. The statistical analysis indicates a life of approximately 25 years. The operational staff at Manitoba Hydro also confirms the life expectation of 25 years. In addition, the industry peer average service life estimates range from 20 to 30 years. Based on the retirement rate analysis as presented on page IV-58, and on the expectations of operational staff, Gannett Fleming recommends the extension of the average service life estimate for this account to the Iowa 25-R2.

Account 1300Q – Accessory Station Equipment, represents 30% of the diesel assets and less than 1% of the depreciable assets studied. The investment in this account includes the investment related to step-up transformers, and control panels which were all replaced approximately 15 to 20 years ago. Based on the retirement rate analysis presented on page IV-60, and on the expectations of operational staff, Gannett

Fleming recommends the extension of the average service life estimate for this account to the Iowa 20-R3.

TRANSMISSION ACCOUNTS

Account 2000G – Metal Towers and Concrete Poles, represents 45% of the transmission assets and 2.8% of the depreciable assets studied. The company had a previously approved life estimate of 85 years for this account. The original survivor curve as shown on page IV-67 indicated a modest level of retirement activity through age 42, with an indication of increased retirement activity thereafter. The transmission towers have historically withstood environmental influences such as ice storms, severe winter conditions, and corrosion. There are some replacements that will be required with the need to replace the 105-year old towers from Point du Bois, but there are no other significant replacement plans over the next 25 to 30 years. The industry average service life ranges from 50 to 65 years.

Interviews with company operational staff have indicated an expectation of a longer life than the industry peers. Based on the retirement rate analysis as presented on pages IV-68 through IV-70 of the supporting documents, and on the expectations of operational staff, Gannett Fleming recommends the continued use of an 85-year average service life estimate and an increase in the mode of the Iowa curve from R3 to R4, resulting in a recommended Iowa 85-R4 curve.

Account 2000L – Overhead Conductor and Devices, represents 40% of the transmission assets and 3% of the depreciable assets studied. The retirement pattern shows only modest retirements up until age 22 and retirements increasing at a low rate thereafter. Based on the retirement rate analysis as presented on pages IV-75 through

V-77, and on the expectations of operational staff, Gannett Fleming recommends the extension of the average service life estimate for this account from a 60-L4 Iowa curve to the Iowa 65-R4.

SUBSTATION ACCOUNTS

Account 3100R – Power Transformers, represents 12% of the substations assets and 2% of the depreciable assets studied. The retirement pattern shows modest retirements starting about year five and increasing thereafter. The operational staff has not identified any problems with Manitoba Hydro's transformers. Manitoba Hydro also has a standard practice to repair through operating budgets for as long of a period as possible in order to extend the lives as long as possible for transformers. Additionally, newer transformers are expected to have shorter lives than the older units, as the new units are being manufactured to tighter capacity tolerances. The typical industry lives range from 40 to 60 years. Based on the retirement rate analysis, and on the expectations of operational staff, Gannett Fleming recommends an Iowa 50-R2 curve.

Account 3100T – Interrupting Equipment, represents 6% of the substations assets and 1% of the depreciable assets studied. The retirement pattern shows modest retirements starting about year five and increasing thereafter. Based on the retirement rate analysis, and on the expectations of operational staff, Gannett Fleming recommends an Iowa 45-R2 curve.

Account 3100U – Other Station Equipment, represents 21% of the substations assets and 4% of the depreciable assets studied. Comparable utilities with the electric industry have lives ranging from 45 to 53 years. The retirement pattern shown at page IV-99 shows modest retirements starting about year five and increasing thereafter.

Based on the retirement rate analysis, and on the expectations of operational staff, Gannett Fleming recommends an Iowa 43-R2 curve.

Account 3100V – Electronic Equipment and Batteries, represents 6% of the substations assets and 1% of the depreciable assets studied. Comparable utilities within the electric industry have lives ranging from 15 and 25 years. The retirement pattern as shown at page IV-103 shows modest retirements starting about year five and increasing thereafter. Based on the retirement rate analysis, and on the expectations of operational staff, Gannett Fleming recommends an Iowa curve of 20-R2.

Account 3200P – Convertor Equipment HVDC, represents 9% of the substations assets and 2% of the depreciable assets studied. The retirement pattern as shown on page IV-108 shows modest retirements starting about year nine and slowly increasing until about age 25 and increasing at a faster rate thereafter. Based on the retirement rate analysis, and on the expectations of operational staff, Gannett Fleming recommends an Iowa 25-R3 curve.

Account 3200S – Serialized Equipment-HVDC, represents 26% of the substations assets and 5% of the depreciable assets studied. The retirement pattern as shown on page IV-110 shows retirements starting at year two and then increasing thereafter. Based on the retirement rate analysis, and on the expectations of operational staff, Gannett Fleming recommends an Iowa 25-R2 curve.

DISTRIBUTION ACCOUNTS

Account 4000J – Poles and Fixtures, represents 24% of the distribution assets and 5% of the depreciable assets studied. The poles are a mix of pine and cedar with wood poles making up about 99.5% of the poles in service. Typical industry lives for wood poles range from 38 to 55 years. The retirement rate analysis as shown on pages IV-122 and IV-123 has indicated a preliminary average service life estimate of the Iowa 34-R3, which was at the short end of the range of peer industry comparable companies.

Manitoba Hydro operational staff confirmed the Gannett Fleming view that the statistically developed 34-year average service life estimate was too short for this account, and should have an average service life of at least 55 to 60 years. Based on all factors, Gannett Fleming recommends an Iowa 55-R3 curve, which maintains the retirement dispersion shape from the retirement rate analysis, conforms to the view of the Manitoba Hydro operational staff, and is within the range of industry peers.

Account 4000L – Overhead Conductor and Devices, represents 26% of the distribution assets and 5.1% of the depreciable assets studied. The retirement rate analysis as shown on pages IV-125 and IV-126 has indicated a preliminary average service life estimate of the Iowa 32-R2, which was at the short end of the range of peer industry comparable companies. Typical industry averages show lives ranging from 45 to 60 years, which is longer than the statistically developed life estimate of 32 years.

Operational staff indicated they are seeing no major issues with conductors and they would expect lives to be longer than the 55-year life estimate recommended for the poles account as the conductor is not always replaced when poles are retired. Based on all factors, Gannett Fleming recommends an Iowa 60-R2 curve, which maintains the retirement dispersion shape from the retirement rate analysis, conforms to the view of the Manitoba Hydro operational staff, and is within the range of industry peers.

Account 4000N – Underground Cable and Devices – Primary, represents 11% of the distribution assets and 2% of the depreciable assets studied. Operational staff indicated there are no major issues with newer underground cable installed within the last 25 years. However, the older cable previously installed was of inferior quality and is starting to be retired at about 45 years. Typical industry averages show lives ranging from 40 to 80 years. Based on the retirement rate analysis as shown on pages IV-130 and 131 and on the expectations of operational staff and industry comparables, Gannett Fleming recommends an Iowa 60-R4 curve.

Account 4000P – Underground Cable and Devices – Secondary, represents 8% of the distribution assets and 2% of the depreciable assets studied. The newer underground cable is about 25 years old and is showing no major issues according to Manitoba Hydro's operational staff. In addition, the older underground cable is starting to retire at about 45 years. Typical industry averages are indicating lives between 40 and 80 years. Based on the retirement rate analysis as shown on pages IV-133 and IV-134 the expectations of operational staff along with industry comparables, Gannett Fleming recommends an Iowa 45-R4 curve.

Account 4000Q – Serialized Equipment – Overhead, represents 8% of the distribution assets and 2% of the depreciable assets studied. The investment in this account primarily relates to pole top transformers. Interviews with operational staff indicated the company intends to continue to refurbish and reuse transformers. Comparable Industry averages range from 27 to 45 years. Based on the expectations of operational staff along with industry comparables, Gannett Fleming recommends an Iowa 35-R3 curve.

Account 4000S – Serialized Equipment – Underground, represents 7% of the distribution assets and 1% of the depreciable assets studied. The investment in this

account primarily relates to pad mounted transformers for underground service. Interviews with operational staff indicated the company intends to continue to refurbish and reuse these transformers. Comparable industry averages range from 27 to 45 years. Based on the expectations of operational staff along with industry comparables, Gannett Fleming recommends an Iowa 40-R3 curve.

The survivor curve estimates for the remaining accounts were based on similar considerations of historical analyses, management outlook and estimates for this company and other electric utilities.

NET SALVAGE ESTIMATES

This report is developed to be in compliance with the requirements of IFRS for financial reporting purposes. The pre-collection of future costs of removal within depreciation expense is not compliant with the standards. Manitoba Hydro has requested that all net negative salvage provisions be removed from the depreciation rate calculations. To the extent that it is necessary to remove existing assets in order to replace them, the costs of removal will be recorded as a capital cost of the replacement assets at the time of the retirement of the assets currently in service.

IAS 16 does provide for the recognition of residual value of assets at the time of retirement to be recognized in depreciation expense. Therefore, a residual salvage calculation has been incorporated into the depreciation rates for a number of general plant accounts.

CALCULATION OF ANNUAL AND ACCRUED DEPRECIATION

Group Depreciation Procedures. When more than a single item of property is under consideration, a group procedure for depreciation is appropriate because normally all of the items within a group do not have identical service lives, but have lives that are dispersed over a range of time. There are two primary group procedures, namely, Average Service Life (ASL) and Equal Life Group (ELG).

The difference in calculation of depreciation expense derived from ELG and ASL can best be explained with the use of a simple example.

ASL Versus ELG Example. Assume one plant account with a total cost of $2,000 is comprised of two subgroups of assets, each with an original cost of $1,000. The first group has a life of 5 years, while the second group has a life of 15 years.

Under both procedures the average life of this plant account would equal 10 years (15 + 5)/2. With the ASL procedure this average life would be used to determine the depreciation accruals for the first 5 years as follows:

($2,000 / 10 years) = $200 per year

The accrual for years 6 through 15 would be as follows:

($1,000 / 10 years) = $100 per year

Under the ELG procedure, the expense for each sub group is determined and then added together. Therefore for the first 5 years, the accrual would be as follows:

($1,000 / 5 years) + ($1,000 / 15 years) = $267 per year.

The accrual for years 6 through 15 would be as follows:

($1,000 / 15 years) = $67 per year.

The following table sets out the differences in the two methods:

Average Service Life Procedure				Equal Life Group Procedure			
Year	Accruals ($)	Retirements ($)	Acc. Deprn Balance ($)	Year	Accruals ($)	Retirements ($)	Acc. Deprn Balance ($)
1	200		200	1	267		267
2	200		400	2	267		534
3	200		600	3	267		801
4	200		800	4	267		1,068
5	200	1,000	0	5	267	1,000	335
6	100		100	6	67		402
7	100		200	7	67		469
8	100		300	8	67		536
9	100		400	9	67		603
10	100		500	10	67		670
11	100		600	11	66		736
12	100		700	12	66		802
13	100		800	13	66		868
14	100		900	14	66		934
15	100	1,000	0	15	66	1,000	0

It should be noted from the table that overall, both methods will recover the same original cost, however, there are two key differences. First, using the ASL procedure, after the first 5 years, no depreciation has been collected for the asset remaining in service. Essentially, the concept of depreciation expense matching the assets providing service is not met. With the ELG procedure, this problem is remedied and after the retirement at year 5 of the shorter life asset, an appropriate provision for the first 5 years of service on the longer living asset is accumulated ($67 X 5 years = $335). Under ELG all current users are sharing the cost of all assets in service.

Secondly, under ASL the customers using the last remaining assets are required to pick up an adjustment for the under accrual of depreciation expense during the early years of the account. This inter-generational inequity would result in a situation at

Manitoba Hydro where users in the later years of the system bear the cost of under accruals which benefited earlier users of the system.

Effectively, later users of the system would be subsiding previous users. With potential changes in the utility industry, future users of the facilities may be different from the current system users. This lack of stability will magnify the inter-generational inequity of the ASL procedure.

Conformance of ELG to IFRS. IAS 16 requires depreciation expense to reflect the life expectation of assets in service. As indicated in the above example, the rate of annual depreciation is based on the average life or average service life of the group, and this rate is applied to the surviving balances of the group's cost. As further noted in the above example, a characteristic of the ASL procedure is that the cost of plant retired prior to average life is not fully recouped at the time of retirement, whereas the cost of plant retired subsequent to average life is more than fully recouped. Over the entire life cycle, the portion of cost not recouped prior to average life is balanced by the cost recouped subsequent to average life. In this procedure, the accrued depreciation is based on the average service life of the group and the average remaining life of each vintage within the group derived from the area under the survivor curve between the attained age of the vintage and the maximum age.

In the ELG procedure, the property group is subdivided according to service life. That is, each equal life group includes that portion of the property which experiences the life of that specific group. The relative size of each equal life group is determined from the property's life dispersion curve. The calculated depreciation for the property group is the summation of the calculated depreciation based on the service life of each equal life group.

The table on the following page presents an illustration of the calculation of equal life group depreciation in a mass property account using the Iowa 15-R3 survivor curve, 0 percent net salvage and a December 31, 2010 calculation date. In the table, each equal life group is defined by the age interval shown in columns 1 and 2. These are the ages at which the first and last retirement of each group occurs, and the group's equal life, shown in column 3, is the midpoint of the interval. For purposes of the calculation, each vintage is divided into equal life groups arranged so that the midpoint of each one-year age interval coincides with the calculation date, e.g., December 31 in this case. This enables the calculation of annual accruals for a twelve-month period centered on the date of calculation.

The retirement during the age interval, shown in column 4, is the size of each equal life group and is derived from the Iowa 15-R3 survivor curve and 0 percent net salvage. It is the difference between the percents surviving at the beginning and end of the age interval. Each equal life group's annual accrual, shown in column 5, equals the group's size (column 4) divided by its life (column 3).

Columns 7 through 10 show the derivation of the annual and accrued factors for each vintage based on the information developed in the first five columns. The year installed is shown in column 6. For all vintages other than 2010, the summation of annual accruals for each year installed, shown in column 7, is calculated by adding one-half of the group annual accrual (column 5) for that vintage's current age interval plus the group annual accruals for all succeeding age intervals. For example, the figure

7.53413204309 for 2009 equals one-half of 0.14669333333 plus all of the succeeding figures in column 5. Only one-half of the annual accrual for the vintage's current age interval group is included in the summation because the equal life group for that interval has reached the year during which it is expected to be retired.

DETAILED COMPUTATION OF ANNUAL AND ACCRUED FACTORS USING THE EQUAL LIFE GROUP PROCEDURE

INPUT PARAMETERS:
CALCULATION DATE.. 12-31-2010
SURVIVOR CURVE.... 15-R3

AGE INTERVAL BEG (1)	END (2)	LIFE (3)	RETIREMENTS DURING INTERVAL (4)	GROUP ANNUAL ACCRUAL (5)=(4)/(3)	YEAR INST (6)	SUMMATION OF ANNUAL ACCRUALS (7)	AVERAGE PERCENT SURVIVING (8)	ANNUAL FACTOR (9)	ACCRUED FACTOR (10)
0.000	1.000	0.500	0.13204	0.13204000000	2010	7.73951870976	99.939619	0.0774	0.0387
1.000	2.000	1.500	0.22004	0.14669333333	2009	7.53413204309	99.757940	0.0755	0.1133
2.000	3.000	2.500	0.34901	0.13960400000	2008	7.39098337643	99.473416	0.0743	0.1858
3.000	4.000	3.500	0.53168	0.15190857143	2007	7.24522709071	99.033069	0.0732	0.2562
4.000	5.000	4.500	0.77648	0.17255111111	2006	7.08299724944	98.378988	0.0720	0.3240
5.000	6.000	5.500	1.09520	0.19912727273	2005	6.89715805752	97.443149	0.0708	0.3894
6.000	7.000	6.500	1.50085	0.23090000000	2004	6.68214442116	96.145127	0.0695	0.4518
7.000	8.000	7.500	1.99686	0.26624800000	2003	6.43357042116	94.396275	0.0682	0.5115
8.000	9.000	8.500	2.59836	0.30568941176	2002	6.14760171528	92.098663	0.0668	0.5678
9.000	10.000	9.500	3.32846	0.35036421053	2001	5.81957490413	89.135249	0.0653	0.6204
10.000	11.000	10.500	4.20015	0.40001428571	2000	5.44438565601	85.370944	0.0638	0.6699
11.000	12.000	11.500	5.24273	0.45588956522	1999	5.01643373055	80.649505	0.0622	0.7153
12.000	13.000	12.500	6.46397	0.51711760000	1998	4.52993014794	74.796157	0.0606	0.7575
13.000	14.000	13.500	7.78086	0.57636000000	1997	3.98319134794	67.673742	0.0589	0.7952
14.000	15.000	14.500	9.04123	0.62353310345	1996	3.38324479621	59.262695	0.0571	0.8280
15.000	16.000	15.500	9.97724	0.64369290323	1995	2.74963179287	49.753461	0.0553	0.8572
16.000	17.000	16.500	10.26569	0.62216303030	1994	2.11670382611	39.631994	0.0534	0.8811
17.000	18.000	17.500	9.71888	0.55536457143	1993	1.52794002524	29.639708	0.0516	0.9030
18.000	19.000	18.500	8.35418	0.45157729730	1992	1.02446909088	20.603179	0.0497	0.9195
19.000	20.000	19.500	6.50335	0.33350512821	1991	0.63192787812	13.174414	0.0480	0.9360
20.000	21.000	20.500	4.58978	0.22389170732	1990	0.35322946036	7.627850	0.0463	0.9492
21.000	22.000	21.500	2.91547	0.13560325581	1989	0.17348197879	3.875224	0.0448	0.9632
22.000	23.000	22.500	1.61144	0.07161955556	1988	0.06987057311	1.611769	0.0434	0.9765
23.000	24.000	23.500	0.66967	0.02849659574	1987	0.01981249746	0.471215	0.0420	0.9870
24.000	25.000	24.500	0.13425	0.00547959184	1986	0.00282440367	0.069256	0.0408	0.9996
25.000	25.350	25.175	0.00213	0.00008460775	1985	0.00001480636	0.000373	0.0397	1.0000
TOTAL			100.00000						

The summation of annual accruals (column 7) for installations during 2010 is calculated on the basis of an in-service date at the midpoint of the year, i.e., June 30. Inasmuch as the overall calculation is centered on December 31, 2010, the first figure in column 7, for vintage 2010, equals all of the group annual accrual for the first equal life group plus the accruals for all of the subsequent equal life groups.

The average percent surviving derived from the Iowa 15-R3 survivor curve and 0 percent net salvage, is shown in column 8 for each age interval. The annual factor, shown in column 9, is the result of dividing the summation of annual accruals (column 7) by the average percent surviving (column 8). The accrued factor, shown in column 10, equals the annual factor multiplied by the age of the group at December 31, 2010.

CALCULATION OF ANNUAL AND ACCRUED AMORTIZATION

Amortization is the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized. Normally, the distribution of the amount is in equal amounts to each year of the amortization period.

The calculation of annual and accrued amortization requires the selection of an amortization period. The amortization periods used in this report were based on judgment which incorporated a consideration of the period during which the assets will render most of their service, the amortization period and service lives used by other utilities, and the service life estimates previously used for the asset under depreciation accounting.

Amortization accounting is proposed for a number of accounts that represent numerous units of property, but a very small portion of depreciable electrical plant in service. The accounts and their amortization periods are as follows:

ACCOUNT	TITLE	AMORTIZATION PERIOD, YEARS
000C	POWERHOUSE RENOVATIONS	25
000L	LICENCE RENEWAL	50
000W	SUPPORT BUILDING RENOVATIONS	20
000M	COMBUSTION TURBINE OVERHAULS	10
1125Z	COMMUNITY DEVELOPMENT COSTS [Pine Falls]	81
1140Z	COMMUNITY DEVELOPMENT COSTS [Grand Rapids]	80
1160Z	COMMUNITY DEVELOPMENT COSTS [Lake Winnipeg Regulation]	100
1165Z	COMMUNITY DEVELOPMENT COSTS [Churchill River Diversion]	100
1300C	BUILDING RENOVATIONS	15
1300M	ENGINES AND GENERATORS - OVERHAULS	5
3000C	BUILDING RENOVATIONS	20
4000K	GROUND LINE TREATMENT	10
4000V	ELECTRONIC EQUIPMENT	10
5000C	BUILDING RENOVATIONS	20
5000K	OPERATIONAL IT EQUIPMENT	5
5000M	MOBILE RADIO, TELEPHONE AND VIDEO CONFERENCING	8
5000N	OPERATIONAL DATA NETWORK	8
8000C	BUILDING RENOVATIONS	20
9000H	TOOLS, SHOP AND GARAGE EQUIPMENT	15
9000K	COMPUTER EQUIPMENT	5
9000L	OFFICE FURNITURE AND EQUIPMENT	20
9000M	HOT WATER TANKS	6
A200H	COMPUTER DEVELOPMENT - SMALL SYSTEMS	10
A200J	COMPUTER SOFTWARE - GENERAL	5
A200K	COMPUTER SOFTWARE - COMMUNICATION/OPERATIONAL	5

For the purpose of calculating annual amortization amounts as of March 31, 2010, the book depreciation reserve for each plant account or subaccount is assigned or allocated to vintages. The book reserve assigned to vintages with an age greater than the amortization period is equal to the vintage's original cost. The remaining book reserve is allocated among vintages with an age less than the amortization period in proportion to the calculated accrued amortization. The calculated accrued amortization is equal to the original cost multiplied by the ratio of the vintage's age to its amortization period. The annual amortization amount is determined by dividing the future amortizations (original cost less allocated book reserve) by the remaining period of amortization for the vintage.

MONITORING OF BOOK ACCUMULATED DEPRECIATION

The calculated accrued depreciation or amortization represents that portion of the depreciable cost which will not be allocated to expense through future depreciation accruals, if current forecasts of service life characteristics and net salvage materialize and are used as a basis for depreciation accounting. Thus, the calculated accrued depreciation provides a measure of the book accumulated depreciation. The use of this measure is recommended in the amortization of book accumulated depreciation variances to insure complete recovery of capital over the life of the property.

The recommended amortization of the variance between the book accumulated depreciation and the calculated accrued depreciation is based on an amortization period equal to the composite remaining life for each property group where the variance exceeds five percent of the calculated accrued depreciation.

The composite remaining life for use in the calculation of accumulated depreciation variances is derived by developing the composite sum of the individual equal life group remaining lives in accordance with the following equation:

$$\text{Composite Remaining Life} = \frac{\sum\left(\frac{\text{Book Cost}}{\text{Life}} \text{ x Remaining Life}\right)}{\sum \frac{\text{Book Cost}}{\text{Life}}}.$$

The book costs and lives of the several equal life groups, which are summed in the foregoing equation, are defined by the estimated future survivor curve.

Inasmuch as book cost divided by life equals the whole life annual accrual, the foregoing equation reduces to the following form:

$$\text{Composite Remaining Life} = \frac{\sum \text{Whole Life Future Accruals}}{\sum \text{Whole Life Annual Accruals}}$$

or

$$\text{Composite Remaining Life} = \frac{\sum \text{Book Cost - Calc. Reserve}}{\sum \text{Whole Life Annual Accrual}}.$$

PART III. RESULTS OF STUDY

PART III. RESULTS OF STUDY

QUALIFICATION OF RESULTS

The calculated annual and accrued depreciation are the principal results of the study. Continued surveillance and periodic revisions are normally required to maintain continued use of appropriate annual depreciation accrual rates. An assumption that accrual rates can remain unchanged over a long period of time implies a disregard for the inherent variability in service lives and salvage and for the change of the composition of property in service. The annual accrual rates and the accrued depreciation were calculated in accordance with the straight line method, using the equal life group procedure based on estimates which reflect considerations of current historical evidence and expected future conditions.

DESCRIPTION OF DETAILED TABULATIONS

The service life estimates were based on judgment that incorporated statistical analysis of retirement data, discussions with management and consideration of estimates made for other electric utilities. The results of the statistical analysis of service life are presented in the section beginning on pages IV-2, within the supporting documents of this report.

For each depreciable group analyzed by the retirement rate method, a chart depicting the original and estimated survivor curves followed by a tabular presentation of the original life table(s) plotted on the chart. The survivor curves estimated for the depreciable groups are shown as dark smooth curves on the charts. Each smooth survivor curve is denoted by a numeral followed by the curve type designation. The numeral used is the average life derived from the entire curve from 100 percent to zero

percent surviving. The titles of the chart indicate the group, the symbol used to plot the points of the original life table, and the experience and placement bands of the life tables which where plotted. The experience band indicates the range of years for which retirements were used to develop the stub survivor curve. The placements indicate, for the related experience band, the range of years of installations which appear in the experience.

The tables of the calculated annual depreciation applicable to depreciable assets as of March 31, 2010 are presented in account sequence starting on page V-2 of the supporting documents. The tables indicate the estimated average survivor curves used in the calculations. The tables set forth, for each installation year, the original cost, calculated accrued depreciation, and the calculated annual accrual.

MH Exhibit #22

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DEPRECIABLE WORK	LIFE SPAN DATE	ESTIMATED SURVIVOR CURVE	ESTIMATED NET SALVAGE	SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE (%)	ANNUAL PROVISION FOR TRUE-UP	TOTAL DEPRECIATION RELATED TO LIFE EXPENSE	TOTAL DEPRECIATION RELATED TO LIFE RATE (%)	
	(1)		(2)	(3)	(4)	(5)	(6)=(5)/(4)	(7)	(8)=(5)+(7)	(9)=(8)/(4)	
10000	**GENERATION**										
11000	**HYDRAULIC GENERATION**										
11050	**GREAT FALLS**										
1105A	DAMS, DYKES AND WEIRS	2063	125-R4	0	17,302,772	218,229	1.26	(27,263)	190,966	1.10	
1105B	POWERHOUSE	2063	125-R4	0	7,990,993	99,815	1.25	(13,045)	86,770	1.09	
1105C	POWERHOUSE RENOVATIONS	2063	25-SQ	0						4.00	*/**
1105D	SPILLWAY	2063	75-R2	0	9,676,327	151,875	1.57	(6,958)	144,917	1.50	
1105E	WATER CONTROL SYSTEMS	2063	50-S4	0	24,245,253	497,229	2.05	(50,814)	446,415	1.84	
1105F	ROADS AND SITE IMPROVEMENTS	2063	50-R3	0	213,964	5,129	2.40	(24)	5,105	2.39	
1105G	TURBINES AND GENERATORS	2063	65-S3	0	25,128,789	433,087	1.72	(30,373)	402,714	1.60	
1105H	GOVERNORS AND EXCITATION SYSTEM	2063	50-R4	0	492,218	10,048	2.04	(811)	9,237	1.88	
1105L	LICENCE RENEWAL	2063	50-SQ	0						2.00	*/**
1105P	A/C ELECTRICAL POWER SYSTEMS	2063	50-R3	0	9,493,088	201,933	2.13	(12,866)	189,067	1.99	
1105Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2063	23-L2	0	19,271,956	955,210	4.96	(7,499)	947,711	4.92	
1105R	AUXILIARY STATION PROCESSES	2063	40-R2.5	0	8,345,798	224,470	2.69	(9,108)	215,362	2.58	
1105X	SUPPORT BUILDINGS	2063	65-R3	0	1,495,253	24,424	1.63	(2,820)	21,604	1.44	
1105W	SUPPORT BUILDING RENOVATIONS	2063	20-SQ	0						5.00	*/**
	TOTAL GREAT FALLS				**123,656,412**	**2,821,449**	**2.28**	**(161,581)**	**2,659,868**	**2.15**	
11100	**POINTE DU BOIS**										
1110A	DAMS, DYKES AND WEIRS	2031	125-R4	0	11,263,332	446,825	3.97	(91,296)	355,529	3.16	
1110B	POWERHOUSE	2031	125-R4	0	6,242,749	271,010	4.34	(26,759)	244,251	3.91	
1110C	POWERHOUSE RENOVATIONS	2031	25-SQ	0						4.84	*/**
1110D	SPILLWAY - ORIGINAL	2017	75-R2	0	3,104,842	345,659	11.13	(84,531)	261,128	8.41	
1110E	WATER CONTROL SYSTEMS	2031	50-S4	0	4,027,603	152,884	3.80	(39,522)	113,362	2.81	
1110F	ROADS AND SITE IMPROVEMENTS	2031	50-R3	0	28,533	1,113	3.90	(295)	818	2.87	
1110G	TURBINES AND GENERATORS	2031	65-S3	0	24,610,324	1,022,300	4.15	(153,096)	869,204	3.53	
1110H	GOVERNORS AND EXCITATION SYSTEM	2031	50-R4	0						5.04	*
1110L	LICENCE RENEWAL	2031	50-SQ	0						4.76	*/**
1110P	A/C ELECTRICAL POWER SYSTEMS	2031	50-R3	0	6,057,709	274,987	4.54	(22,954)	252,033	4.16	
1110Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2031	23-L2	0	355,559	20,840	5.86	(2,581)	18,259	5.14	
1110R	AUXILIARY STATION PROCESSES	2031	40-R2.5	0	1,377,014	62,068	4.51	(11,335)	50,733	3.68	
1110X	SUPPORT BUILDINGS	2031	65-R3	0	2,616,290	95,041	3.63	(32,110)	62,931	2.41	
1110W	SUPPORT BUILDING RENOVATIONS	2031	20-SQ	0						5.00	*/**
1111D	SPILLWAY - NEW		75-R2	0						1.33	*
	TOTAL POINTE DU BOIS				**59,683,956**	**2,692,727**	**4.51**	**(464,480)**	**2,228,247**	**3.73**	
11150	**SEVEN SISTERS**										
1115A	DAMS, DYKES AND WEIRS	2072	125-R4	0	31,497,995	353,966	1.12	(76,205)	277,761	0.88	
1115B	POWERHOUSE	2072	125-R4	0	13,653,945	143,721	1.05	(40,679)	103,042	0.75	
1115C	POWERHOUSE RENOVATIONS	2072	25-SQ	0						4.00	*/**
1115D	SPILLWAY	2072	75-R2	0	2,841,355	39,847	1.40	(5,275)	34,572	1.22	
1115E	WATER CONTROL SYSTEMS	2072	50-S4	0	4,296,891	81,034	1.89	(23,695)	57,339	1.33	
1115F	ROADS AND SITE IMPROVEMENTS	2072	50-R3	0	201,701	3,718	1.84	(1,185)	2,533	1.26	
1115G	TURBINES AND GENERATORS	2072	65-S3	0	41,208,963	689,938	1.67	(75,531)	614,407	1.49	
1115H	GOVERNORS AND EXCITATION SYSTEM	2072	50-R4	0	6,860	125	1.82	(451)	(326)	2.00	
1115L	LICENCE RENEWAL	2072	50-SQ	0						2.00	*/**
1115P	A/C ELECTRICAL POWER SYSTEMS	2072	50-R3	0	10,648,619	223,532	2.10	(36,104)	187,428	1.76	
1115Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2072	23-L2	0	3,821,416	163,482	4.28	(29,620)	133,862	3.50	
1115R	AUXILIARY STATION PROCESSES	2072	40-R2.5	0	5,224,958	131,285	2.51	(25,391)	105,894	2.03	
1115X	SUPPORT BUILDINGS	2072	65-R3	0	608,294	11,021	1.81	(676)	10,345	1.70	
1115W	SUPPORT BUILDING RENOVATIONS	2072	20-SQ	0						5.00	*/**
	TOTAL SEVEN SISTERS				**114,010,998**	**1,841,669**	**1.62**	**(314,814)**	**1,526,855**	**1.34**	

MH Exhibit #22

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DEPRECIABLE WORK	LIFE SPAN DATE	ESTIMATED SURVIVOR CURVE	ESTIMATED NET SALVAGE	SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE (%)	ANNUAL PROVISION FOR TRUE-UP	TOTAL DEPRECIATION RELATED TO LIFE EXPENSE	TOTAL DEPRECIATION RELATED TO LIFE RATE (%)	
	(1)		(2)	(3)	(4)	(5)	(6)=(5)/(4)	(7)	(8)=(5)+(7)	(9)=(8)/(4)	
11200	**SLAVE FALLS**										
1120A	DAMS, DYKES AND WEIRS	2072	125-R4	0	954,684	14,817	1.55	(153)	14,664	1.54	
1120B	POWERHOUSE	2072	125-R4	0	45,692,194	663,677	1.45	(17,065)	646,612	1.42	
1120C	POWERHOUSE RENOVATIONS	2072	25-SQ	0						4.00	*/**
1120D	SPILLWAY	2072	75-R2	0	760,201	15,394	2.03	58	15,452	2.03	
1120E	WATER CONTROL SYSTEMS	2072	50-S4	0	318,933	6,602	2.07	(96)	6,506	2.04	
1120F	ROADS AND SITE IMPROVEMENTS	2072	50-R3	0	769,506	17,545	2.28	(107)	17,438	2.27	
1120G	TURBINES AND GENERATORS	2072	65-S3	0	11,630,909	200,112	1.72	(4,924)	195,188	1.68	
1120H	GOVERNORS AND EXCITATION SYSTEM	2072	50-R4	0						2.00	*
1120L	LICENCE RENEWAL	2072	50-SQ	0						2.00	*/**
1120P	A/C ELECTRICAL POWER SYSTEMS	2072	50-R3	0	21,815,741	505,179	2.32	(2,972)	502,207	2.30	
1120Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2072	23-L2	0	786,382	42,365	5.39	217	42,582	5.41	
1120R	AUXILIARY STATION PROCESSES	2072	40-R2.5	0	2,201,466	68,661	3.12	262	68,923	3.13	
1120X	SUPPORT BUILDINGS	2072	65-R3	0	3,724,095	67,791	1.82	(955)	66,836	1.79	
1120W	SUPPORT BUILDING RENOVATIONS	2072	20-SQ	0						5.00	*/**
	TOTAL SLAVE FALLS				**88,654,109**	**1,602,143**	**1.81**	**(25,735)**	**1,576,408**	**1.78**	
11250	**PINE FALLS**										
1125A	DAMS, DYKES AND WEIRS	2092	125-R4	0	14,110,589	156,702	1.11	(6,323)	150,379	1.07	
1125B	POWERHOUSE	2092	125-R4	0	10,060,843	87,828	0.87	(15,968)	71,860	0.71	
1125C	POWERHOUSE RENOVATIONS	2092	25-SQ	0						4.00	*/**
1125D	SPILLWAY	2092	75-R2	0	93,376	1,804	1.93	8	1,812	1.94	
1125E	WATER CONTROL SYSTEMS	2092	50-S4	0	3,564,106	67,205	1.89	(15,006)	52,199	1.46	
1125F	ROADS AND SITE IMPROVEMENTS	2092	50-R3	0	1,178,575	19,598	1.66	(18,921)	677	0.06	
1125G	TURBINES AND GENERATORS	2092	65-S3	0	9,464,220	145,587	1.54	(25,177)	120,410	1.27	
1125H	GOVERNORS AND EXCITATION SYSTEM	2092	50-R4	0						2.00	*
1125L	LICENCE RENEWAL	2092	50-SQ	0						2.00	*/**
1125P	A/C ELECTRICAL POWER SYSTEMS	2092	50-R3	0	5,071,108	104,504	2.06	(9,469)	95,035	1.87	
1125Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2092	23-L2	0	2,156,586	99,187	4.60	(3,305)	95,882	4.45	
1125R	AUXILIARY STATION PROCESSES	2092	40-R2.5	0	3,790,230	99,575	2.63	(7,530)	92,045	2.43	
1125X	SUPPORT BUILDINGS	2092	65-R3	0	336,412	5,683	1.69	(241)	5,442	1.62	
1125W	SUPPORT BUILDING RENOVATIONS	2092	20-SQ	0						5.00	*/**
1125Z	COMMUNITY DEVELOPMENT COSTS	2092	81-SQ	0	4,425,543	54,434	1.23	(2,471)	51,963	1.17	**
	TOTAL PINE FALLS				**54,251,587**	**842,107**	**1.55**	**(104,404)**	**737,703**	**1.36**	
11300	**MCARTHUR FALLS**										
1130A	DAMS, DYKES AND WEIRS	2095	125-R4	0	3,578,068	32,928	0.92	(3,695)	29,233	0.82	
1130B	POWERHOUSE	2095	125-R4	0	9,523,798	83,002	0.87	(12,467)	70,535	0.74	
1130C	POWERHOUSE RENOVATIONS	2095	25-SQ	0						4.00	*/**
1130D	SPILLWAY	2095	75-R2	0	2,351,438	28,217	1.20	(4,929)	23,288	0.99	
1130E	WATER CONTROL SYSTEMS	2095	50-S4	0	11,703,203	238,168	2.04	(26,096)	212,072	1.81	
1130F	ROADS AND SITE IMPROVEMENTS	2095	50-R3	0	234,820	4,758	2.03	(551)	4,207	1.79	
1130G	TURBINES AND GENERATORS	2095	65-S3	0	5,096,367	72,094	1.41	(44,855)	27,239	0.53	
1130H	GOVERNORS AND EXCITATION SYSTEM	2095	50-R4	0	119,315	2,513	2.11	(166)	2,347	1.97	
1130L	LICENCE RENEWAL	2095	50-SQ	0						2.00	*/**
1130P	A/C ELECTRICAL POWER SYSTEMS	2095	50-R3	0	2,480,539	45,912	1.85	(9,219)	36,693	1.48	
1130Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2095	23-L2	0	1,245,885	49,056	3.94	(4,082)	44,974	3.61	
1130R	AUXILIARY STATION PROCESSES	2095	40-R2.5	0	3,440,197	90,405	2.63	(5,443)	84,962	2.47	
1130X	SUPPORT BUILDINGS	2095	65-R3	0	227,212	3,840	1.69	(133)	3,707	1.63	
1130W	SUPPORT BUILDING RENOVATIONS	2095	20-SQ	0						5.00	*/**
	TOTAL MCARTHUR FALLS				**40,000,842**	**650,893**	**1.63**	**(111,636)**	**539,257**	**1.35**	

MH Exhibit #22

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DEPRECIABLE WORK	LIFE SPAN DATE	ESTIMATED SURVIVOR CURVE	ESTIMATED NET SALVAGE	SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE (%)	ANNUAL PROVISION FOR TRUE-UP	TOTAL DEPRECIATION RELATED TO LIFE EXPENSE	TOTAL DEPRECIATION RELATED TO LIFE RATE (%)	
	(1)		(2)	(3)	(4)	(5)	(6)=(5)/(4)	(7)	(8)=(5)+(7)	(9)=(8)/(4)	
11350	**KELSEY**										
1135A	DAMS, DYKES AND WEIRS	2101	125-R4	0	11,066,409	110,124	1.00	(3,623)	106,501	0.96	
1135B	POWERHOUSE	2101	125-R4	0	27,569,817	239,892	0.87	(19,889)	220,003	0.80	
1135C	POWERHOUSE RENOVATIONS	2101	25-SQ	0						4.00	*/**
1135D	SPILLWAY	2101	75-R2	0	5,331,929	66,116	1.24	(2,091)	64,025	1.20	
1135E	WATER CONTROL SYSTEMS	2101	50-S4	0	11,792,566	233,252	1.98	(20,286)	212,966	1.81	
1135F	ROADS AND SITE IMPROVEMENTS	2101	50-R3	0	6,442,928	126,660	1.97	(12,225)	114,435	1.78	
1135G	TURBINES AND GENERATORS	2101	65-S3	0	130,323,693	2,139,901	1.64	(18,996)	2,120,905	1.63	
1135H	GOVERNORS AND EXCITATION SYSTEM	2101	50-R4	0	88,651	1,871	2.11	(87)	1,784	2.01	
1135L	LICENCE RENEWAL	2101	50-SQ	0						2.00	*/**
1135P	A/C ELECTRICAL POWER SYSTEMS	2101	50-R3	0	5,751,610	113,771	1.98	(12,141)	101,630	1.77	
1135Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2101	23-L2	0	3,595,490	162,610	4.52	3,100	165,710	4.61	
1135R	AUXILIARY STATION PROCESSES	2101	40-R2.5	0	7,788,815	203,179	2.61	(4,650)	198,529	2.55	
1135X	SUPPORT BUILDINGS	2101	65-R3	0	9,953,977	170,743	1.72	(2,021)	168,722	1.70	
1135W	SUPPORT BUILDING RENOVATIONS	2101	20-SQ	0						5.00	*/**
	TOTAL KELSEY				**219,705,886**	**3,568,119**	**1.62**	**(92,910)**	**3,475,209**	**1.58**	
11400	**GRAND RAPIDS**										
1140A	DAMS, DYKES AND WEIRS	2091	125-R4	0	53,468,974	514,944	0.96	(46,792)	468,152	0.88	
1140B	POWERHOUSE	2091	125-R4	0	24,506,522	223,336	0.91	(25,953)	197,383	0.81	
1140C	POWERHOUSE RENOVATIONS	2091	25-SQ	0						4.00	*/**
1140D	SPILLWAY	2091	75-R2	0	5,308,334	68,207	1.28	(4,198)	64,009	1.21	
1140E	WATER CONTROL SYSTEMS	2091	50-S4	0	15,982,492	309,243	1.93	(61,544)	247,699	1.55	
1140F	ROADS AND SITE IMPROVEMENTS	2091	50-R3	0	2,581,475	47,126	1.83	(15,904)	31,222	1.21	
1140G	TURBINES AND GENERATORS	2091	65-S3	0	113,066,160	1,856,605	1.64	(81,564)	1,775,041	1.57	
1140H	GOVERNORS AND EXCITATION SYSTEM	2091	50-R4	0	42,718	897	2.10	(44)	853	2.00	
1140L	LICENCE RENEWAL	2091	50-SQ	0						2.00	*/**
1140P	A/C ELECTRICAL POWER SYSTEMS	2091	50-R3	0	8,240,545	173,871	2.11	(12,341)	161,530	1.96	
1140Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2091	23-L2	0	4,674,247	165,394	3.54	(17,828)	147,566	3.16	
1140R	AUXILIARY STATION PROCESSES	2091	40-R2.5	0	5,600,506	153,945	2.75	(3,785)	150,160	2.68	
1140X	SUPPORT BUILDINGS	2091	65-R3	0	6,190,376	106,722	1.72	(2,100)	104,622	1.69	
1140W	SUPPORT BUILDING RENOVATIONS	2091	20-SQ	0						5.00	*/**
1140Z	COMMUNITY DEVELOPMENT COSTS	2091	80-SQ	0	101,442,997	1,268,037	1.25	(90,628)	1,177,409	1.16	**
	TOTAL GRAND RAPIDS				**341,105,346**	**4,888,327**	**1.43**	**(362,682)**	**4,525,645**	**1.33**	
11450	**KETTLE**										
1145A	DAMS, DYKES AND WEIRS	2111	125-R4	0	45,280,663	390,107	0.86	(34,169)	355,938	0.79	
1145B	POWERHOUSE	2111	125-R4	0	146,207,420	1,262,257	0.86	(108,788)	1,153,469	0.79	
1145C	POWERHOUSE RENOVATIONS	2111	25-SQ	0						4.00	*/**
1145D	SPILLWAY	2111	75-R2	0	25,406,960	337,913	1.33	(11,392)	326,521	1.29	
1145E	WATER CONTROL SYSTEMS	2111	50-S4	0	17,834,945	355,361	1.99	(173,994)	181,367	1.02	
1145F	ROADS AND SITE IMPROVEMENTS	2111	50-R3	0	10,591	235	2.22	(5)	230	2.17	
1145G	TURBINES AND GENERATORS	2111	65-S3	0	70,740,028	1,123,607	1.59	(208,486)	915,121	1.29	
1145H	GOVERNORS AND EXCITATION SYSTEM	2111	50-R4	0	3,304,326	64,753	1.96	(26,160)	38,593	1.17	
1145L	LICENCE RENEWAL	2111	50-SQ	0						2.00	*/**
1145P	A/C ELECTRICAL POWER SYSTEMS	2111	50-R3	0	6,771,761	141,808	2.09	(11,636)	130,172	1.92	
1145Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2111	23-L2	0	12,001,279	430,663	3.59	(34,185)	396,478	3.30	
1145R	AUXILIARY STATION PROCESSES	2111	40-R2.5	0	15,361,985	379,871	2.47	(50,094)	329,777	2.15	
1145X	SUPPORT BUILDINGS	2111	65-R3	0	3,908,404	60,260	1.54	(10,284)	49,976	1.28	
1145W	SUPPORT BUILDING RENOVATIONS	2111	20-SQ	0						5.00	*/**
	TOTAL KETTLE				**346,828,362**	**4,546,835**	**1.31**	**(669,194)**	**3,877,641**	**1.12**	

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DEPRECIABLE WORK (1)	LIFE SPAN DATE	ESTIMATED SURVIVOR CURVE (2)	ESTIMATED NET SALVAGE (3)	SURVIVING ORIGINAL COST AT 03/31/2010 (4)	CALCULATED ANNUAL ACCRUAL AMOUNT (5)	CALCULATED ANNUAL ACCRUAL RATE (%) (6)=(5)/(4)	ANNUAL PROVISION FOR TRUE-UP (7)	TOTAL DEPRECIATION RELATED TO LIFE EXPENSE (8)=(5)+(7)	TOTAL DEPRECIATION RELATED TO LIFE RATE (%) (9)=(8)/(4)	
11500	**LAURIE RIVER**										
1150A	DAMS, DYKES AND WEIRS	2032	125-R4	0	355,538	8,089	2.28	2,634	10,723	3.02	
1150B	POWERHOUSE	2032	125-R4	0	7,664,146	263,014	3.43	27,948	290,962	3.80	
1150C	POWERHOUSE RENOVATIONS	2032	25-SQ	0						4.55	*/**
1150D	SPILLWAY	2032	75-R2	0	870,000	24,012	2.76	6,380	30,392	3.49	
1150E	WATER CONTROL SYSTEMS	2032	50-S4	0	458,033	12,783	2.79	2,722	15,505	3.39	
1150F	ROADS AND SITE IMPROVEMENTS	2032	50-R3	0	1,441,914	41,644	2.89	10,679	52,323	3.63	
1150G	TURBINES AND GENERATORS	2032	65-S3	0	4,603,136	174,447	3.79	11,639	186,086	4.04	
1150H	GOVERNORS AND EXCITATION SYSTEM	2032	50-R4	0	882,653	36,143	4.09	1,427	37,570	4.26	
1150L	LICENCE RENEWAL	2032	50-SQ	0						4.55	*/**
1150P	A/C ELECTRICAL POWER SYSTEMS	2032	50-R3	0	1,441,945	44,385	3.08	9,003	53,388	3.70	
1150Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2032	23-L2	0	1,220,047	49,483	4.06	39,641	89,124	7.30	
1150R	AUXILIARY STATION PROCESSES	2032	40-R2.5	0	308,504	9,748	3.16	2,697	12,445	4.03	
1150X	SUPPORT BUILDINGS	2032	65-R3	0	355,919	9,254	2.60	2,622	11,876	3.34	
1150W	SUPPORT BUILDING RENOVATIONS	2032	20-SQ	0						5.00	*/**
	TOTAL LAURIE RIVER				**19,601,835**	**673,002**	**3.43**	**117,391**	**790,393**	**4.03**	
11550	**JENPEG**										
1155A	DAMS, DYKES AND WEIRS	2118	125-R4	0	15,295,318	135,504	0.89	(3,801)	131,703	0.86	
1155B	POWERHOUSE	2118	125-R4	0	76,905,294	663,443	0.86	(24,816)	638,627	0.83	
1155C	POWERHOUSE RENOVATIONS	2118	25-SQ	0						4.00	*/**
1155D	SPILLWAY	2118	75-R2	0	14,942,733	206,583	1.38	10,126	216,709	1.45	
1155E	WATER CONTROL SYSTEMS	2118	50-S4	0	16,762,099	342,073	2.04	(72,470)	269,603	1.61	
1155F	ROADS AND SITE IMPROVEMENTS	2118	50-R3	0	1,563,205	32,252	2.06	(1,292)	30,960	1.98	
1155G	TURBINES AND GENERATORS	2118	65-S3	0	79,641,550	1,287,144	1.62	(88,046)	1,199,098	1.51	
1155H	GOVERNORS AND EXCITATION SYSTEM	2118	50-R4	0						2.00	*
1155L	LICENCE RENEWAL	2118	50-SQ	0						2.00	*/**
1155P	A/C ELECTRICAL POWER SYSTEMS	2118	50-R3	0	19,308,049	377,217	1.95	(35,925)	341,292	1.77	
1155Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2118	23-L2	0	3,343,800	130,993	3.92	15,464	146,457	4.38	
1155R	AUXILIARY STATION PROCESSES	2118	40-R2.5	0	9,796,258	253,561	2.59	(4,392)	249,169	2.54	
1155X	SUPPORT BUILDINGS	2118	65-R3	0	7,885,397	131,668	1.67	(1,490)	130,178	1.65	
1155W	SUPPORT BUILDING RENOVATIONS	2118	20-SQ	0						5.00	*/**
	TOTAL JENPEG				**245,443,703**	**3,560,438**	**1.45**	**(206,644)**	**3,353,794**	**1.37**	
11600	**LAKE WINNIPEG REGULATION**										
1160A	DAMS, DYKES AND WEIRS		125-R4	0	96,807,065	813,275	0.84	(79,651)	733,624	0.76	
1160L	LICENCE RENEWAL		50-SQ	0						2.00	*/**
1160Z	COMMUNITY DEVELOPMENT COSTS		100-SQ	0	387,802,871	3,878,029	1.00	(223,323)	3,654,706	0.94	**
	TOTAL LAKE WINNIPEG REGULATION				**484,609,937**	**4,691,304**	**0.97**	**(302,973)**	**4,388,331**	**0.91**	
11650	**CHURCHILL RIVER DIVERSION**										
1165A	DAMS, DYKES AND WEIRS		125-R4	0	114,718,213	964,090	0.84	(13,751)	950,339	0.83	
1165D	SPILLWAY		75-R2	0	56,442,246	778,903	1.38	67,622	846,525	1.50	
1165E	WATER CONTROL SYSTEMS		50-S4	0	17,583,551	358,391	2.04	(42,591)	315,800	1.80	
1165F	ROADS AND SITE IMPROVEMENTS		50-R3	0	6,799,023	132,832	1.95	(1,007)	131,825	1.94	
1165L	LICENCE RENEWAL		50-SQ	0						2.00	*/**
1165P	A/C ELECTRICAL POWER SYSTEMS		50-R3	0	1,596,593	31,177	1.95	(247)	30,930	1.94	
1165Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		23-L2	0	1,417,862	36,897	2.60	14,977	51,874	3.66	
1165R	AUXILIARY STATION PROCESSES		40-R2.5	0	1,799,312	50,377	2.80	1,435	51,812	2.88	
1165X	SUPPORT BUILDINGS		65-R3	0	28,361	491	1.73	4	495	1.75	
1165W	SUPPORT BUILDING RENOVATIONS		20-SQ	0						5.00	*/**
1165Z	COMMUNITY DEVELOPMENT COSTS		100-SQ	0	305,036,524	3,050,365	1.00	(228,014)	2,822,351	0.93	**
	TOTAL CHURCHILL RIVER DIVERSION				**505,421,684**	**5,403,523**	**1.07**	**(201,571)**	**5,201,952**	**1.03**	

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DEPRECIABLE WORK	LIFE SPAN DATE	ESTIMATED SURVIVOR CURVE	ESTIMATED NET SALVAGE	SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE (%)	ANNUAL PROVISION FOR TRUE-UP	TOTAL DEPRECIATION RELATED TO LIFE EXPENSE	TOTAL DEPRECIATION RELATED TO LIFE RATE (%)	
	(1)		(2)	(3)	(4)	(5)	(6)=(5)/(4)	(7)	(8)=(5)+(7)	(9)=(8)/(4)	
11700	LONG SPRUCE										
1170A	DAMS, DYKES AND WEIRS	2118	125-R4	0	64,744,494	558,569	0.86	(19,500)	539,069	0.83	
1170B	POWERHOUSE	2118	125-R4	0	143,780,355	1,240,493	0.86	(43,364)	1,197,129	0.83	
1170C	POWERHOUSE RENOVATIONS	2118	25-SQ	0						4.00	*/**
1170D	SPILLWAY	2118	75-R2	0	42,273,617	584,041	1.38	28,146	612,187	1.45	
1170E	WATER CONTROL SYSTEMS	2118	50-S4	0	57,946,281	1,182,124	2.04	(242,437)	939,687	1.62	
1170F	ROADS AND SITE IMPROVEMENTS	2118	50-R3	0	1,172,867	23,483	2.00	(1,383)	22,100	1.88	
1170G	TURBINES AND GENERATORS	2118	65-S3	0	143,328,643	2,323,085	1.62	(165,333)	2,157,752	1.51	
1170H	GOVERNORS AND EXCITATION SYSTEM	2118	50-R4	0	145,844	3,092	2.12	(40)	3,052	2.09	
1170L	LICENCE RENEWAL	2118	50-SQ	0						2.00	*/**
1170P	A/C ELECTRICAL POWER SYSTEMS	2118	50-R3	0	30,503,528	605,258	1.98	(41,664)	563,594	1.85	
1170Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2118	23-L2	0	4,409,200	127,168	2.88	20,949	148,117	3.36	
1170R	AUXILIARY STATION PROCESSES	2118	40-R2.5	0	12,199,119	300,072	2.46	(12,642)	287,430	2.36	
1170X	SUPPORT BUILDINGS	2118	65-R3	0	160,484	2,815	1.75	1	2,816	1.75	
1170W	SUPPORT BUILDING RENOVATIONS	2118	20-SQ	0						5.00	*/**
	TOTAL LONG SPRUCE				**500,664,431**	**6,950,200**	**1.39**	**(477,268)**	**6,472,932**	**1.29**	
11750	LIMESTONE										
1175A	DAMS, DYKES AND WEIRS	2131	125-R4	0	33,258,073	288,035	0.87	(3,907)	284,128	0.85	
1175B	POWERHOUSE	2131	125-R4	0	461,430,334	3,997,313	0.87	(53,896)	3,943,417	0.85	
1175C	POWERHOUSE RENOVATIONS	2131	25-SQ	0						4.00	*/**
1175D	SPILLWAY	2131	75-R2	0	201,240,773	3,035,196	1.51	156,773	3,191,969	1.59	
1175E	WATER CONTROL SYSTEMS	2131	50-S4	0	116,224,392	2,405,845	2.07	(132,827)	2,273,018	1.96	
1175F	ROADS AND SITE IMPROVEMENTS	2131	50-R3	0	17,164,432	363,550	2.12	(1,281)	362,269	2.11	
1175G	TURBINES AND GENERATORS	2131	65-S3	0	403,825,745	6,663,125	1.65	(141,734)	6,521,391	1.61	
1175H	GOVERNORS AND EXCITATION SYSTEM	2131	50-R4	0	16,584,271	346,998	2.09	(13,989)	333,009	2.01	
1175L	LICENCE RENEWAL	2131	50-SQ	0						2.00	*/**
1175P	A/C ELECTRICAL POWER SYSTEMS	2131	50-R3	0	144,317,307	3,056,641	2.12	(10,784)	3,045,857	2.11	
1175Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2131	23-L2	0	8,333,373	339,021	4.07	50,445	389,466	4.67	
1175R	AUXILIARY STATION PROCESSES	2131	40-R2.5	0	36,054,205	940,241	2.61	22,659	962,900	2.67	
1175X	SUPPORT BUILDINGS	2131	65-R3	0	5,703,494	95,625	1.68	222	95,847	1.68	
1175W	SUPPORT BUILDING RENOVATIONS	2131	20-SQ	0						5.00	**
	TOTAL LIMESTONE				**1,444,136,399**	**21,531,590**	**1.49**	**(128,319)**	**21,403,271**	**1.48**	
11800	WUSKWATIM										
1180A	DAMS, DYKES AND WEIRS	2152	125-R4	0						0.80	*
1180B	POWERHOUSE	2152	125-R4	0						0.80	*
1180C	POWERHOUSE RENOVATIONS	2152	25-SQ	0						4.00	*/**
1180D	SPILLWAY	2152	75-R2	0						1.33	*
1180E	WATER CONTROL SYSTEMS	2152	50-S4	0						2.00	*
1180F	ROADS AND SITE IMPROVEMENTS	2152	50-R3	0						2.00	*
1180G	TURBINES AND GENERATORS	2152	65-S3	0						1.54	*
1180H	GOVERNORS AND EXCITATION SYSTEM	2152	50-R4	0						2.00	*
1180P	A/C ELECTRICAL POWER SYSTEMS	2152	50-R3	0						2.00	*
1180Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2152	23-L2	0						4.35	*
1180R	AUXILIARY STATION PROCESSES	2152	40-R2.5	0						2.50	*
1180X	SUPPORT BUILDINGS	2152	65-R3	0						1.54	*
1180W	SUPPORT BUILDING RENOVATIONS	2152	20-SQ	0						5.00	*/**
	TOTAL WUSKWATIM				**0**	**0**		**0**	**0**		
11990	INFRASTRUCTURE SUPPORTING GENERATION										
1199F	PROVINCIAL ROADS		50-R3	0	25,380,938	507,851	2.00	25,909	533,760	2.10	
1199V	TOWN SITE BUILDING		65-L3	0	63,280,714	1,067,664	1.69	77,766	1,145,430	1.81	
1199W	TOWN SITE BUILDINGS RENOVATIONS		20-SQ	0	13,502,581	674,829	5.00	79,558	754,387	5.59	**
1199Y	TOWN SITE OTHER INFRASTRUCTURE		45-R3	0	26,527,464	643,245	2.42	19,722	662,967	2.50	
	TOTAL INFRASTRUCTURE SUPPORTING GENERATION				**128,691,696**	**2,893,589**	**2.25**	**202,955**	**3,096,544**	**2.41**	
	TOTAL HYDRAULIC GENERATION				**4,716,467,183**	**69,157,915**	**1.47**	**(3,303,866)**	**65,854,049**	**1.40**	

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DEPRECIABLE WORK (1)	LIFE SPAN DATE	ESTIMATED SURVIVOR CURVE (2)	ESTIMATED NET SALVAGE (3)	SURVIVING ORIGINAL COST AT 03/31/2010 (4)	CALCULATED ANNUAL ACCRUAL AMOUNT (5)	CALCULATED ANNUAL ACCRUAL RATE (%) (6)=(5)/(4)	ANNUAL PROVISION FOR TRUE-UP (7)	TOTAL DEPRECIATION RELATED TO LIFE EXPENSE (8)=(5)+(7)	TOTAL DEPRECIATION RELATED TO LIFE RATE (%) (9)=(8)/(4)	
12000	**THERMAL GENERATION**										
12050	**BRANDON UNIT 5 (COAL)**										
1205B	POWERHOUSE	2020	65-R4	0	11,729,518	421,297	3.59	33,269	454,566	3.88	
1205C	POWERHOUSE RENOVATIONS	2020	25-SQ	0						10.00	*/**
1205F	ROADS AND SITE IMPROVEMENTS	2020	50-R3	0	4,012,331	172,888	4.31	10,876	183,764	4.58	
1205G	THERMAL TURBINES AND GENERATORS	2020	50-S3	0	19,611,168	943,669	4.81	43,658	987,327	5.03	
1205H	GOVERNORS AND EXCITATION SYSTEM	2020	50-R4	0	2,343,861	114,615	4.89	4,453	119,068	5.08	
1205J	STEAM GENERATOR AND AUXILIARIES	2020	65-R2.5	0	14,827,183	537,727	3.63	48,406	586,133	3.95	
1205L	LICENCE RENEWAL	2020	50-SQ	0				0		10.00	*/**
1205P	A/C ELECTRICAL POWER SYSTEMS	2020	50-R3	0	8,009,703	298,720	3.73	26,752	325,472	4.06	
1205Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2020	23-L2	0	26,389,775	1,187,090	4.50	325,754	1,512,844	5.73	
1205R	AUXILIARY STATION PROCESSES	2020	40-R2.5	0	47,306,417	2,029,000	4.29	194,813	2,223,813	4.70	
1205X	SUPPORT BUILDINGS	2020	65-R3	0	7,253,899	290,663	4.01	18,192	308,855	4.26	
1205W	SUPPORT BUILDING RENOVATIONS	2020	20-SQ	0						10.00	*/**
	TOTAL BRANDON UNIT 5 (COAL)				**141,483,855**	**5,995,669**	**4.24**	**706,173**	**6,701,842**	**4.74**	
12100	**BRANDON UNITS 6 AND 7**										
1210B	POWERHOUSE		65-R4	0	14,925,029	243,278	1.63	(8,469)	234,809	1.57	
1210C	POWERHOUSE RENOVATIONS		25-SQ	0						4.00	*/**
1210G	THERMAL TURBINES AND GENERATORS		50-S3	0	9,823,758	210,228	2.14	(9,612)	200,616	2.04	
1210H	GOVERNORS AND EXCITATION SYSTEM		50-R4	0						2.00	*
1210K	COMBUSTION TURBINE		25-R3	0	143,284,091	6,209,411	4.33	(491,857)	5,717,554	3.99	
1210L	LICENCE RENEWAL		50-SQ	0				0		2.00	*/**
1210M	COMBUSTION TURBINE OVERHAULS		10-SQ	0						10.00	*/**
1210P	A/C ELECTRICAL POWER SYSTEMS		50-R3	0	6,252,586	140,103	2.24	(4,300)	135,803	2.17	
1210Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		23-L2	0	1,114,338	58,917	5.29	(954)	57,963	5.20	
1210R	AUXILIARY STATION PROCESSES		40-R2.5	0	10,639,560	303,938	2.86	(6,089)	297,849	2.80	
	TOTAL BRANDON UNITS 6 AND 7				**186,039,362**	**7,165,875**	**3.85**	**(521,281)**	**6,644,594**	**3.57**	
12150	**SELKIRK**										
1215B	POWERHOUSE		65-R4	0	6,808,812	103,363	1.52	(103,363)	0	0.00	
1215C	POWERHOUSE RENOVATIONS		25-SQ	0						4.00	*/**
1215F	ROADS AND SITE IMPROVEMENTS		50-R3	0	1,630,443	33,192	2.04	(11,996)	21,196	1.30	
1215G	THERMAL TURBINES AND GENERATORS		50-S3	0	22,750,003	463,219	2.04	(131,847)	331,372	1.46	
1215H	GOVERNORS AND EXCITATION SYSTEM		50-R4	0	17,307	363	2.10	0	363	2.10	
1215J	STEAM GENERATOR AND AUXILIARIES		65-R2.5	0	48,630,259	875,389	1.80	(90,184)	785,205	1.61	
1215L	LICENCE RENEWAL		50-SQ	0				0		2.00	*/**
1215P	A/C ELECTRICAL POWER SYSTEMS		50-R3	0	3,171,700	60,074	1.89	(60,074)	0	0.00	
1215Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		23-L2	0	5,257,468	230,742	4.39	(86,725)	144,017	2.74	
1215R	AUXILIARY STATION PROCESSES		40-R2.5	0	13,791,022	347,456	2.52	(131,794)	215,662	1.56	
1215X	SUPPORT BUILDINGS		65-R3	0	1,033,229	16,411	1.59	(5,711)	10,700	1.04	
1215W	SUPPORT BUILDING RENOVATIONS		20-SQ	0						5.00	*/**
	TOTAL SELKIRK				**103,090,244**	**2,130,209**	**2.07**	**(621,693)**	**1,508,516**	**1.46**	
	TOTAL THERMAL GENERATION				**430,613,460**	**15,291,753**	**3.55**	**(436,801)**	**14,854,952**	**3.45**	
	TOTAL GENERATION				**5,147,080,643**	**84,449,668**	**1.64**	**(3,740,667)**	**80,709,001**	**1.57**	
	DIESEL GENERATION										
1300B	BUILDINGS		30-R3	0	9,191,362	326,843	3.56	(86,671)	240,172	2.61	
1300C	BUILDING RENOVATIONS		15-SQ	0	17,685	1,180	6.67	0	1,180	6.67	**
1300M	ENGINES AND GENERATORS - OVERHAULS		5-SQ	0						20.00	*/**
1300N	ENGINES AND GENERATORS		25-R2	0	18,152,912	786,200	4.33	(417,080)	369,120	2.03	
1300Q	ACCESSORY STATION EQUIPMENT		20-R3	0	13,457,225	691,488	5.14	(324,773)	366,715	2.73	
1300T	FUEL STORAGE AND HANDLING		30-R2	0	3,803,695	132,221	3.48	(44,685)	87,536	2.30	
	TOTAL DIESEL GENERATION				**44,622,878**	**1,937,932**	**4.34**	**(873,209)**	**1,064,723**	**2.39**	

MH Exhibit #22

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DEPRECIABLE WORK (1)	LIFE SPAN DATE	ESTIMATED SURVIVOR CURVE (2)	ESTIMATED NET SALVAGE (3)	SURVIVING ORIGINAL COST AT 03/31/2010 (4)	CALCULATED ANNUAL ACCRUAL AMOUNT (5)	CALCULATED ANNUAL ACCRUAL RATE (%) (6)=(5)/(4)	ANNUAL PROVISION FOR TRUE-UP (7)	TOTAL DEPRECIATION RELATED TO LIFE EXPENSE (8)=(5)+(7)	TOTAL DEPRECIATION RELATED TO LIFE RATE (%) (9)=(8)/(4)
	TRANSMISSION									
2000F	ROADS, TRAILS AND BRIDGES		45-R2.5	0	4,045,718	99,873	2.47	6,361	106,234	2.63
2000G	METAL TOWERS AND CONCRETE POLES		85-R4	0	340,022,220	4,214,624	1.24	(161,184)	4,053,440	1.19
2000J	POLES AND FIXTURES		55-R3	0	104,983,312	2,062,273	1.96	(148,017)	1,914,256	1.82
2000K	GROUND LINE TREATMENT		10-SQ	0	1,410,002	141,000	10.00	0	141,000	10.00 **
2000L	OVERHEAD CONDUCTOR AND DEVICES		65-R4	0	304,577,152	4,878,544	1.60	(678,291)	4,200,253	1.38
2000M	UNDERGROUND CABLE AND DEVICES		45-R3	0	1,167,763	25,632	2.20	(55)	25,577	2.19
	TOTAL TRANSMISSION				**756,206,167**	**11,421,946**	**1.51**	**(981,186)**	**10,440,760**	**1.38**
	SUBSTATIONS									
3000B	BUILDINGS		65-R4	0	109,491,690	1,744,398	1.59	(139,988)	1,604,410	1.47
3000C	BUILDING RENOVATIONS		20-SQ	0	32,047	1,602	5.00	(154)	1,448	4.52 **
3000F	ROADS, STEEL STRUCTURES AND CIVIL SITE WORK		50-R4	0	109,211,425	2,277,088	2.09	(154,010)	2,123,078	1.94
3000J	POLES AND FIXTURES		40-R2	0	7,810,315	226,063	2.89	(18,563)	207,500	2.66
3100R	POWER TRANSFORMERS		50-R2	0	287,449,387	6,655,180	2.32	(111,017)	6,544,163	2.28
3100S	OTHER TRANSFORMERS		35-R2	0	72,153,356	2,236,110	3.10	(136,576)	2,099,534	2.91
3100T	INTERRUPTING EQUIPMENT		45-R2	0	156,214,257	3,796,877	2.43	(188,410)	3,608,467	2.31
3100U	OTHER STATION EQUIPMENT		43-R2	0	503,404,372	12,895,343	2.56	(535,320)	12,360,023	2.46
3100V	ELECTRONIC EQUIPMENT AND BATTERIES		20-R2	0	151,238,104	7,387,316	4.88	(587,409)	6,799,907	4.50
3200M	SYNCHRONOUS CONDENSERS AND TRANSFORMERS - HVDC		65-R2	0	111,737,981	1,868,055	1.67	(33,295)	1,834,760	1.64
3200N	SYNCHRONOUS CONDENSER OVERHAULS - HVDC		15-R2	0	11,320,594	872,949	7.71	(4,157)	868,792	7.67
3200P	CONVERTER EQUIPMENT - HVDC		25-R3	0	214,981,687	8,345,612	3.88	(1,677,703)	6,667,909	3.10
3200S	SERIALIZED EQUIPMENT - HVDC		25-R2	0	646,219,985	25,602,847	3.96	(2,939,742)	22,663,105	3.51
3200U	ACCESSORY STATION EQUIPMENT - HVDC		37-R4	0	55,177,090	1,517,320	2.75	(224,782)	1,292,538	2.34
3200V	ELECTRONIC EQUIPMENT AND BATTERIES - HVDC		20-R2	0	10,401,883	475,612	4.57	(71,832)	403,780	3.88
	TOTAL SUBSTATIONS				**2,446,844,172**	**75,902,372**	**3.10**	**(6,822,958)**	**69,079,414**	**2.82**
	DISTRIBUTION									
4000A	UNDERGROUND DUCT AND CONDUIT - CONCRETE		75-R4	0	63,964,331	1,527,948	2.39	(25,537)	1,502,410	2.35
4000C	UNDERGROUND DUCT - ROOF		50-R3	0	2,908,307	67,443	2.32	(180)	67,263	2.31
4000G	METAL TOWERS		50-R4	0	4,571,448	95,692	2.09	(31,968)	63,724	1.39
4000J	POLES AND FIXTURES		55-R3	0	566,174,558	11,372,345	2.01	(3,393,713)	7,978,632	1.41
4000K	GROUND LINE TREATMENT		10-SQ	0	33,145,019	3,175,797	9.58	0	3,175,797	9.58 **
4000L	OVERHEAD CONDUCTOR AND DEVICES		60-R2	0	613,820,471	12,240,277	1.99	(2,758,926)	9,481,351	1.54
4000M	UNDERGROUND CABLE AND DEVICES - 66 KV		70-R3	0	19,523,432	315,800	1.62	(2,459)	313,341	1.60
4000N	UNDERGROUND CABLE AND DEVICES - PRIMARY		60-R4	0	255,063,759	4,481,143	1.76	(175,275)	4,305,868	1.69
4000P	UNDERGROUND CABLE AND DEVICES - SECONDARY		45-R4	0	193,755,072	4,515,645	2.33	(231,986)	4,283,659	2.21
4000Q	SERIALIZED EQUIPMENT - OVERHEAD		35-R3	0	175,924,348	5,338,957	3.03	(961,308)	4,377,649	2.49
4000R	DSC - HIGH VOLTAGE TRANSFORMERS		50-R2	0	5,415,940	141,158	2.61	(5,659)	135,499	2.50
4000S	SERIALIZED EQUIPMENT - UNDERGROUND		40-R3	0	174,049,772	4,765,046	2.74	(543,161)	4,221,885	2.43
4000V	ELECTRONIC EQUIPMENT		10-SQ	0						10.00 */**
4000W	SERVICES		30-R2	0	123,228,795	4,491,301	3.64	(783,649)	3,707,652	3.01
4000X	STREET LIGHTING		35-R3	0	147,121,573	4,368,898	2.97	(529,097)	3,839,801	2.61
	TOTAL DISTRIBUTION				**2,378,666,825**	**56,897,450**	**2.39**	**(9,442,919)**	**47,454,531**	**2.00**
	METERS									
4900V	METERS - ELECTRONIC		20-R1.5	0	16,111,185	926,414	5.75	345,036	1,271,450	7.89
4900Y	METERS - ANALOG		25-R3	0	22,469,156	747,164	3.33	2,484,180	3,231,344	14.38
4900Z	METERING TRANSFORMERS		40-R1.5	0	8,984,899	252,210	2.81	(4,448)	247,762	2.76
	TOTAL METERS				**47,565,240**	**1,925,788**	**4.05**	**2,824,768**	**4,750,556**	**9.99**

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DEPRECIABLE WORK	LIFE SPAN DATE	ESTIMATED SURVIVOR CURVE	ESTIMATED NET SALVAGE	SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE (%)	ANNUAL PROVISION FOR TRUE-UP	TOTAL DEPRECIATION RELATED TO LIFE EXPENSE	TOTAL DEPRECIATION RELATED TO LIFE RATE (%)
	(1)		(2)	(3)	(4)	(5)	(6)=(5)/(4)	(7)	(8)=(5)+(7)	(9)=(8)/(4)
	COMMUNICATION									
5000B	BUILDINGS		65-R4	0	4,154,458	67,568	1.63	2,456	70,024	1.69
5000C	BUILDING RENOVATIONS		20-SQ	0	2,741,652	135,856	4.96	9,033	144,889	5.28 **
5000D	BUILDING - SYSTEM CONTROL CENTRE		65-R4	0	15,857,686	258,480	1.63	10,718	269,198	1.70
5000G	COMMUNICATION TOWERS		60-R2.5	0	8,733,929	169,211	1.94	12,444	181,655	2.08
5000H	FIBRE OPTIC AND METALLIC CABLE		35-R1.5	0	117,999,925	4,182,599	3.54	477,843	4,660,442	3.95
5000J	CARRIER EQUIPMENT		15-S0.5	0	119,230,804	8,327,782	6.98	2,228,785	10,556,567	8.85
5000K	OPERATIONAL IT EQUIPMENT		5-SQ	0	2,197,495	366,710	16.69	72,460	439,170	19.99 **
5000M	MOBILE RADIO, TELEPHONE AND VIDEO CONFERENCING		8-SQ	0	22,085,412	1,412,806	6.40	395,972	1,808,778	8.19 **
5000N	OPERATIONAL DATA NETWORK		8-SQ	0	8,530,264	1,066,283	12.50	58,577	1,124,860	13.19 **
5000R	POWER SYSTEM CONTROL		10-R2	0	7,738,280	572,474	7.40	253,796	826,270	10.68
	TOTAL COMMUNICATION				**309,269,905**	**16,559,769**	**5.35**	**3,522,083**	**20,081,852**	**6.49**
	MOTOR VEHICLES									
6000E	PASSENGER VEHICLES		9-L2	20	1,304,413	116,873	8.96	61,394	178,267	13.67
6000F	LIGHT TRUCKS		10-L3	15	52,299,249	4,431,892	8.47	166,143	4,598,035	8.79
6000G	HEAVY TRUCKS		15-L2	10	61,004,014	3,855,518	6.32	517,820	4,373,338	7.17
6000H	CONSTRUCTION EQUIPMENT		15-L2	20	17,016,205	941,112	5.53	131,746	1,072,858	6.30
6000I	LARGE SOFT-TRACK EQUIPMENT		22-L2.5	15	13,146,265	536,840	4.08	116,795	653,635	4.97
6000J	TRAILERS		35-R3	25	15,996,331	370,448	2.32	(22,001)	348,447	2.18
6000K	MISCELLANEOUS VEHICLES		10-L1.5	15	5,724,654	481,594	8.41	(81,188)	400,406	6.99
	TOTAL MOTOR VEHICLES				**166,491,131**	**10,734,277**	**6.45**	**890,708**	**11,624,985**	**6.98**
	BUILDINGS									
8000B	BUILDINGS - GENERAL		65-R4	0	88,797,107	1,428,579	1.61	(23,061)	1,405,518	1.58
8000C	BUILDING RENOVATIONS		20-SQ	0	46,779,508	2,272,271	4.86	841,795	3,114,066	6.66 **
8000D	BUILDING - 360 PORTAGE - CIVIL		100-R4	0	207,292,785	2,198,841	1.06	(1,752)	2,197,089	1.06
8000E	BUILDING - 360 PORTAGE - ELECTRO/MECHANICAL		45-R2	0	65,888,581	2,016,603	3.06	24,589	2,041,192	3.10
	TOTAL BUILDINGS				**408,757,981**	**7,916,294**	**1.94**	**841,572**	**8,757,866**	**2.14**
	GENERAL EQUIPMENT									
9000H	TOOLS, SHOP AND GARAGE EQUIPMENT		15-SQ	0	78,461,837	5,233,405	6.67	842,696	6,076,101	7.74 **
9000K	COMPUTER EQUIPMENT		5-SQ	0	48,379,758	9,401,982	19.43	4,375,187	13,777,169	28.48 **
9000L	OFFICE FURNITURE AND EQUIPMENT		20-SQ	0	21,726,896	1,086,345	5.00	(41,021)	1,045,324	4.81 **
9000M	HOT WATER TANKS		6-SQ	0	4,511,783	197,108	4.37	759,615	956,723	21.20 **
	TOTAL GENERAL EQUIPMENT				**153,080,275**	**15,918,840**	**10.40**	**5,936,477**	**21,855,317**	**14.28**
	EASEMENTS									
A100A	EASEMENTS		75-R3	0	50,612,345	749,695	1.48	5,463	755,158	1.49
	TOTAL EASEMENTS				**50,612,345**	**749,695**	**1.48**	**5,463**	**755,158**	**1.49**
	COMPUTER SOFTWARE AND DEVELOPMENT									
A200G	COMPUTER DEVELOPMENT - MAJOR SYSTEMS		10-R3	0	100,980,015	10,205,232	10.11	324,889	10,530,121	10.43
A200H	COMPUTER DEVELOPMENT - SMALL SYSTEMS		10-SQ	0	42,827,602	4,282,760	10.00	0	4,282,760	10.00 **
A200J	COMPUTER SOFTWARE - GENERAL		5-SQ	0	5,076,404	1,002,927	19.76	0	1,002,927	19.76 **
A200K	COMPUTER SOFTWARE - COMMUNICATION/OPERATIONAL		5-SQ	0	3,639,540	360,800	9.91	146,167	506,967	13.93 **
A200L	OPERATIONAL SYSTEM MAJOR SOFTWARE - EMS/SCADA		6-R3	0	6,016,817	811,282	13.48	577,570	1,388,852	23.08
	TOTAL COMPUTER SOFTWARE AND DEVELOPMENT				**158,540,378**	**16,663,001**	**10.51**	**1,048,625**	**17,711,626**	**11.17**
	TOTAL DEPRECIABLE ASSETS				**12,067,737,939**	**301,077,032**	**2.49**	**(6,791,243)**	**294,285,788**	**2.44**

* The account has no balance as of March 31, 2010 and rate will be used on a go-forward basis for future additions.
** On amortized accounts any true-up of less than 10% is not considered significant.

MANITOBA HYDRO

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION		SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE AMOUNT	ACCUMULATED DEPRECIATION VARIANCE PERCENT	PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP	
	(1)		(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)	
10000	**GENERATION**									
11000	**HYDRAULIC GENERATION**									
11050	**GREAT FALLS**									
1105A	DAMS, DYKES AND WEIRS		17,302,772	6,214,538	7,613,124	(1,398,586)	(0.23)	51.3	(27,263)	
1105B	POWERHOUSE		7,990,993	3,038,329	3,698,385	(660,056)	(0.22)	50.6	(13,045)	
1105C	POWERHOUSE RENOVATIONS	*								**
1105D	SPILLWAY		9,676,327	3,727,033	3,999,802	(272,769)	(0.07)	39.2	(6,958)	
1105E	WATER CONTROL SYSTEMS		24,245,253	8,269,309	9,971,579	(1,702,270)	(0.21)	33.5	(50,814)	
1105F	ROADS AND SITE IMPROVEMENTS		213,964	10,408	11,365	(957)	(0.09)	39.7	(24)	
1105G	TURBINES AND GENERATORS		25,128,789	7,085,426	8,424,895	(1,339,469)	(0.19)	44.1	(30,373)	
1105H	GOVERNORS AND EXCITATION SYSTEM		492,218	161,825	193,442	(31,617)	(0.20)	39.0	(811)	
1105L	LICENCE RENEWAL	*								**
1105P	A/C ELECTRICAL POWER SYSTEMS		9,493,088	3,314,653	3,714,794	(400,141)	(0.12)	31.1	(12,866)	
1105Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		19,271,956	6,679,465	6,778,449	(98,984)	(0.01)	13.2	(7,499)	
1105R	AUXILIARY STATION PROCESSES		8,345,798	3,026,374	3,244,974	(218,600)	(0.07)	24.0	(9,108)	
1105X	SUPPORT BUILDINGS		1,495,253	638,944	750,898	(111,954)	(0.18)	39.7	(2,820)	
1105W	SUPPORT BUILDING RENOVATIONS	*								**
	TOTAL GREAT FALLS		**123,656,412**	**42,166,304**	**48,401,707**	**(6,235,403)**	**(0.15)**		**(161,581)**	
11100	**POINTE DU BOIS**									
1110A	DAMS, DYKES AND WEIRS		11,263,332	1,889,913	3,807,139	(1,917,226)	(1.01)	21.0	(91,296)	
1110B	POWERHOUSE		6,242,749	552,108	1,114,041	(561,933)	(1.02)	21.0	(26,759)	
1110C	POWERHOUSE RENOVATIONS	*								**
1110D	SPILLWAY - ORIGINAL		3,104,842	717,684	1,300,951	(583,267)	(0.81)	6.9	(84,531)	
1110E	WATER CONTROL SYSTEMS		4,027,603	814,575	1,644,546	(829,971)	(1.02)	21.0	(39,522)	
1110F	ROADS AND SITE IMPROVEMENTS		28,533	6,120	12,046	(5,926)	(0.97)	20.1	(295)	
1110G	TURBINES AND GENERATORS	*	24,610,324	3,159,817	6,374,825	(3,215,008)	(1.02)	21.0	(153,096)	
1110H	GOVERNORS AND EXCITATION SYSTEM	*								**
1110L	LICENCE RENEWAL									
1110P	A/C ELECTRICAL POWER SYSTEMS		6,057,709	481,479	947,448	(465,969)	(0.97)	20.3	(22,954)	
1110Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		355,559	50,269	88,467	(38,198)	(0.76)	14.8	(2,581)	
1110R	AUXILIARY STATION PROCESSES		1,377,014	239,152	448,852	(209,700)	(0.88)	18.5	(11,335)	
1110X	SUPPORT BUILDINGS	*	2,616,290	666,189	1,324,449	(658,260)	(0.99)	20.5	(32,110)	**
1110W	SUPPORT BUILDING RENOVATIONS	*								
1111D	SPILLWAY - NEW	*								
	TOTAL POINTE DU BOIS		**59,683,956**	**8,577,306**	**17,062,765**	**(8,485,459)**	**(0.99)**		**(464,480)**	
11150	**SEVEN SISTERS**									
1115A	DAMS, DYKES AND WEIRS		31,497,995	10,903,236	15,406,970	(4,503,734)	(0.41)	59.1	(76,205)	
1115B	POWERHOUSE		13,653,945	5,953,556	8,292,614	(2,339,058)	(0.39)	57.5	(40,679)	
1115C	POWERHOUSE RENOVATIONS	*								**
1115D	SPILLWAY		2,841,355	1,392,766	1,607,456	(214,690)	(0.15)	40.7	(5,275)	
1115E	WATER CONTROL SYSTEMS		4,296,891	2,019,990	2,839,823	(819,833)	(0.41)	34.6	(23,695)	
1115F	ROADS AND SITE IMPROVEMENTS		201,701	102,573	142,642	(40,069)	(0.39)	33.8	(1,185)	
1115G	TURBINES AND GENERATORS		41,208,963	9,885,456	13,488,286	(3,602,830)	(0.36)	47.7	(75,531)	
1115H	GOVERNORS AND EXCITATION SYSTEM		6,860	5,805	8,062	(2,257)	(0.39)	5.0	(451)	
1115L	LICENCE RENEWAL	*								**
1115P	A/C ELECTRICAL POWER SYSTEMS		10,648,619	3,796,763	4,966,536	(1,169,773)	(0.31)	32.4	(36,104)	
1115Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		3,821,416	2,049,090	2,386,760	(337,670)	(0.16)	11.4	(29,620)	
1115R	AUXILIARY STATION PROCESSES		5,224,958	2,217,975	2,809,589	(591,614)	(0.27)	23.3	(25,391)	
1115X	SUPPORT BUILDINGS		608,294	105,899	137,334	(31,435)	(0.30)	46.5	(676)	
1115W	SUPPORT BUILDING RENOVATIONS	*								**
	TOTAL SEVEN SISTERS		**114,010,998**	**38,433,109**	**52,086,073**	**(13,652,964)**	**(0.36)**		**(314,814)**	

MANITOBA HYDRO

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION (1)	SURVIVING ORIGINAL COST AT 03/31/2010 (2)	CALCULATED ACCRUED DEPRECIATION (3)	BOOK ACCUMULATED DEPRECIATION (4)	ACCUMULATED DEPRECIATION VARIANCE AMOUNT (5) = (3)-(4)	ACCUMULATED DEPRECIATION VARIANCE PERCENT (6) = (5)/(3)	PROBABLE REMAINING LIFE (7)	ANNUAL PROVISION FOR TRUE-UP (8)=(5)/(7)
11200	**SLAVE FALLS**							
1120A	DAMS, DYKES AND WEIRS	954,684	44,764	54,185	(9,421)	(0.21)	61.4	(153)
1120B	POWERHOUSE	45,692,194	4,903,168	5,952,681	(1,049,513)	(0.21)	61.5	(17,065)
1120C	POWERHOUSE RENOVATIONS *							**
1120D	SPILLWAY	760,201	61,294	58,657	2,637	0.04	45.4	58
1120E	WATER CONTROL SYSTEMS	318,933	24,068	28,347	(4,279)	(0.18)	44.7	(96)
1120F	ROADS AND SITE IMPROVEMENTS	769,506	78,949	83,156	(4,207)	(0.05)	39.4	(107)
1120G	TURBINES AND GENERATORS	11,630,909	1,490,317	1,739,984	(249,667)	(0.17)	50.7	(4,924)
1120H	GOVERNORS AND EXCITATION SYSTEM *							
1120L	LICENCE RENEWAL *							**
1120P	A/C ELECTRICAL POWER SYSTEMS	21,815,741	1,944,102	2,060,897	(116,795)	(0.06)	39.3	(2,972)
1120Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	786,382	108,358	104,882	3,476	0.03	16.0	217
1120R	AUXILIARY STATION PROCESSES	2,201,466	179,198	171,468	7,730	0.04	29.5	262
1120X	SUPPORT BUILDINGS	3,724,095	507,079	552,458	(45,379)	(0.09)	47.5	(955)
1120W	SUPPORT BUILDING RENOVATIONS *							**
	TOTAL SLAVE FALLS	**88,654,109**	**9,341,297**	**10,806,713**	**(1,465,416)**	**(0.16)**		**(25,735)**
11250	**PINE FALLS**							
1125A	DAMS, DYKES AND WEIRS	14,110,589	2,084,324	2,573,116	(488,792)	(0.23)	77.3	(6,323)
1125B	POWERHOUSE	10,060,843	4,528,984	5,542,973	(1,013,989)	(0.22)	63.5	(15,968)
1125C	POWERHOUSE RENOVATIONS *							**
1125D	SPILLWAY	93,376	3,551	3,149	402	0.11	49.8	8
1125E	WATER CONTROL SYSTEMS	3,564,106	1,925,975	2,388,172	(462,197)	(0.24)	30.8	(15,006)
1125F	ROADS AND SITE IMPROVEMENTS	1,178,575	932,226	1,130,898	(198,672)	(0.21)	10.5	(18,921)
1125G	TURBINES AND GENERATORS	9,464,220	4,932,555	5,889,287	(956,732)	(0.19)	38.0	(25,177)
1125H	GOVERNORS AND EXCITATION SYSTEM *							
1125L	LICENCE RENEWAL *							**
1125P	A/C ELECTRICAL POWER SYSTEMS	5,071,108	1,827,772	2,169,610	(341,838)	(0.19)	36.1	(9,469)
1125Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2,156,586	1,110,121	1,145,153	(35,032)	(0.03)	10.6	(3,305)
1125R	AUXILIARY STATION PROCESSES	3,790,230	1,523,378	1,704,847	(181,469)	(0.12)	24.1	(7,530)
1125X	SUPPORT BUILDINGS	336,412	88,521	99,028	(10,507)	(0.12)	43.6	(241)
1125W	SUPPORT BUILDING RENOVATIONS *							**
1125Z	COMMUNITY DEVELOPMENT COSTS	4,425,543	533,832	710,240	(176,408)	(0.33)	71.4	(2,471) **
	TOTAL PINE FALLS	**54,251,587**	**19,491,239**	**23,356,474**	**(3,865,235)**	**(0.20)**		**(104,404)**
11300	**MCARTHUR FALLS**							
1130A	DAMS, DYKES AND WEIRS	3,578,068	1,327,762	1,583,088	(255,326)	(0.19)	69.1	(3,695)
1130B	POWERHOUSE	9,523,798	4,217,087	5,018,727	(801,640)	(0.19)	64.3	(12,467)
1130C	POWERHOUSE RENOVATIONS *							**
1130D	SPILLWAY	2,351,438	1,566,058	1,703,092	(137,034)	(0.09)	27.8	(4,929)
1130E	WATER CONTROL SYSTEMS	11,703,203	4,138,832	5,007,819	(868,987)	(0.21)	33.3	(26,096)
1130F	ROADS AND SITE IMPROVEMENTS	234,820	111,788	127,773	(15,985)	(0.14)	29.0	(551)
1130G	TURBINES AND GENERATORS	5,096,367	3,966,488	4,670,712	(704,224)	(0.18)	15.7	(44,855)
1130H	GOVERNORS AND EXCITATION SYSTEM	119,315	32,237	38,021	(5,784)	(0.18)	34.9	(166)
1130L	LICENCE RENEWAL *							**
1130P	A/C ELECTRICAL POWER SYSTEMS	2,480,539	1,548,716	1,818,844	(270,128)	(0.17)	29.3	(9,219)
1130Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	1,245,885	697,673	747,884	(50,211)	(0.07)	12.3	(4,082)
1130R	AUXILIARY STATION PROCESSES	3,440,197	1,347,401	1,483,474	(136,073)	(0.10)	25.0	(5,443)
1130X	SUPPORT BUILDINGS	227,212	59,529	65,327	(5,798)	(0.10)	43.7	(133)
1130W	SUPPORT BUILDING RENOVATIONS *							**
	TOTAL MCARTHUR FALLS	**40,000,842**	**19,013,571**	**22,264,760**	**(3,251,189)**	**(0.17)**		**(111,636)**

MANITOBA HYDRO

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION		SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE AMOUNT	ACCUMULATED DEPRECIATION VARIANCE PERCENT	PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP
	(1)		(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)
11350	**KELSEY**								
1135A	DAMS, DYKES AND WEIRS		11,066,409	2,091,406	2,388,154	(296,748)	(0.14)	81.9	(3,623)
1135B	POWERHOUSE		27,569,817	10,369,448	11,797,459	(1,428,011)	(0.14)	71.8	(19,889)
1135C	POWERHOUSE RENOVATIONS	*							**
1135D	SPILLWAY		5,331,929	3,272,738	3,337,776	(65,038)	(0.02)	31.1	(2,091)
1135E	WATER CONTROL SYSTEMS		11,792,566	5,095,822	5,858,592	(762,770)	(0.15)	37.6	(20,286)
1135F	ROADS AND SITE IMPROVEMENTS		6,442,928	3,327,136	3,675,535	(348,399)	(0.10)	28.5	(12,225)
1135G	TURBINES AND GENERATORS		130,323,693	9,810,603	10,889,594	(1,078,991)	(0.11)	56.8	(18,996)
1135H	GOVERNORS AND EXCITATION SYSTEM		88,651	25,248	28,203	(2,955)	(0.12)	33.9	(87)
1135L	LICENCE RENEWAL	*							**
1135P	A/C ELECTRICAL POWER SYSTEMS		5,751,610	3,144,625	3,442,084	(297,459)	(0.09)	24.5	(12,141)
1135Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		3,595,490	1,573,603	1,535,475	38,128	0.02	12.3	3,100
1135R	AUXILIARY STATION PROCESSES		7,788,815	3,256,761	3,361,853	(105,092)	(0.03)	22.6	(4,650)
1135X	SUPPORT BUILDINGS		9,953,977	1,934,994	2,030,173	(95,179)	(0.05)	47.1	(2,021)
1135W	SUPPORT BUILDING RENOVATIONS	*							**
	TOTAL KELSEY		**219,705,886**	**43,902,384**	**48,344,899**	**(4,442,515)**	**(0.10)**		**(92,910)**
11400	**GRAND RAPIDS**								
1140A	DAMS, DYKES AND WEIRS		53,468,974	16,904,945	20,241,182	(3,336,237)	(0.20)	71.3	(46,792)
1140B	POWERHOUSE		24,506,522	9,074,278	10,870,236	(1,795,958)	(0.20)	69.2	(25,953)
1140C	POWERHOUSE RENOVATIONS	*							**
1140D	SPILLWAY		5,308,334	2,984,459	3,127,598	(143,139)	(0.05)	34.1	(4,198)
1140E	WATER CONTROL SYSTEMS		15,982,492	10,781,268	12,935,293	(2,154,025)	(0.20)	35.0	(61,544)
1140F	ROADS AND SITE IMPROVEMENTS		2,581,475	1,853,663	2,151,076	(297,413)	(0.16)	18.7	(15,904)
1140G	TURBINES AND GENERATORS		113,066,160	24,914,070	28,837,308	(3,923,238)	(0.16)	48.1	(81,564)
1140H	GOVERNORS AND EXCITATION SYSTEM		42,718	9,742	11,420	(1,678)	(0.17)	37.8	(44)
1140L	LICENCE RENEWAL	*							**
1140P	A/C ELECTRICAL POWER SYSTEMS		8,240,545	2,996,076	3,393,467	(397,391)	(0.13)	32.2	(12,341)
1140Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		4,674,247	3,162,334	3,344,181	(181,847)	(0.06)	10.2	(17,828)
1140R	AUXILIARY STATION PROCESSES		5,600,506	1,772,923	1,867,556	(94,633)	(0.05)	25.0	(3,785)
1140X	SUPPORT BUILDINGS		6,190,376	1,167,718	1,266,627	(98,909)	(0.08)	47.1	(2,100)
1140W	SUPPORT BUILDING RENOVATIONS	*							**
1140Z	COMMUNITY DEVELOPMENT COSTS		101,442,997	11,399,379	17,852,104	(6,452,725)	(0.57)	71.2	(90,628)
	TOTAL GRAND RAPIDS		**341,105,346**	**87,020,855**	**105,898,046**	**(18,877,191)**	**(0.22)**		**(362,682)**
11450	**KETTLE**								
1145A	DAMS, DYKES AND WEIRS		45,280,663	14,457,365	17,156,728	(2,699,363)	(0.19)	79.0	(34,169)
1145B	POWERHOUSE		146,207,420	46,205,345	54,832,267	(8,626,922)	(0.19)	79.3	(108,788)
1145C	POWERHOUSE RENOVATIONS	*							**
1145D	SPILLWAY		25,406,960	12,672,991	13,102,475	(429,484)	(0.03)	37.7	(11,392)
1145E	WATER CONTROL SYSTEMS		17,834,945	12,943,500	15,570,815	(2,627,315)	(0.20)	15.1	(173,994)
1145F	ROADS AND SITE IMPROVEMENTS		10,591	2,234	2,424	(190)	(0.08)	35.5	(5)
1145G	TURBINES AND GENERATORS		70,740,028	38,119,760	44,332,641	(6,212,881)	(0.16)	29.8	(208,486)
1145H	GOVERNORS AND EXCITATION SYSTEM		3,304,326	2,291,949	2,718,363	(426,414)	(0.19)	16.3	(26,160)
1145L	LICENCE RENEWAL	*							**
1145P	A/C ELECTRICAL POWER SYSTEMS		6,771,761	2,715,301	3,063,216	(347,915)	(0.13)	29.9	(11,636)
1145Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		12,001,279	7,812,908	8,161,591	(348,683)	(0.04)	10.2	(34,185)
1145R	AUXILIARY STATION PROCESSES		15,361,985	8,293,267	9,355,269	(1,062,002)	(0.13)	21.2	(50,094)
1145X	SUPPORT BUILDINGS		3,908,404	2,242,225	2,527,081	(284,856)	(0.13)	27.7	(10,284)
1145W	SUPPORT BUILDING RENOVATIONS	*							**
	TOTAL KETTLE		**346,828,362**	**147,756,845**	**170,822,869**	**(23,066,024)**	**(0.16)**		**(669,194)**

MANITOBA HYDRO

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION	SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE AMOUNT	ACCUMULATED DEPRECIATION VARIANCE PERCENT	PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP
	(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)
11500	**LAURIE RIVER**							
1150A	DAMS, DYKES AND WEIRS	355,538	177,539	119,594	57,945	0.33	22.0	2,634
1150B	POWERHOUSE	7,664,146	1,880,047	1,265,197	614,850	0.33	22.0	27,948
1150C	POWERHOUSE RENOVATIONS *							**
1150D	SPILLWAY	870,000	372,186	240,118	132,068	0.35	20.7	6,380
1150E	WATER CONTROL SYSTEMS	458,033	180,347	121,277	59,070	0.33	21.7	2,722
1150F	ROADS AND SITE IMPROVEMENTS	1,441,914	607,104	394,599	212,505	0.35	19.9	10,679
1150G	TURBINES AND GENERATORS	4,603,136	777,293	522,394	254,899	0.33	21.9	11,639
1150H	GOVERNORS AND EXCITATION SYSTEM	882,653	94,232	63,131	31,101	0.33	21.8	1,427
1150L	LICENCE RENEWAL *							**
1150P	A/C ELECTRICAL POWER SYSTEMS	1,441,945	532,317	347,758	184,559	0.35	20.5	9,003
1150Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	1,220,047	769,647	436,660	332,987	0.43	8.4	39,641
1150R	AUXILIARY STATION PROCESSES	308,504	130,042	80,696	49,346	0.38	18.3	2,697
1150X	SUPPORT BUILDINGS	355,919	161,943	106,876	55,067	0.34	21.0	2,622
1150W	SUPPORT BUILDING RENOVATIONS *							**
	TOTAL LAURIE RIVER	**19,601,835**	**5,682,697**	**3,698,298**	**1,984,399**	**0.35**		**117,391**
11550	**JENPEG**							
1155A	DAMS, DYKES AND WEIRS	15,295,318	3,325,195	3,661,242	(336,047)	(0.10)	88.4	(3,801)
1155B	POWERHOUSE	76,905,294	21,018,339	23,110,365	(2,092,026)	(0.10)	84.3	(24,816)
1155C	POWERHOUSE RENOVATIONS *							**
1155D	SPILLWAY	14,942,733	6,657,678	6,251,622	406,056	0.06	40.1	10,126
1155E	WATER CONTROL SYSTEMS	16,762,099	10,865,384	12,126,362	(1,260,978)	(0.12)	17.4	(72,470)
1155F	ROADS AND SITE IMPROVEMENTS	1,563,205	735,898	769,243	(33,345)	(0.05)	25.8	(1,292)
1155G	TURBINES AND GENERATORS	79,641,550	36,965,814	39,906,553	(2,940,739)	(0.08)	33.4	(88,046)
1155H	GOVERNORS AND EXCITATION SYSTEM *							
1155L	LICENCE RENEWAL *							**
1155P	A/C ELECTRICAL POWER SYSTEMS	19,308,049	12,128,595	12,814,770	(686,175)	(0.06)	19.1	(35,925)
1155Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	3,343,800	2,154,070	2,014,895	139,175	0.06	9.0	15,464
1155R	AUXILIARY STATION PROCESSES	9,796,258	4,363,099	4,457,960	(94,861)	(0.02)	21.6	(4,392)
1155X	SUPPORT BUILDINGS	7,885,397	2,301,830	2,365,167	(63,337)	(0.03)	42.5	(1,490)
1155W	SUPPORT BUILDING RENOVATIONS *							**
	TOTAL JENPEG	**245,443,703**	**100,515,902**	**107,478,180**	**(6,962,278)**	**(0.07)**		**(206,644)**
11600	**LAKE WINNIPEG REGULATION**							
1160A	DAMS, DYKES AND WEIRS	96,807,065	26,325,352	33,231,067	(6,905,715)	(0.26)	86.7	(79,651)
1160L	LICENCE RENEWAL *							**
1160Z	COMMUNITY DEVELOPMENT COSTS	387,802,871	54,108,862	73,448,592	(19,339,730)	(0.36)	86.6	(223,323) **
	TOTAL LAKE WINNIPEG REGULATION	**484,609,937**	**80,434,214**	**106,679,659**	**(26,245,445)**	**(0.33)**		**(302,973)**
11650	**CHURCHILL RIVER DIVERSION**							
1165A	DAMS, DYKES AND WEIRS	114,718,213	30,724,065	31,921,746	(1,197,681)	(0.04)	87.1	(13,751)
1165D	SPILLWAY	56,442,246	25,314,347	22,609,467	2,704,880	0.11	40.0	67,622
1165E	WATER CONTROL SYSTEMS	17,583,551	11,612,927	12,324,199	(711,272)	(0.06)	16.7	(42,591)
1165F	ROADS AND SITE IMPROVEMENTS	6,799,023	4,272,805	4,291,935	(19,130)	(0.00)	19.0	(1,007)
1165L	LICENCE RENEWAL *							**
1165P	A/C ELECTRICAL POWER SYSTEMS	1,596,593	1,005,012	1,009,712	(4,700)	(0.00)	19.0	(247)
1165Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	1,417,862	1,197,658	1,107,794	89,864	0.08	6.0	14,977
1165R	AUXILIARY STATION PROCESSES	1,799,312	498,971	462,083	36,888	0.07	25.7	1,435
1165X	SUPPORT BUILDINGS	28,361	4,169	3,968	201	0.05	49.3	4
1165W	SUPPORT BUILDING RENOVATIONS *							**
1165Z	COMMUNITY DEVELOPMENT COSTS	305,036,524	55,319,169	74,130,320	(18,811,151)	(0.34)	82.5	(228,014) **
	TOTAL CHURCHILL RIVER DIVERSION	**505,421,684**	**129,949,123**	**147,861,224**	**(17,912,101)**	**(0.14)**		**(201,571)**

MANITOBA HYDRO

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION	SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE AMOUNT	ACCUMULATED DEPRECIATION VARIANCE PERCENT	PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP
	(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)
11700	**LONG SPRUCE**							
1170A	DAMS, DYKES AND WEIRS	64,744,494	17,136,124	18,797,519	(1,661,395)	(0.10)	85.2	(19,500)
1170B	POWERHOUSE	143,780,355	38,092,455	41,787,059	(3,694,604)	(0.10)	85.2	(43,364)
1170C	POWERHOUSE RENOVATIONS *							**
1170D	SPILLWAY	42,273,617	18,296,252	17,142,264	1,153,988	0.06	41.0	28,146
1170E	WATER CONTROL SYSTEMS	57,946,281	37,207,115	41,449,762	(4,242,647)	(0.11)	17.5	(242,437)
1170F	ROADS AND SITE IMPROVEMENTS	1,172,867	657,177	687,609	(30,432)	(0.05)	22.0	(1,383)
1170G	TURBINES AND GENERATORS	143,328,643	72,028,075	77,103,787	(5,075,712)	(0.07)	30.7	(165,333)
1170H	GOVERNORS AND EXCITATION SYSTEM	145,844	20,097	21,732	(1,635)	(0.08)	40.7	(40)
1170L	LICENCE RENEWAL *							**
1170P	A/C ELECTRICAL POWER SYSTEMS	30,503,528	17,655,095	18,542,547	(887,452)	(0.05)	21.3	(41,664)
1170Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	4,409,200	3,518,156	3,373,611	144,545	0.04	6.9	20,949
1170R	AUXILIARY STATION PROCESSES	12,199,119	6,909,582	7,135,875	(226,293)	(0.03)	17.9	(12,642)
1170X	SUPPORT BUILDINGS	160,484	18,662	18,618	44	0.00	50.4	1
1170W	SUPPORT BUILDING RENOVATIONS *							**
	TOTAL LONG SPRUCE	**500,664,431**	**211,538,790**	**226,060,384**	**(14,521,594)**	**(0.07)**		**(477,268)**
11750	**LIMESTONE**							
1175A	DAMS, DYKES AND WEIRS	33,258,073	5,378,081	5,756,238	(378,157)	(0.07)	96.8	(3,907)
1175B	POWERHOUSE	461,430,334	74,262,785	79,485,351	(5,222,566)	(0.07)	96.9	(53,896)
1175C	POWERHOUSE RENOVATIONS *							**
1175D	SPILLWAY	201,240,773	56,703,974	49,241,598	7,462,376	0.13	47.6	156,773
1175E	WATER CONTROL SYSTEMS	116,224,392	44,988,138	48,919,806	(3,931,668)	(0.09)	29.6	(132,827)
1175F	ROADS AND SITE IMPROVEMENTS	17,164,432	6,795,781	6,832,303	(36,522)	(0.01)	28.5	(1,281)
1175G	TURBINES AND GENERATORS	403,825,745	124,076,655	130,029,479	(5,952,824)	(0.05)	42.0	(141,734)
1175H	GOVERNORS AND EXCITATION SYSTEM	16,584,271	6,439,021	6,847,507	(408,486)	(0.06)	29.2	(13,989)
1175L	LICENCE RENEWAL *							**
1175P	A/C ELECTRICAL POWER SYSTEMS	144,317,307	57,149,653	57,457,004	(307,351)	(0.01)	28.5	(10,784)
1175Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	8,333,373	5,237,449	4,778,396	459,053	0.09	9.1	50,445
1175R	AUXILIARY STATION PROCESSES	36,054,205	16,111,470	15,631,104	480,366	0.03	21.2	22,659
1175X	SUPPORT BUILDINGS	5,703,494	1,625,607	1,616,130	9,477	0.01	42.6	222
1175W	SUPPORT BUILDING RENOVATIONS *							**
	TOTAL LIMESTONE	**1,444,136,399**	**398,768,614**	**406,594,917**	**(7,826,303)**	**(0.02)**		**(128,319)**
11800	**WUSKWATIM**							
1180A	DAMS, DYKES AND WEIRS *							
1180B	POWERHOUSE *							
1180C	POWERHOUSE RENOVATIONS *							**
1180D	SPILLWAY *							
1180E	WATER CONTROL SYSTEMS *							
1180F	ROADS AND SITE IMPROVEMENTS *							
1180G	TURBINES AND GENERATORS *							
1180H	GOVERNORS AND EXCITATION SYSTEM *							
1180P	A/C ELECTRICAL POWER SYSTEMS *							
1180Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS *							
1180R	AUXILIARY STATION PROCESSES *							
1180X	SUPPORT BUILDINGS *							
1180W	SUPPORT BUILDING RENOVATIONS *							**
	TOTAL WUSKWATIM	**0**	**0**	**0**	**0**	**0.00**		**0**
11990	**INFRASTRUCTURE SUPPORTING GENERATION**							
1199F	PROVINCIAL ROADS	25,380,938	14,256,798	13,691,986	564,812	0.04	21.8	25,909
1199V	TOWN SITE BUILDINGS	63,280,714	21,821,338	18,850,678	2,970,660	0.14	38.2	77,766
1199W	TOWN SITE BUILDINGS RENOVATIONS	13,502,581	2,082,369	809,439	1,272,930	0.61	16.0	79,558 **
1199Y	TOWN SITE OTHER INFRASTRUCTURE	26,527,464	6,785,574	6,187,988	597,586	0.09	30.3	19,722
	TOTAL INFRASTRUCTURE SUPPORTING GENERATION	**128,691,696**	**44,946,079**	**39,540,091**	**5,405,988**	**0.12**		**202,955**
	TOTAL HYDRAULIC GENERATION	**4,716,467,183**	**1,387,538,329**	**1,536,957,059**	**(149,418,730)**	**(0.11)**		**(3,303,866)**

MANITOBA HYDRO

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION		SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE AMOUNT	ACCUMULATED DEPRECIATION VARIANCE PERCENT	PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP	
	(1)		(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)	
12000	**THERMAL GENERATION**									
12050	**BRANDON UNIT 5 (COAL)**									
1205B	POWERHOUSE		11,729,518	7,632,440	7,309,729	322,711	0.04	9.7	33,269	
1205C	POWERHOUSE RENOVATIONS	*								**
1205F	ROADS AND SITE IMPROVEMENTS		4,012,331	2,328,563	2,223,066	105,497	0.05	9.7	10,876	
1205G	THERMAL TURBINES AND GENERATORS		19,611,168	10,357,790	9,929,941	427,849	0.04	9.8	43,658	
1205H	GOVERNORS AND EXCITATION SYSTEM		2,343,861	1,203,338	1,159,256	44,082	0.04	9.9	4,453	
1205J	STEAM GENERATOR AND AUXILIARIES		14,827,183	9,606,334	9,136,797	469,537	0.05	9.7	48,406	
1205L	LICENCE RENEWAL	*								**
1205P	A/C ELECTRICAL POWER SYSTEMS		8,009,703	5,163,840	4,909,693	254,147	0.05	9.5	26,752	
1205Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		26,389,775	18,364,654	16,247,252	2,117,402	0.12	6.5	325,754	
1205R	AUXILIARY STATION PROCESSES		47,306,417	28,484,735	26,692,451	1,792,284	0.06	9.2	194,813	
1205X	SUPPORT BUILDINGS		7,253,899	4,385,802	4,205,706	180,096	0.04	9.9	18,192	
1205W	SUPPORT BUILDING RENOVATIONS	*								**
	TOTAL BRANDON UNIT 5 (COAL)		**141,483,855**	**87,527,496**	**81,813,891**	**5,713,605**	**0.07**		**706,173**	
12100	**BRANDON UNITS 6 AND 7**									
1210B	POWERHOUSE		14,925,029	1,823,651	2,280,114	(456,463)	(0.25)	53.9	(8,469)	
1210C	POWERHOUSE RENOVATIONS	*								**
1210G	THERMAL TURBINES AND GENERATORS		9,823,758	1,575,357	1,952,163	(376,806)	(0.24)	39.2	(9,612)	
1210H	GOVERNORS AND EXCITATION SYSTEM	*								
1210K	COMBUSTION TURBINE		143,284,091	44,692,977	52,513,510	(7,820,533)	(0.17)	15.9	(491,857)	
1210L	LICENCE RENEWAL	*								**
1210M	COMBUSTION TURBINE OVERHAULS	*								**
1210P	A/C ELECTRICAL POWER SYSTEMS		6,252,586	1,040,520	1,200,472	(159,952)	(0.15)	37.2	(4,300)	
1210Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		1,114,338	244,755	258,878	(14,123)	(0.06)	14.8	(954)	
1210R	AUXILIARY STATION PROCESSES		10,639,560	2,211,095	2,379,753	(168,658)	(0.08)	27.7	(6,089)	
	TOTAL BRANDON UNITS 6 AND 7		**186,039,362**	**51,588,355**	**60,584,890**	**(8,996,535)**	**(0.17)**		**(521,281)**	
12150	**SELKIRK**									
1215B	POWERHOUSE		6,808,812	4,128,965	6,606,843	(2,477,878)	(0.60)	15.4	(103,363)	****
1215C	POWERHOUSE RENOVATIONS	*								**
1215F	ROADS AND SITE IMPROVEMENTS		1,630,443	707,589	1,096,260	(388,671)	(0.55)	32.4	(11,996)	
1215G	THERMAL TURBINES AND GENERATORS		22,750,003	8,478,353	13,369,871	(4,891,518)	(0.58)	37.1	(131,847)	
1215H	GOVERNORS AND EXCITATION SYSTEM		17,307	6,360	10,050	(3,690)	(0.58)	30.1		***
1215J	STEAM GENERATOR AND AUXILIARIES		48,630,259	10,023,062	14,243,657	(4,220,595)	(0.42)	46.8	(90,184)	
1215L	LICENCE RENEWAL	*								**
1215P	A/C ELECTRICAL POWER SYSTEMS		3,171,700	1,919,424	3,013,273	(1,093,849)	(0.57)	17.2	(60,074)	****
1215Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		5,257,468	2,814,592	3,837,942	(1,023,350)	(0.36)	11.8	(86,725)	
1215R	AUXILIARY STATION PROCESSES		13,791,022	6,369,464	9,558,873	(3,189,409)	(0.50)	24.2	(131,794)	
1215X	SUPPORT BUILDINGS		1,033,229	450,923	691,355	(240,432)	(0.53)	42.1	(5,711)	**
1215W	SUPPORT BUILDING RENOVATIONS	*								**
	TOTAL SELKIRK		**103,090,244**	**34,898,732**	**52,428,124**	**(17,529,392)**	**(0.50)**		**(621,693)**	
	TOTAL THERMAL GENERATION		**430,613,460**	**174,014,583**	**194,826,905**	**(20,812,322)**	**(0.12)**		**(436,801)**	
	TOTAL GENERATION		**5,147,080,643**	**1,561,552,912**	**1,731,783,964**	**(170,231,052)**	**(0.11)**		**(3,740,667)**	
	DIESEL GENERATION									
1300B	BUILDINGS		9,191,362	3,251,508	4,906,932	(1,655,424)	(50.91)	19.1	(86,671)	
1300C	BUILDING RENOVATIONS		17,685	4,497	7,587	(3,090)	(68.71)	11.4	0	**/***
1300M	ENGINES AND GENERATORS - OVERHAULS	*								**
1300N	ENGINES AND GENERATORS		18,152,912	6,799,275	13,597,682	(6,798,407)	(99.99)	16.3	(417,080)	
1300Q	ACCESSORY STATION EQUIPMENT		13,457,225	6,246,425	10,143,698	(3,897,273)	(62.39)	12.0	(324,773)	
1300T	FUEL STORAGE AND HANDLING		3,803,695	1,628,376	2,410,356	(781,980)	(48.02)	17.5	(44,685)	
	TOTAL DIESEL GENERATION		**44,622,878**	**17,930,081**	**31,066,255**	**(13,136,174)**	**(73.26)**		**(873,209)**	

MANITOBA HYDRO

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION	SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE AMOUNT	ACCUMULATED DEPRECIATION VARIANCE PERCENT	PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP
	(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)
	TRANSMISSION							
2000F	ROADS, TRAILS AND BRIDGES	4,045,718	1,118,735	937,453	181,282	16.20	28.5	6,361
2000G	METAL TOWERS AND CONCRETE POLES	340,022,220	90,153,172	99,791,962	(9,638,790)	(10.69)	59.8	(161,184)
2000J	POLES AND FIXTURES	104,983,312	31,662,039	37,079,466	(5,417,427)	(17.11)	36.6	(148,017)
2000K	GROUND LINE TREATMENT	1,410,002	406,685	384,224	22,461	5.52	7.1	**
2000L	OVERHEAD CONDUCTOR AND DEVICES	304,577,152	101,223,234	131,135,862	(29,912,628)	(29.55)	44.1	(678,291)
2000M	UNDERGROUND CABLE AND DEVICES	1,167,763	668,351	669,421	(1,070)	(0.16)	19.5	(55)
	TOTAL TRANSMISSION	**756,206,167**	**225,232,216**	**269,998,388**	**(44,766,172)**	**(19.88)**		**(981,186)**
	SUBSTATIONS							
3000B	BUILDINGS	109,491,690	43,169,830	48,643,362	(5,473,532)	(12.68)	39.1	(139,988)
3000C	BUILDING RENOVATIONS	32,047	13,582	15,351	(1,769)	(13.03)	11.5	(154) **
3000F	ROADS, STEEL STRUCTURES AND CIVIL SITE WORK	109,211,425	30,704,401	36,248,752	(5,544,351)	(18.06)	36.0	(154,010)
3000J	POLES AND FIXTURES	7,810,315	2,159,493	2,630,995	(471,502)	(21.83)	25.4	(18,563)
3100R	POWER TRANSFORMERS	287,449,387	81,301,746	84,754,364	(3,452,618)	(4.25)	31.1	(111,017)
3100S	OTHER TRANSFORMERS	72,153,356	28,485,678	31,244,518	(2,758,840)	(9.69)	20.2	(136,576)
3100T	INTERRUPTING EQUIPMENT	156,214,257	57,460,857	62,510,255	(5,049,398)	(8.79)	26.8	(188,410)
3100U	OTHER STATION EQUIPMENT	503,404,372	177,009,144	190,927,472	(13,918,328)	(7.86)	26.0	(535,320)
3100V	ELECTRONIC EQUIPMENT AND BATTERIES	151,238,104	72,646,527	79,225,503	(6,578,976)	(9.06)	11.2	(587,409)
3200M	SYNCHRONOUS CONDENSERS AND TRANSFORMERS - HVDC	111,737,981	39,137,448	40,432,632	(1,295,184)	(3.31)	38.9	(33,295)
3200N	SYNCHRONOUS CONDENSER OVERHAULS - HVDC	11,320,594	2,820,878	2,861,617	(40,739)	(1.44)	9.8	(4,157)
3200P	CONVERTOR EQUIPMENT - HVDC	214,981,687	114,636,506	138,795,432	(24,158,926)	(21.07)	14.4	(1,677,703)
3200S	SERIALIZED EQUIPMENT - HVDC	646,219,985	325,860,262	367,310,621	(41,450,359)	(12.72)	14.1	(2,939,742)
3200U	ACCESSORY STATION EQUIPMENT - HVDC	55,177,090	23,419,465	29,083,976	(5,664,511)	(24.19)	25.2	(224,782)
3200V	ELECTRONIC EQUIPMENT AND BATTERIES - HVDC	10,401,883	6,589,238	7,206,990	(617,752)	(9.38)	8.6	(71,832)
	TOTAL SUBSTATIONS	**2,446,844,172**	**1,005,415,055**	**1,121,891,841**	**(116,476,786)**	**(11.58)**		**(6,822,958)**
	DISTRIBUTION *							
4000A	UNDERGROUND DUCT AND CONDUIT - CONCRETE	63,964,331	11,217,533	12,951,513	(1,733,980)	(15.46)	67.9	(25,537)
4000C	UNDERGROUND DUCT - ROOF	2,908,307	145,836	153,212	(7,376)	(5.06)	41.0	(180)
4000G	METAL TOWERS	4,571,448	1,173,035	2,355,833	(1,182,798)	(100.83)	37.0	(31,968)
4000J	POLES AND FIXTURES	566,174,558	127,369,656	264,136,310	(136,766,654)	(107.38)	40.3	(3,393,713)
4000K	GROUND LINE TREATMENT	33,145,019	15,894,039	16,746,756	(852,717)	(5.37)	5.7	**
4000L	OVERHEAD CONDUCTOR AND DEVICES	613,820,471	134,801,042	245,433,977	(110,632,935)	(82.07)	40.1	(2,758,926)
4000M	UNDERGROUND CABLE AND DEVICES - 66 KV	19,523,432	2,161,937	2,297,161	(135,224)	(6.25)	55.0	(2,459)
4000N	UNDERGROUND CABLE AND DEVICES - PRIMARY	255,063,759	51,410,314	59,472,977	(8,062,663)	(15.68)	46.0	(175,275)
4000P	UNDERGROUND CABLE AND DEVICES - SECONDARY	193,755,072	48,230,397	55,909,148	(7,678,751)	(15.92)	33.1	(231,986)
4000Q	SERIALIZED EQUIPMENT - OVERHEAD	175,924,348	60,006,665	82,981,927	(22,975,262)	(38.29)	23.9	(961,308)
4000R	DSC - HIGH VOLTAGE TRANSFORMERS	5,415,940	509,552	706,487	(196,935)	(38.65)	34.8	(5,659)
4000S	SERIALIZED EQUIPMENT - UNDERGROUND	174,049,772	43,083,841	58,998,471	(15,914,630)	(36.94)	29.3	(543,161)
4000V	ELECTRONIC EQUIPMENT *							**
4000W	SERVICES	123,228,795	44,884,752	59,460,620	(14,575,868)	(32.47)	18.6	(783,649)
4000X	STREET LIGHTING	147,121,573	61,545,017	72,708,967	(11,163,950)	(18.14)	21.1	(529,097)
	TOTAL DISTRIBUTION	**2,378,666,825**	**602,433,616**	**934,313,358**	**(331,879,742)**	**(55.09)**		**(9,442,919)**
	METERS							
4900V	METERS - ELECTRONIC	16,111,185	5,320,309	1,490,413	3,829,896	71.99	11.1	345,036
4900Y	METERS - ANALOG	22,469,156	16,861,536	5,931,142	10,930,394	64.82	4.4	2,484,180
4900Z	METERING TRANSFORMERS	8,984,899	3,313,305	3,413,836	(100,531)	(3.03)	22.6	(4,448)
	TOTAL METERS	**47,565,240**	**25,495,150**	**10,835,391**	**14,659,759**	**57.50**		**2,824,768**

MANITOBA HYDRO

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION	SURVIVING ORIGINAL COST AT 03/31/2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE AMOUNT	ACCUMULATED DEPRECIATION VARIANCE PERCENT	PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP
	(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)
	COMMUNICATION							
5000B	BUILDINGS	4,154,458	699,804	574,811	124,993	17.86	50.9	2,456
5000C	BUILDING RENOVATIONS	2,741,652	887,750	773,028	114,722	12.92	12.7	9,033 **
5000D	BUILDING - SYSTEM CONTROL CENTRE	15,857,686	2,970,157	2,435,337	534,820	18.01	49.9	10,718
5000G	COMMUNICATION TOWERS	8,733,929	1,827,718	1,324,964	502,754	27.51	40.4	12,444
5000H	FIBRE OPTIC AND METALLIC CABLE	117,999,925	25,692,882	15,180,344	10,512,538	40.92	22.0	477,843
5000J	CARRIER EQUIPMENT	119,230,804	53,498,641	37,005,633	16,493,008	30.83	7.4	2,228,785
5000K	OPERATIONAL IT EQUIPMENT	2,197,495	1,401,781	1,220,632	181,149	12.92	2.5	72,460 **
5000M	MOBILE RADIO, TELEPHONE AND VIDEO CONFERENCING	22,085,412	15,627,104	13,607,649	2,019,456	12.92	5.1	395,972 **
5000N	OPERATIONAL DATA NETWORK	8,530,264	2,447,746	2,131,429	316,317	12.92	5.4	58,577 **
5000R	POWER SYSTEM CONTROL	7,738,280	5,228,135	4,187,570	1,040,565	19.90	4.1	253,796
	TOTAL COMMUNICATION	**309,269,905**	**110,281,718**	**78,441,398**	**31,840,320**	**28.87**		**3,522,083**
	MOTOR VEHICLES							
6000E	PASSENGER VEHICLES	1,304,413	524,561	278,987	245,574	46.82	4.0	61,394
6000F	LIGHT TRUCKS	52,299,249	23,436,917	22,656,047	780,870	3.33	4.7	166,143
6000G	HEAVY TRUCKS	61,004,014	25,444,402	21,612,533	3,831,869	15.06	7.4	517,820
6000H	CONSTRUCTION EQUIPMENT	17,016,205	6,026,089	5,037,993	988,096	16.40	7.5	131,746
6000I	LARGE SOFT-TRACK EQUIPMENT	13,146,265	4,170,185	2,827,041	1,343,144	32.21	11.5	116,795
6000J	TRAILERS	15,996,331	3,513,147	4,034,578	(521,431)	(14.84)	23.7	(22,001)
6000K	MISCELLANEOUS VEHICLES	5,724,654	2,531,307	2,945,366	(414,059)	(16.36)	5.1	(81,188)
	TOTAL MOTOR VEHICLES	**166,491,131**	**65,646,608**	**59,392,546**	**6,254,062**	**9.53**		**890,708**
	BUILDINGS							
8000B	BUILDINGS - GENERAL	88,797,107	25,336,746	26,367,552	(1,030,806)	(4.07)	44.7	(23,061)
8000C	BUILDING RENOVATIONS	46,779,508	17,543,869	8,199,943	9,343,926	53.26	11.1	841,795 **
8000D	BUILDING - 360 PORTAGE - CIVIL	207,292,785	3,134,499	3,297,099	(162,600)	(5.19)	92.8	(1,752)
8000E	BUILDING - 360 PORTAGE - ELECTRO/MECHANICAL	65,888,581	2,864,820	2,097,639	767,181	26.78	31.2	24,589
	TOTAL BUILDINGS	**408,757,981**	**48,879,934**	**39,962,233**	**8,917,701**	**18.24**		**841,572**
	GENERAL EQUIPMENT							
9000H	TOOLS, SHOP AND GARAGE EQUIPMENT	78,461,837	32,266,768	25,609,471	6,657,297	20.63	7.9	842,696 **
9000K	COMPUTER EQUIPMENT	48,379,758	21,246,665	10,308,698	10,937,967	51.48	2.5	4,375,187 **
9000L	OFFICE FURNITURE AND EQUIPMENT	21,726,896	4,008,883	4,689,826	(680,943)	(16.99)	16.6	(41,021) **
9000M	HOT WATER TANKS	4,511,783	3,821,910	2,226,719	1,595,191	41.74	2.1	759,615 **
	TOTAL GENERAL EQUIPMENT	**153,080,275**	**61,344,226**	**42,834,715**	**18,509,511**	**30.17**		**5,936,477**
	EASEMENTS							
A100A	EASEMENTS	50,612,345	10,261,639	9,974,853	286,786	2.79	52.5	5,463
	TOTAL EASEMENTS	**50,612,345**	**10,261,639**	**9,974,853**	**286,786**	**2.79**		**5,463**
	COMPUTER SOFTWARE AND DEVELOPMENT							
A200G	COMPUTER DEVELOPMENT - MAJOR SYSTEMS	100,980,015	51,486,494	49,927,029	1,559,465	3.03	4.8	324,889
A200H	COMPUTER DEVELOPMENT - SMALL SYSTEMS	42,827,602	20,884,256	22,172,434	(1,288,178)	(6.17)	5.8	**
A200J	COMPUTER SOFTWARE - GENERAL	5,076,404	1,864,607	1,979,619	(115,012)	(6.17)	3.5	**
A200K	COMPUTER SOFTWARE - COMMUNICATION/OPERATIONAL	3,639,540	2,483,317	2,059,432	423,885	17.07	2.9	146,167 **
A200L	OPERATIONAL SYSTEM MAJOR SOFTWARE - EMS/SCADA	6,016,817	4,636,876	3,655,008	981,868	21.18	1.7	577,570
	TOTAL COMPUTER SOFTWARE AND DEVELOPMENT	**158,540,378**	**81,355,550**	**79,793,523**	**1,562,027**	**1.92**		**1,048,625**
	TOTAL DEPRECIABLE ASSETS	**12,067,737,939**	**3,815,828,705**	**4,410,288,464**	**(594,459,759)**	**(15.58)**		**(6,791,243)**

* The account has no balance as of March 31, 2010 and will be used on a go-forward basis for future additions.
** On amortized account any true-up of less than 10% is not considered significant.
*** True-up was deemed as not significant or has been limited to the annual depreciation expenses.

MANITOBA HYDRO

2012/13 & 2013/14 ELECTRIC GENERAL RATE APPLICATION

MANITOBA INDUSTRIAL POWER USERS GROUP ("MIPUG") PRE-ASK QUESTIONS OF MANITOBA HYDRO

MIPUG/MH/PRE-ASK-2

Question:
Please provide a copy of any instructions, comments or recommendations from Hydro to Gannett Fleming during the course of the assignment, including in regard to methods to be used or lives to be assumed.

Response:
Please see Manitoba Hydro's response to MIPUG/MH/PRE-ASK-1.

MANITOBA HYDRO

2012/13 & 2013/14 ELECTRIC GENERAL RATE APPLICATION

MANITOBA INDUSTRIAL POWER USERS GROUP ("MIPUG") PRE-ASK QUESTIONS OF MANITOBA HYDRO

MIPUG/MH/PRE-ASK-3

Question:
To the extent that they have not otherwise been provided, please provide copies of any written comments, advice or recommendations provided by Gannett Fleming to Hydro in regard to options which are compliant with IFRS, the selection of methods, lives, or other approaches to conducting the study.

Response:
Please see Manitoba Hydro's response to MIPUG/MH/PRE-ASK-1

MANITOBA HYDRO

2012/13 & 2013/14 ELECTRIC GENERAL RATE APPLICATION

MANITOBA INDUSTRIAL POWER USERS GROUP ("MIPUG") PRE-ASK QUESTIONS OF MANITOBA HYDRO

MIPUG/MH/PRE-ASK-4

Question:

a) Please provide a copy of any drafts of the Gannett Fleming report to Hydro, including Manitoba Hydro's response to the draft reports.

b) Also, in regard to the Wuskwatim depreciation estimates in the November 2, 2011 Gannett Fleming study (ELG)

Response:

a) Please see Manitoba Hydro's response to MIPUG/MH/PRE-ASK-1.

b) During the course of the 2010 Depreciation Study, Manitoba Hydro advised Gannett Fleming that a new generating station, Wuskwatim GS, would be placed into service during the timeframe in which the rates from this depreciation study would be used. Manitoba Hydro asked Gannett Fleming to determine appropriate depreciation rates for the new Wuskwatim GS, using life assumptions consistent with the other hydraulic generating stations. There were no separate draft reports or communications specific to the Wuskwatim GS.

   Please note, the final Gannett Fleming depreciation study (ELG) was dated November 28, 2011, and although it contains recommended depreciation rates for Wuskwatim GS, it does not contain any depreciation estimates for Wuskwatim GS.

MANITOBA HYDRO

2012/13 & 2013/14 ELECTRIC GENERAL RATE APPLICATION

MANITOBA INDUSTRIAL POWER USERS GROUP ("MIPUG") PRE-ASK QUESTIONS OF MANITOBA HYDRO

MIPUG/MH/PRE-ASK-5

Question:
Please confirm that the rates shown at page III-8 of the Gannett Fleming study are not correct for the first year of depreciating Wuskwatim once in-service under an ELG approach (they appear to be rates related to an ASL approach absent net salvage). If the rates shown are incorrect for the ELG approach, please provide the correct year 1 ELG depreciation rates for Wuskwatim.

ANSWER:

The following response was prepared by Gannett Fleming.

The referenced depreciation rates were calculated in accordance with the ASL procedure. The ELG procedure is dependent upon a vintage surviving cost distribution, with varying annual accrual rates applicable to each vintage. Given that the Wuskwatim generation plant was not yet in service and was expected to have large amounts of investment prior to the next depreciation study, and further given the precise amounts of investment by account and year were not known at the time, Gannett Fleming viewed that the use of an Average Service Life (ASL) depreciation rate would be reasonable for the period of time until the next depreciation study is completed.

Gannett Fleming understood that the Wuskwatim plant was expected to be placed into service prior to the next review of depreciation rates. Manitoba Hydro will require depreciation rates once the plant is in service, therefore depreciation rates for this plant were requested in this study. At the time of the next study, the plant will have been placed into service, and an appropriate depreciation rate will be calculated in accordance with the ELG procedure. However, for the 2010 Depreciation Study, given that the ELG procedure weights depreciation rates on the investment by vintage, Gannett Fleming views that use of a forecast depreciation rate based on the ASL procedure is appropriate for this account.

Furthermore, given the very long life estimates and Life Spans for the Wuskwatim plant, the variance in the accumulated depreciation account that will require adjustment over the remaining life of the facilities will not be material on an annual basis.

Notwithstanding the above, if the ELG procedure was to be used in the first year of service, the following depreciation rates would have been recommended:

Account 1180A – Dams, Dykes and Weirs – 0.87%
Account 1180B – Powerhouse – 0.87%
Account 1180C – Powerhouse Renovations – 4.00%
Account 1180D – Spillway – 2.06%
Account 1180E – Water Control Systems – 2.07%
Account 1180F – Roads and Site Improvements – 2.36%
Account 1180G – Turbines and Generators – 1.65%
Account 1180H – Governors and Excitation Systems – 2.13%
Account 1180P – A/C Electrical Power Systems – 2.36%
Account 1180Q – Instrumentation, control and D/C Systems – 5.50%
Account 1180R – Auxiliary Station Processes – 3.33%
Account 1180X – Support Buildings – 1.82%
Account 1180W – Support Building Renovations – 5.00%

As a supplement to the above response, Manitoba Hydro has included the following table which provides a comparison between the depreciation rates proposed in the 2010 Depreciation Study and the ELG based depreciation rates provided by Gannett Fleming, Inc. in the above response:

Depreciation Rates Calculated Without Net Salvage:

Account	Depreciable Work	ASL [1] (%)	ELG (%)
1180A	Dams, Dykes & Weirs	0.80	0.87
1180B	Powerhouse	0.80	0.87
1180C	Powerhouse Renovations	4.00	4.00
1180D	Spillway	1.33	2.06
1180E	Water Control Systems	2.00	2.07
1180F	Roads & Site Improvements	2.00	2.36
1180G	Turbines & Generators	1.54	1.65
1180H	Governors & Excitation System	2.00	2.13
1180P	A/C Electrical Power Systems	2.00	2.36
1180Q	Instrumentation, Control & D/C Systems	4.35	5.50
1180R	Auxiliary Station Processes	2.50	3.33
1180X	Support Buildings	1.54	1.82
1180W	Support Building Renovations	5.00	5.00

[1] Appendix 5.7 - 2010 Depreciation Study, page III-8

MANITOBA HYDRO

2012/13 & 2013/14 ELECTRIC GENERAL RATE APPLICATION

MANITOBA INDUSTRIAL POWER USERS GROUP ("MIPUG") PRE-ASK QUESTIONS OF MANITOBA HYDRO

MIPUG/MH/PRE-ASK-6

Question:
If the answer to (5) above is that the rates shown in the Gannett Fleming report are correct, please confirm that in its first year for example, additions to an asset class using a 75-R2 survivor curve should have a rate in excess of 2% (also as shown in MIPUG/MH-I-15(q) Attachment 1 for recent additions to the Limestone spillway in 2010) as compared to the Wuskwatim rate shown of 1.33%. If this higher rate >2% is not applicable for Wuskwatim additions in their early years, please explain why the difference from the rate used for Limestone recent additions.

ANSWER:

The following response was prepared by Gannett Fleming.

As described in Manitoba Hydro's response to MIPUG/MH/PRE-ASK-5, the use of the ASL procedure is appropriate. As such, the depreciation rate of 1.33% for a 75-R2 survivor curve (without net salvage), as shown in the depreciation study, is correct for the Wuskwatim generating station.

MANITOBA HYDRO

2012/13 & 2013/14 ELECTRIC GENERAL RATE APPLICATION

MANITOBA INDUSTRIAL POWER USERS GROUP ("MIPUG") PRE-ASK QUESTIONS OF MANITOBA HYDRO

MIPUG/MH/PRE-ASK-7

Question: **Per Transcript page 1857 – line 5**

Please provide a copy of the following:

a) Manitoba Hydro's current capitalization policy with respect to capital maintenance and overhauls;

b) The date of any changes to Manitoba Hydro's capitalization policy over the last 10-15 years;

c) If any substantial changes are noted in (b), please provide a copy of the policy that then existed; and

d) Any planned changes to the policies with respect to capital maintenance and overhauls that are planned to be adopted concurrent with the change to IFRS or at any time during the next few years.

Response:

The following response applies to questions a-d above.

In general, Manitoba Hydro capitalizes expenditures on plant assets that result in identifiable benefits to Manitoba Hydro for a period greater than one year. Identifiable benefits may include the following:

- An increase to the service capacity of the asset;
- An extension of the service life of the asset; or
- A reduction in the future operating costs of the asset.

Plant related expenditures that do not result in identifiable future benefits are considered maintenance and charged to net income as incurred. Such maintenance related expenditures are made to restore and keep capital assets in good operating condition which typically includes corrective repairs or minor replacements. Such costs do not increase the service value or service life of a plant asset, but are necessary to maintain the asset's existing service potential.

Plant related expenditures for significant capital maintenance and overhauls that result in identifiable future benefits are capitalized by Manitoba Hydro. Such expenditures are included within the depreciation components of the specific plant assets to which they relate.

The following table provides some examples of such expenditures and their related depreciation components:

Plant Asset Category	Capital Maintenance / Overhaul Component
Hydraulic Generation & Civil Components – Dykes, Dams and Wiers	- Dyke or dam rehabilitation requiring placement and/or removal of more than 10 000 cubic meters of materials. -Replacement of concrete comprising more than 10% of the escalated cost of the original structure -Anchors to improve the stability of the structures
Generation: Roads and Site Improvements	-Resurfacing of more than 20% of a roadway surface -Resurfacing of parking lot involving more than 50% of area
Turbines	-If any part of the main turbine unit is replaced such that increased capacity or efficiency results in comparison to the rated capacity of the original unit, or if an extension to the originally planned service life of these components of Hydraulic Generation results, the costs of such rebuild are deemed to be capital and the replaced portion of the turbine is retired.

Such policies have been in existence dating back to the 1990's and earlier. No significant changes have been implemented in the last ten years.

In reference to Mr. Kennedy's comments on transcript page 1857 (commencing on line 5), the limited amounts of actual retirement experience pertaining to past work performed on spillways is largely due to the nature of past spillway work performed and how it was recorded. Spillway related improvements have not always resulted in the retirement of an existing asset. Many of these projects involved the improvement / reinforcement of existing structures where the majority of the project costs involved the addition of materials as opposed to the removal and replacement of an existing asset. Under circumstances where the original asset cost, including the costs to retire the asset, are insignificant relative to the nature of the capital work being performed, the entire costs of the project may be recognized in the cost of the added materials. The nature of the work performed and its impact on the life of the related asset would then be considered in the assessment of the respective asset's service life as performed in the next scheduled depreciation study.

There are no formal planned changes to be made with respect to the accounting for capital maintenance and overhauls over the next few years. The process for reviewing and assessing the accounting for such expenditures is ongoing. As annual budgets are established and plant related expenditures are incurred, they are reviewed for their impact on the plant asset and for proper accounting classification (i.e. expense or capitalize). For example, the latest componentization exercise as part of the 2010 depreciation study identified new depreciable "overhaul" components for plant items with well defined and material overhaul requirements such as the Brandon Combustion Turbines, Diesel generators, and HVDC synchronous condensers.

MANITOBA HYDRO

2012/13 & 2013/14 ELECTRIC GENERAL RATE APPLICATION

MANITOBA INDUSTRIAL POWER USERS GROUP ("MIPUG") PRE-ASK QUESTIONS OF MANITOBA HYDRO

MIPUG/MH/PRE-ASK-8

Question: **Per Spillways - CAC book of documents, Exhibit CAC-5 pages 24-27**

a) Please indicate where in the evidence filed MIPUG can locate any information about the selection of the Iowa 75-R2 curve for spillways, the alternative curves considered as part of the study and the specific reason for their rejection, and the sum of least squares (per transcript page 1861 lines 19-21) for each alternative curve considered. If this is not provided in the evidence, please provide;
b) Please provide a link to where in the evidence MIPUG can locate any engineering information or backup that was provided to Mr. Kennedy in regards to the selection of the 75-R2 Iowa curve for spillways, and if not in the evidence today please provide that backup;
c) Please provide a version of page 24 which also shows an Iowa 75-R4;
d) Please provide updated values for the Spillways at each plant in the Schedule 1 and Schedule 2 of the ELG study (November 2, 2011 version) assuming Spillways are based on an Iowa 75-R4; and
e) Please provide updated values for the Spillways at each plant in the Schedule 1 and Schedule 2 of the ASL study (January 13, 2012 letter) assuming Spillways are based on an Iowa 75-R4 curve, with and without net salvage.

Response:

The following response was provided by Gannett Fleming.

a) The following evidence regarding the average service life estimate for Spillways have been entered in this proceeding:
   - A short discussion relating to the average service life estimate was provided at page II-27 of the Gannett Fleming 2010 Depreciation Study;

- Information related to a $1.8 million Spillway Stability Anchoring Program at Kelsey was indentified;
- Specific discussion of the average service life selection for Spillways was provided in the Manitoba Rebuttal Evidence at page 7 from Lines 1-13.
- The calculation of the Observed Life Table and Iowa curve selection were proved in Attachment 1 to Appendix 16 of the Application and were also provided as pages 24 through 27 of the CAC book of Documents.
- The Life analysis related to Spillways was discussed during cross-examination at transcript pages 1851 through 1865.
- The average service life of peers has been entered as an attachment to Manitoba Hydro Exhibit # 57 (Undertaking #32). Included in the attachment are the following relevant life estimates of peer hydro generation facilities:
    - BC Hydro – Account 23001 using an Iowa curve of 75-R2
    - FortisBC – Account 331.00 using an Iowa curve of 60-L3
    - Newfoundland and Labrador Power – Account 627 using an Iowa curve of 100-R4
    - SaskPower – Account G023 using a 60 year average service life estimate.

  As indicated at pages 25 through 27 of the CAC book of Documents, this account has had a very limited amount of historic retirement activity. As such, a statistical best fit analysis (based on a sum of least squares fit) could not be calculated.

b) As indicated at Transcript pages 1522 through 1524, this depreciation study was a continuation of work completed by Gannett Fleming for Manitoba Hydro that span a long period of time and was initially undertaken to assist in the componentization of accounts to ensure compliance with the IFRS standard IAS 16. Over this period the characteristic of the civil hydraulic structures were discussed and reviewed. A summary of the types of information that were considered by Mr. Kennedy have been provided in the Manitoba Hydro Rebuttal evidence at page 7.

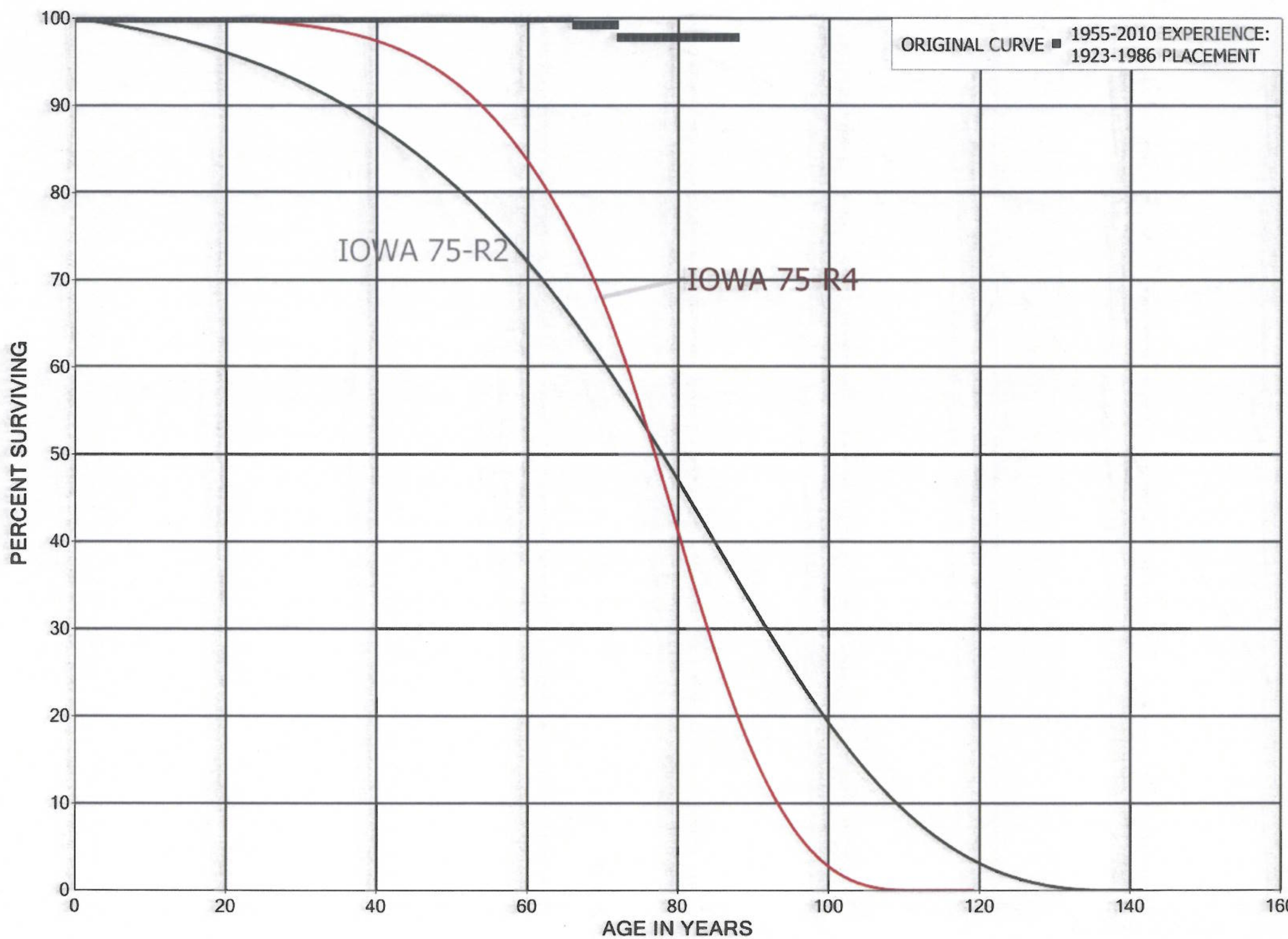
c) Please refer to the attachment MIPUG/MH/PRE-ASK-8c-Attachment1.

d) Please refer to the attachments MIPUG/MH/PRE-ASK-8d-Attachments 1 and 2, which provide the information related the hydraulic generation plant incorporating a 75-R4 Iowa curve with the depreciation rates calculated in accordance with the ELG procedure.

e) Please refer to the attachments MIPUG/MH/PRE-ASK-8e-Attachments 1 and 2, which provide the information related the hydraulic generation plant incorporating a 75-R4 Iowa curve with the depreciation rates calculated in accordance with the ASL procedure with inclusion of a provision for net salvage.

Please refer to the attachments MIPUG/MH/PRE-ASK-8e-Attachments 3 and 4, which provide the information related the hydraulic generation plant incorporating a 75-R4 Iowa curve with the depreciation rates calculated in accordance with the ASL procedure excluding a provision for net salvage.

MANITOBA HYDRO
ACCOUNT 000D - SPILLWAY
ORIGINAL AND SMOOTH SURVIVOR CURVES



MH Exhibit #22

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DEPRECIABLE WORK (1)	LIFE SPAN DATE	SURVIVOR CURVE (2)	NET SALVAGE (3)	SURVIVING ORIGINAL COST AS OF MARCH 31, 2010 (4)	CALCULATED ANNUAL ACCRUAL AMOUNT (5)	CALCULATED ANNUAL ACCRUAL RATE (%) (6)=(5)/(4)	ANNUAL PROVISION FOR TRUE-UP (7)	TOTAL DEPRECIATION RELATED TO LIFE EXPENSE (8)=(5)+(7)	TOTAL DEPRECIATION RELATED TO LIFE RATE (%) (9)=(8)/(4)	
10000	GENERATION										
11000	HYDRAULIC GENERATION										
11050	GREAT FALLS										
1105A	DAMS, DYKES AND WEIRS	2063	125-R4	0	17,302,772	218,229	1.26	(27,263)	190,966	1.10	
1105B	POWERHOUSE	2063	125-R4	0	7,990,993	99,815	1.25	(13,045)	86,770	1.09	
1105C	POWERHOUSE RENOVATIONS	2063	25-SQ	0						4.00	*/**
1105D	SPILLWAY	2063	75-R4	0	9,676,327	142,204	1.47	(11,641)	130,563	1.35	
1105E	WATER CONTROL SYSTEMS	2063	50-S4	0	24,245,253	497,229	2.05	(50,814)	446,415	1.84	
1105F	ROADS AND SITE IMPROVEMENTS	2063	50-R3	0	213,964	5,129	2.40	(24)	5,105	2.39	
1105G	TURBINES AND GENERATORS	2063	65-S3	0	25,128,789	433,087	1.72	(30,373)	402,714	1.60	
1105H	GOVERNORS AND EXCITATION SYSTEM	2063	50-R4	0	492,218	10,048	2.04	(811)	9,237	1.88	
1105L	LICENCE RENEWAL	2063	50-SQ	0						2.00	*/**
1105P	A/C ELECTRICAL POWER SYSTEMS	2063	50-R3	0	9,493,088	201,933	2.13	(12,866)	189,067	1.99	
1105Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2063	23-L2	0	19,271,956	955,210	4.96	(7,499)	947,711	4.92	
1105R	AUXILIARY STATION PROCESSES	2063	40-R2.5	0	8,345,798	224,470	2.69	(9,108)	215,362	2.58	
1105X	SUPPORT BUILDINGS	2063	65-R3	0	1,495,253	24,424	1.63	(2,820)	21,604	1.44	
1105W	SUPPORT BUILDING RENOVATIONS	2063	20-SQ	0						5.00	*/**
	TOTAL GREAT FALLS				123,656,412	2,811,778		(166,264)	2,645,514		
11100	POINTE DU BOIS										
1110A	DAMS, DYKES AND WEIRS	2031	125-R4	0	11,263,332	446,825	3.97	(91,296)	355,529	3.16	
1110B	POWERHOUSE	2031	125-R4	0	6,242,749	271,010	4.34	(26,759)	244,251	3.91	
1110C	POWERHOUSE RENOVATIONS	2031	25-SQ	0						4.00	*/**
1110D	SPILLWAY - ORIGINAL	2017	75-R4	0	3,104,842	342,123	11.02	(84,244)	257,879	8.31	
1110E	WATER CONTROL SYSTEMS	2031	50-S4	0	4,027,603	152,884	3.80	(39,522)	113,362	2.81	
1110F	ROADS AND SITE IMPROVEMENTS	2031	50-R3	0	28,533	1,113	3.90	(295)	818	2.87	
1110G	TURBINES AND GENERATORS	2031	65-S3	0	24,610,324	1,022,300	4.15	(153,096)	869,204	3.53	
1110H	GOVERNORS AND EXCITATION SYSTEM	2031	50-R4	0							*
1110L	LICENCE RENEWAL	2031	50-SQ	0						2.00	*/**
1110P	A/C ELECTRICAL POWER SYSTEMS	2031	50-R3	0	6,057,709	274,987	4.54	(22,954)	252,033	4.16	
1110Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2031	23-L2	0	355,559	20,840	5.86	(2,581)	18,259	5.14	
1110R	AUXILIARY STATION PROCESSES	2031	40-R2.5	0	1,377,014	62,068	4.51	(11,335)	50,733	3.68	
1110X	SUPPORT BUILDINGS	2031	65-R3	0	2,616,290	95,041	3.63	(32,110)	62,931	2.41	
1110W	SUPPORT BUILDING RENOVATIONS	2031	20-SQ	0						5.00	*/**
1111D	SPILLWAY - NEW		75-R2	0							*
	TOTAL POINTE DU BOIS				59,683,956	2,689,191		(464,193)	2,224,998		
11150	SEVEN SISTERS										
1115A	DAMS, DYKES AND WEIRS	2072	125-R4	0	31,497,995	353,966	1.12	(76,205)	277,761	0.88	
1115B	POWERHOUSE	2072	125-R4	0	13,653,945	143,721	1.05	(40,679)	103,042	0.75	
1115C	POWERHOUSE RENOVATIONS	2072	25-SQ	0						4.00	*/**
1115D	SPILLWAY	2072	75-R4	0	2,841,355	38,142	1.34	(3,486)	34,655	1.22	
1115E	WATER CONTROL SYSTEMS	2072	50-S4	0	4,296,891	81,034	1.89	(23,695)	57,339	1.33	
1115F	ROADS AND SITE IMPROVEMENTS	2072	50-R3	0	201,701	3,718	1.84	(1,185)	2,533	1.26	
1115G	TURBINES AND GENERATORS	2072	65-S3	0	41,208,963	689,938	1.67	(75,531)	614,407	1.49	
1115H	GOVERNORS AND EXCITATION SYSTEM	2072	50-R4	0	6,860	125	1.82	(451)	(326)	(4.76)	
1115L	LICENCE RENEWAL	2072	50-SQ	0						2.00	*/**
1115P	A/C ELECTRICAL POWER SYSTEMS	2072	50-R3	0	10,648,619	223,532	2.10	(36,104)	187,428	1.76	
1115Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2072	23-L2	0	3,821,416	163,482	4.28	(29,620)	133,862	3.50	
1115R	AUXILIARY STATION PROCESSES	2072	40-R2.5	0	5,224,958	131,285	2.51	(25,391)	105,894	2.03	
1115X	SUPPORT BUILDINGS	2072	65-R3	0	608,294	11,021	1.81	(676)	10,345	1.70	
1115W	SUPPORT BUILDING RENOVATIONS	2072	20-SQ	0						5.00	*/**
	TOTAL SEVEN SISTERS				114,010,998	1,839,964		(313,025)	1,526,939		

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DEPRECIABLE WORK (1)	LIFE SPAN DATE	SURVIVOR CURVE (2)	NET SALVAGE (3)	SURVIVING ORIGINAL COST AS OF MARCH 31, 2010 (4)	CALCULATED ANNUAL ACCRUAL		ANNUAL PROVISION FOR TRUE-UP (7)	TOTAL DEPRECIATION RELATED TO LIFE	
						AMOUNT (5)	RATE (%) (6)=(5)/(4)		EXPENSE (8)=(5)+(7)	RATE (%) (9)=(8)/(4)
11200	SLAVE FALLS									
1120A	DAMS, DYKES AND WEIRS	2072	125-R4	0	954,684	14,817	1.55	(153)	14,664	1.54
1120B	POWERHOUSE	2072	125-R4	0	45,692,194	663,677	1.45	(17,065)	646,612	1.42
1120C	POWERHOUSE RENOVATIONS	2072	25-SQ	0						4.00 */**
1120D	SPILLWAY	2072	75-R4	0	760,201	12,379	1.63	(156)	12,223	1.61
1120E	WATER CONTROL SYSTEMS	2072	50-S4	0	318,933	6,602	2.07	(96)	6,506	2.04
1120F	ROADS AND SITE IMPROVEMENTS	2072	50-R3	0	769,506	17,545	2.28	(107)	17,438	2.27
1120G	TURBINES AND GENERATORS	2072	65-S3	0	11,630,909	200,112	1.72	(4,924)	195,188	1.68
1120H	GOVERNORS AND EXCITATION SYSTEM	2072	50-R4	0						*
1120L	LICENCE RENEWAL	2072	50-SQ	0						2.00 */**
1120P	A/C ELECTRICAL POWER SYSTEMS	2072	50-R3	0	21,815,741	505,179	2.32	(2,972)	502,207	2.30
1120Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2072	23-L2	0	786,382	42,365	5.39	217	42,582	5.41
1120R	AUXILIARY STATION PROCESSES	2072	40-R2.5	0	2,201,466	68,661	3.12	262	68,923	3.13
1120X	SUPPORT BUILDINGS	2072	65-R3	0	3,724,095	67,791	1.82	(955)	66,836	1.79
1120W	SUPPORT BUILDING RENOVATIONS	2072	20-SQ	0						5.00 */**
	TOTAL SLAVE FALLS				88,654,109	1,599,128		(25,950)	1,573,179	
11250	PINE FALLS									
1125A	DAMS, DYKES AND WEIRS	2092	125-R4	0	14,110,589	156,702	1.11	(6,323)	150,379	1.07
1125B	POWERHOUSE	2092	125-R4	0	10,060,843	87,828	0.87	(15,968)	71,860	0.71
1125C	POWERHOUSE RENOVATIONS	2092	25-SQ	0						4.00 */**
1125D	SPILLWAY	2092	75-R4	0	93,376	1,349	1.45	(7)	1,342	1.44
1125E	WATER CONTROL SYSTEMS	2092	50-S4	0	3,564,106	67,205	1.89	(15,006)	52,199	1.46
1125F	ROADS AND SITE IMPROVEMENTS	2092	50-R3	0	1,178,575	19,598	1.66	(18,921)	677	0.06
1125G	TURBINES AND GENERATORS	2092	65-S3	0	9,464,220	145,587	1.54	(25,177)	120,410	1.27
1125H	GOVERNORS AND EXCITATION SYSTEM	2092	50-R4	0						*
1125L	LICENCE RENEWAL	2092	50-SQ	0						2.00 */**
1125P	A/C ELECTRICAL POWER SYSTEMS	2092	50-R3	0	5,071,108	104,504	2.06	(9,469)	95,035	1.87
1125Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2092	23-L2	0	2,156,586	99,187	4.60	(3,305)	95,882	4.45
1125R	AUXILIARY STATION PROCESSES	2092	40-R2.5	0	3,790,230	99,575	2.63	(7,530)	92,045	2.43
1125X	SUPPORT BUILDINGS	2092	65-R3	0	336,412	5,683	1.69	(241)	5,442	1.62
1125W	SUPPORT BUILDING RENOVATIONS	2092	20-SQ	0						5.00 */**
1125Z	COMMUNITY DEVELOPMENT COSTS	2092	81-SQ	0	4,425,543	54,434	1.23	(2,471)	51,963	1.17 **
	TOTAL PINE FALLS				54,251,587	841,652		(104,419)	737,233	
11300	MCARTHUR FALLS									
1130A	DAMS, DYKES AND WEIRS	2095	125-R4	0	3,578,068	32,928	0.92	(3,695)	29,233	0.82
1130B	POWERHOUSE	2095	125-R4	0	9,523,798	83,002	0.87	(12,467)	70,535	0.74
1130C	POWERHOUSE RENOVATIONS	2095	25-SQ	0						4.00 */**
1130D	SPILLWAY	2095	75-R4	0	2,351,438	30,569	1.30	(305)	30,264	1.29
1130E	WATER CONTROL SYSTEMS	2095	50-S4	0	11,703,203	238,168	2.04	(26,096)	212,072	1.81
1130F	ROADS AND SITE IMPROVEMENTS	2095	50-R3	0	234,820	4,758	2.03	(551)	4,207	1.79
1130G	TURBINES AND GENERATORS	2095	65-S3	0	5,096,367	72,094	1.41	(44,855)	27,239	0.53
1130H	GOVERNORS AND EXCITATION SYSTEM	2095	50-R4	0	119,315	2,513	2.11	(166)	2,347	1.97
1130L	LICENCE RENEWAL	2095	50-SQ	0						2.00 */**
1130P	A/C ELECTRICAL POWER SYSTEMS	2095	50-R3	0	2,480,539	45,912	1.85	(9,219)	36,693	1.48
1130Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2095	23-L2	0	1,245,885	49,056	3.94	(4,082)	44,974	3.61
1130R	AUXILIARY STATION PROCESSES	2095	40-R2.5	0	3,440,197	90,405	2.63	(5,443)	84,962	2.47
1130X	SUPPORT BUILDINGS	2095	65-R3	0	227,212	3,840	1.69	(133)	3,707	1.63
1130W	SUPPORT BUILDING RENOVATIONS	2095	20-SQ	0						5.00 */**
	TOTAL MCARTHUR FALLS				40,000,842	653,245		(107,012)	546,233	

MH Exhibit #22

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DEPRECIABLE WORK (1)	LIFE SPAN DATE	SURVIVOR CURVE (2)	NET SALVAGE (3)	SURVIVING ORIGINAL COST AS OF MARCH 31, 2010 (4)	CALCULATED ANNUAL ACCRUAL AMOUNT (5)	CALCULATED ANNUAL ACCRUAL RATE (%) (6)=(5)/(4)	ANNUAL PROVISION FOR TRUE-UP (7)	TOTAL DEPRECIATION RELATED TO LIFE EXPENSE (8)=(5)+(7)	TOTAL DEPRECIATION RELATED TO LIFE RATE (%) (9)=(8)/(4)
11350	**KELSEY**									
1135A	DAMS, DYKES AND WEIRS	2101	125-R4	0	11,066,409	110,124	1.00	(3,623)	106,501	0.96
1135B	POWERHOUSE	2101	125-R4	0	27,569,817	239,892	0.87	(19,889)	220,003	0.80
1135C	POWERHOUSE RENOVATIONS	2101	25-SQ	0						4.00 */**
1135D	SPILLWAY	2101	75-R4	0	5,331,929	70,915	1.33	6,722	77,637	1.46
1135E	WATER CONTROL SYSTEMS	2101	50-S4	0	11,792,566	233,252	1.98	(20,286)	212,966	1.81
1135F	ROADS AND SITE IMPROVEMENTS	2101	50-R3	0	6,442,928	126,660	1.97	(12,225)	114,435	1.78
1135G	TURBINES AND GENERATORS	2101	65-S3	0	130,323,693	2,139,901	1.64	(18,996)	2,120,905	1.63
1135H	GOVERNORS AND EXCITATION SYSTEM	2101	50-R4	0	88,651	1,871	2.11	(87)	1,784	2.01
1135L	LICENCE RENEWAL	2101	50-SQ	0						2.00 */**
1135P	A/C ELECTRICAL POWER SYSTEMS	2101	50-R3	0	5,751,610	113,771	1.98	(12,141)	101,630	1.77
1135Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2101	23-L2	0	3,595,490	162,610	4.52	3,100	165,710	4.61
1135R	AUXILIARY STATION PROCESSES	2101	40-R2.5	0	7,788,815	203,179	2.61	(4,650)	198,529	2.55
1135X	SUPPORT BUILDINGS	2101	65-R3	0	9,953,977	170,743	1.72	(2,021)	168,722	1.70
1135W	SUPPORT BUILDING RENOVATIONS	2101	20-SQ	0						5.00 */**
	TOTAL KELSEY				**219,705,886**	**3,572,918**		**(84,096)**	**3,488,821**	
11400	**GRAND RAPIDS**									
1140A	DAMS, DYKES AND WEIRS	2091	125-R4	0	53,468,974	514,944	0.96	(46,792)	468,152	0.88
1140B	POWERHOUSE	2091	125-R4	0	24,506,522	223,336	0.91	(25,953)	197,383	0.81
1140C	POWERHOUSE RENOVATIONS	2091	25-SQ	0						4.00 */**
1140D	SPILLWAY	2091	75-R4	0	5,308,334	71,793	1.35	473	72,266	1.36
1140E	WATER CONTROL SYSTEMS	2091	50-S4	0	15,982,492	309,243	1.93	(61,544)	247,699	1.55
1140F	ROADS AND SITE IMPROVEMENTS	2091	50-R3	0	2,581,475	47,126	1.83	(15,904)	31,222	1.21
1140G	TURBINES AND GENERATORS	2091	65-S3	0	113,066,160	1,856,605	1.64	(81,564)	1,775,041	1.57
1140H	GOVERNORS AND EXCITATION SYSTEM	2091	50-R4	0	42,718	897	2.10	(44)	853	2.00
1140L	LICENCE RENEWAL	2091	50-SQ	0						2.00 */**
1140P	A/C ELECTRICAL POWER SYSTEMS	2091	50-R3	0	8,240,545	173,871	2.11	(12,341)	161,530	1.96
1140Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2091	23-L2	0	4,674,247	165,394	3.54	(17,828)	147,566	3.16
1140R	AUXILIARY STATION PROCESSES	2091	40-R2.5	0	5,600,506	153,945	2.75	(3,785)	150,160	2.68
1140X	SUPPORT BUILDINGS	2091	65-R3	0	6,190,376	106,722	1.72	(2,100)	104,622	1.69
1140W	SUPPORT BUILDING RENOVATIONS	2091	20-SQ	0						5.00 */**
1140Z	COMMUNITY DEVELOPMENT COSTS	2091	80-SQ	0	101,442,997	1,268,037	1.25	(90,628)	1,177,409	1.16 **
	TOTAL GRAND RAPIDS				**341,105,346**	**4,891,913**		**(358,011)**	**4,533,901**	
11450	**KETTLE**									
1145A	DAMS, DYKES AND WEIRS	2111	125-R4	0	45,280,663	390,107	0.86	(34,169)	355,938	0.79
1145B	POWERHOUSE	2111	125-R4	0	146,207,420	1,262,257	0.86	(108,788)	1,153,469	0.79
1145C	POWERHOUSE RENOVATIONS	2111	25-SQ	0						4.00 */**
1145D	SPILLWAY	2111	75-R4	0	25,406,960	348,075	1.37	(1,363)	346,713	1.36
1145E	WATER CONTROL SYSTEMS	2111	50-S4	0	17,834,945	355,361	1.99	(173,994)	181,367	1.02
1145F	ROADS AND SITE IMPROVEMENTS	2111	50-R3	0	10,591	235	2.22	(5)	230	2.17
1145G	TURBINES AND GENERATORS	2111	65-S3	0	70,740,028	1,123,607	1.59	(208,486)	915,121	1.29
1145H	GOVERNORS AND EXCITATION SYSTEM	2111	50-R4	0	3,304,326	64,753	1.96	(26,160)	38,593	1.17
1145L	LICENCE RENEWAL	2111	50-SQ	0						2.00 */**
1145P	A/C ELECTRICAL POWER SYSTEMS	2111	50-R3	0	6,771,761	141,808	2.09	(11,636)	130,172	1.92
1145Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2111	23-L2	0	12,001,279	430,663	3.59	(34,185)	396,478	3.30
1145R	AUXILIARY STATION PROCESSES	2111	40-R2.5	0	15,361,985	379,871	2.47	(50,094)	329,777	2.15
1145X	SUPPORT BUILDINGS	2111	65-R3	0	3,908,404	60,260	1.54	(10,284)	49,976	1.28
1145W	SUPPORT BUILDING RENOVATIONS	2111	20-SQ	0						5.00 */**
	TOTAL KETTLE				**346,828,362**	**4,556,997**		**(659,165)**	**3,897,832**	**1.12**

MH Exhibit #22

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DEPRECIABLE WORK	LIFE SPAN DATE	SURVIVOR CURVE	NET SALVAGE	SURVIVING ORIGINAL COST AS OF MARCH 31, 2010	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE (%)	ANNUAL PROVISION FOR TRUE-UP	TOTAL DEPRECIATION RELATED TO LIFE EXPENSE	TOTAL DEPRECIATION RELATED TO LIFE RATE (%)	
	(1)		(2)	(3)	(4)	(5)	(6)=(5)/(4)	(7)	(8)=(5)+(7)	(9)=(8)/(4)	
11500	LAURIE RIVER										
1150A	DAMS, DYKES AND WEIRS	2032	125-R4	0	355,538	8,089	2.28	2,634	10,723	3.02	
1150B	POWERHOUSE	2032	125-R4	0	7,664,146	263,014	3.43	27,948	290,962	3.80	
1150C	POWERHOUSE RENOVATIONS	2032	25-SQ	0						4.00	*/**
1150D	SPILLWAY	2032	75-R4	0	870,000	23,316	2.68	5,563	28,879	3.32	
1150E	WATER CONTROL SYSTEMS	2032	50-S4	0	458,033	12,783	2.79	2,722	15,505	3.39	
1150F	ROADS AND SITE IMPROVEMENTS	2032	50-R3	0	1,441,914	41,644	2.89	10,679	52,323	3.63	
1150G	TURBINES AND GENERATORS	2032	65-S3	0	4,603,136	174,447	3.79	11,639	186,086	4.04	
1150H	GOVERNORS AND EXCITATION SYSTEM	2032	50-R4	0	882,653	36,143	4.09	1,427	37,570	4.26	
1150L	LICENCE RENEWAL	2032	50-SQ	0						2.00	*/**
1150P	A/C ELECTRICAL POWER SYSTEMS	2032	50-R3	0	1,441,945	44,385	3.08	9,003	53,388	3.70	
1150Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2032	23-L2	0	1,220,047	49,483	4.06	39,641	89,124	7.30	
1150R	AUXILIARY STATION PROCESSES	2032	40-R2.5	0	308,504	9,748	3.16	2,697	12,445	4.03	
1150X	SUPPORT BUILDINGS	2032	65-R3	0	355,919	9,254	2.60	2,622	11,876	3.34	
1150W	SUPPORT BUILDING RENOVATIONS	2032	20-SQ	0						5.00	*/**
	TOTAL LAURIE RIVER				**19,601,835**	**672,306**		**116,575**	**788,881**		
11550	JENPEG										
1155A	DAMS, DYKES AND WEIRS	2118	125-R4	0	15,295,318	135,504	0.89	(3,801)	131,703	0.86	
1155B	POWERHOUSE	2118	125-R4	0	76,905,294	663,443	0.86	(24,816)	638,627	0.83	
1155C	POWERHOUSE RENOVATIONS	2118	25-SQ	0						4.00	*/**
1155D	SPILLWAY	2118	75-R4	0	14,942,733	207,744	1.39	11,371	219,115	1.47	
1155E	WATER CONTROL SYSTEMS	2118	50-S4	0	16,762,099	342,073	2.04	(72,470)	269,603	1.61	
1155F	ROADS AND SITE IMPROVEMENTS	2118	50-R3	0	1,563,205	32,252	2.06	(1,292)	30,960	1.98	
1155G	TURBINES AND GENERATORS	2118	65-S3	0	79,641,550	1,287,144	1.62	(88,046)	1,199,098	1.51	
1155H	GOVERNORS AND EXCITATION SYSTEM	2118	50-R4	0							*
1155L	LICENCE RENEWAL	2118	50-SQ	0						2.00	*/**
1155P	A/C ELECTRICAL POWER SYSTEMS	2118	50-R3	0	19,308,049	377,217	1.95	(35,925)	341,292	1.77	
1155Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2118	23-L2	0	3,343,800	130,993	3.92	15,464	146,457	4.38	
1155R	AUXILIARY STATION PROCESSES	2118	40-R2.5	0	9,796,258	253,561	2.59	(4,392)	249,169	2.54	
1155X	SUPPORT BUILDINGS	2118	65-R3	0	7,885,397	131,668	1.67	(1,490)	130,178	1.65	
1155W	SUPPORT BUILDING RENOVATIONS	2118	20-SQ	0							*/**
	TOTAL JENPEG				**245,443,703**	**3,561,599**		**(205,399)**	**3,356,200**		
11600	LAKE WINNIPEG REGULATION										
1160A	DAMS, DYKES AND WEIRS		125-R4	0	96,807,065	813,275	0.84	(79,651)	733,624	0.76	
1160L	LICENCE RENEWAL		50-SQ	0						2.00	*/**
1160Z	COMMUNITY DEVELOPMENT COSTS		100-SQ	0	387,802,871	3,878,029	1.00	(223,323)	3,654,706	0.94	**
	TOTAL LAKE WINNIPEG REGULATION				**484,609,937**	**4,691,304**		**(302,973)**	**4,388,331**		
11650	CHURCHILL RIVER DIVERSION										
1165A	DAMS, DYKES AND WEIRS		125-R4	0	114,718,213	964,090	0.84	(13,751)	950,339	0.83	
1165D	SPILLWAY		75-R4	0	56,442,246	784,547	1.39	73,379	857,926	1.52	
1165E	WATER CONTROL SYSTEMS		50-S4	0	17,583,551	358,391	2.04	(42,591)	315,800	1.80	
1165F	ROADS AND SITE IMPROVEMENTS		50-R3	0	6,799,023	132,832	1.95	(1,007)	131,825	1.94	
1165L	LICENCE RENEWAL		50-SQ	0						2.00	*/**
1165P	A/C ELECTRICAL POWER SYSTEMS		50-R3	0	1,596,593	31,177	1.95	(247)	30,930	1.94	
1165Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		23-L2	0	1,417,862	36,897	2.60	14,977	51,874	3.66	
1165R	AUXILIARY STATION PROCESSES		40-R2.5	0	1,799,312	50,377	2.80	1,435	51,812	2.88	
1165X	SUPPORT BUILDINGS		65-R3	0	28,361	491	1.73	4	495	1.75	
1165W	SUPPORT BUILDING RENOVATIONS		20-SQ	0						5.00	*/**
1165Z	COMMUNITY DEVELOPMENT COSTS		100-SQ	0	305,036,524	3,050,365	1.00	(228,014)	2,822,351	0.93	**
	TOTAL CHURCHILL RIVER DIVERSION				**505,421,684**	**5,409,167**		**(195,814)**	**5,213,353**		

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DEPRECIABLE WORK (1)	LIFE SPAN DATE	SURVIVOR CURVE (2)	NET SALVAGE (3)	SURVIVING ORIGINAL COST AS OF MARCH 31, 2010 (4)	CALCULATED ANNUAL ACCRUAL AMOUNT (5)	CALCULATED ANNUAL ACCRUAL RATE (%) (6)=(5)/(4)	ANNUAL PROVISION FOR TRUE-UP (7)	TOTAL DEPRECIATION RELATED TO LIFE EXPENSE (8)=(5)+(7)	TOTAL DEPRECIATION RELATED TO LIFE RATE (%) (9)=(8)/(4)
11700	LONG SPRUCE									
1170A	DAMS, DYKES AND WEIRS	2118	125-R4	0	64,744,494	558,569	0.86	(19,500)	539,069	0.83
1170B	POWERHOUSE	2118	125-R4	0	143,780,355	1,240,493	0.86	(43,364)	1,197,129	0.83
1170C	POWERHOUSE RENOVATIONS	2118	25-SQ	0						4.00 */**
1170D	SPILLWAY	2118	75-R4	0	42,273,617	587,698	1.39	31,084	618,782	1.46
1170E	WATER CONTROL SYSTEMS	2118	50-S4	0	57,946,281	1,182,124	2.04	(242,437)	939,687	1.62
1170F	ROADS AND SITE IMPROVEMENTS	2118	50-R3	0	1,172,867	23,483	2.00	(1,383)	22,100	1.88
1170G	TURBINES AND GENERATORS	2118	65-S3	0	143,328,643	2,323,085	1.62	(165,333)	2,157,752	1.51
1170H	GOVERNORS AND EXCITATION SYSTEM	2118	50-R4	0	145,844	3,092	2.12	(40)	3,052	2.09
1170L	LICENCE RENEWAL	2118	50-SQ	0						2.00 */**
1170P	A/C ELECTRICAL POWER SYSTEMS	2118	50-R3	0	30,503,528	605,258	1.98	(41,664)	563,594	1.85
1170Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2118	23-L2	0	4,409,200	127,168	2.88	20,949	148,117	3.36
1170R	AUXILIARY STATION PROCESSES	2118	40-R2.5	0	12,199,119	300,072	2.46	(12,642)	287,430	2.36
1170X	SUPPORT BUILDINGS	2118	65-R3	0	160,484	2,815	1.75	1	2,816	1.75
1170W	SUPPORT BUILDING RENOVATIONS	2118	20-SQ	0						5.00 */**
	TOTAL LONG SPRUCE				500,664,431	6,953,857		(474,330)	6,479,527	
11750	LIMESTONE									
1175A	DAMS, DYKES AND WEIRS	2131	125-R4	0	33,258,073	288,035	0.87	(3,907)	284,128	0.85
1175B	POWERHOUSE	2131	125-R4	0	461,430,334	3,997,313	0.87	(53,896)	3,943,417	0.85
1175C	POWERHOUSE RENOVATIONS	2131	25-SQ	0						4.00 */**
1175D	SPILLWAY	2131	75-R4	0	201,240,773	2,837,511	1.41	79,515	2,917,026	1.45
1175E	WATER CONTROL SYSTEMS	2131	50-S4	0	116,224,392	2,405,845	2.07	(132,827)	2,273,018	1.96
1175F	ROADS AND SITE IMPROVEMENTS	2131	50-R3	0	17,164,432	363,550	2.12	(1,281)	362,269	2.11
1175G	TURBINES AND GENERATORS	2131	65-S3	0	403,825,745	6,663,125	1.65	(141,734)	6,521,391	1.61
1175H	GOVERNORS AND EXCITATION SYSTEM	2131	50-R4	0	16,584,271	346,998	2.09	(13,989)	333,009	2.01
1175L	LICENCE RENEWAL	2131	50-SQ	0						2.00 */**
1175P	A/C ELECTRICAL POWER SYSTEMS	2131	50-R3	0	144,317,307	3,056,641	2.12	(10,784)	3,045,857	2.11
1175Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2131	23-L2	0	8,333,373	339,021	4.07	50,445	389,466	4.67
1175R	AUXILIARY STATION PROCESSES	2131	40-R2.5	0	36,054,205	940,241	2.61	22,659	962,900	2.67
1175X	SUPPORT BUILDINGS	2131	65-R3	0	5,703,494	95,625	1.68	222	95,847	1.68
1175W	SUPPORT BUILDING RENOVATIONS	2131	20-SQ	0						5.00 **
	TOTAL LIMESTONE				1,444,136,399	21,333,905		(205,577)	21,128,328	1.46
11800	WUSKWATIM									
1180A	DAMS, DYKES AND WEIRS	2152	125-R4	0						0.80 *
1180B	POWERHOUSE	2152	125-R4	0						0.80 *
1180C	POWERHOUSE RENOVATIONS	2152	25-SQ	0						4.00 */**
1180D	SPILLWAY	2152	75-R2	0						1.33 *
1180E	WATER CONTROL SYSTEMS	2152	50-S4	0						2.00 *
1180F	ROADS AND SITE IMPROVEMENTS	2152	50-R3	0						2.00 *
1180G	TURBINES AND GENERATORS	2152	65-S3	0						1.54 *
1180H	GOVERNORS AND EXCITATION SYSTEM	2152	50-R4	0						2.00 *
1180P	A/C ELECTRICAL POWER SYSTEMS	2152	50-R3	0						2.00 *
1180Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2152	23-L2	0						4.35 *
1180R	AUXILIARY STATION PROCESSES	2152	40-R2.5	0						2.50 *
1180X	SUPPORT BUILDINGS	2152	65-R3	0						1.54 *
1180W	SUPPORT BUILDING RENOVATIONS	2152	20-SQ	0						5.00 */**
	TOTAL WUSKWATIM				0	0		0	0	
11990	INFRASTRUCTURE SUPPORTING GENERATION									
1199F	PROVINCIAL ROADS		50-R3	0	25,380,938	507,851	2.00	25,909	533,760	2.10
1199V	TOWN SITE BUILDING		65-L3	0	63,280,714	1,067,664	1.69	77,766	1,145,430	1.81
1199W	TOWN SITE BUILDINGS RENOVATIONS		20-SQ	0	13,502,581	674,829	5.00	79,558	754,387	5.59 **
1199Y	TOWN SITE OTHER INFRASTRUCTURE		45-R3	0	26,527,464	643,245	2.42	19,722	662,967	2.50
	TOTAL INFRASTRUCTURE SUPPORTING GENERATION				128,691,696	2,893,589		202,955	3,096,544	2.41
	TOTAL HYDRAULIC GENERATION				4,716,467,183	68,972,513	1.46	(3,346,698)	65,625,815	1.39

MANITOBA HYDRO

SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DEPRECIABLE WORK	LIFE SPAN DATE	SURVIVOR CURVE	NET SALVAGE	SURVIVING ORIGINAL COST AS OF MARCH 31, 2010	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE (%)	ANNUAL PROVISION FOR TRUE-UP	TOTAL DEPRECIATION RELATED TO LIFE EXPENSE	TOTAL DEPRECIATION RELATED TO LIFE RATE (%)
	(1)		(2)	(3)	(4)	(5)	(6)=(5)/(4)	(7)	(8)=(5)+(7)	(9)=(8)/(4)

* The account has no balance as of March 31, 2010 and rate will be used on a go-forward basis for future additions.
** On amortized accounts any true-up of less than 10% is not considered significant.

MANITOBA HYDRO

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION (1)	SURVIVING ORIGINAL COST AS OF MARCH 31, 2010 (2)	CALCULATED ACCRUED DEPRECIATION (3)	BOOK ACCUMULATED DEPRECIATION (4)	ACCUMULATED DEPRECIATION VARIANCE AMOUNT (5) = (3)-(4)	ACCUMULATED DEPRECIATION VARIANCE PERCENT (6) = (5)/(3)	PROBABLE REMAINING LIFE (7)	ANNUAL PROVISION FOR TRUE-UP (8)=(5)/(7)
10000	GENERATION							
11000	HYDRAULIC GENERATION							
11050	GREAT FALLS							
1105A	DAMS, DYKES AND WEIRS	17,302,772	6,214,538	7,613,124	(1,398,586)	(0.23)	51.3	(27,263)
1105B	POWERHOUSE	7,990,993	3,038,329	3,698,385	(660,056)	(0.22)	50.6	(13,045)
1105C	POWERHOUSE RENOVATIONS				0			*/**
1105D	SPILLWAY	9,676,327	3,492,959	3,999,802	(506,843)	(0.15)	43.5	(11,641)
1105E	WATER CONTROL SYSTEMS	24,245,253	8,269,309	9,971,579	(1,702,270)	(0.21)	33.5	(50,814)
1105F	ROADS AND SITE IMPROVEMENTS	213,964	10,408	11,365	(957)	(0.09)	39.7	(24)
1105G	TURBINES AND GENERATORS	25,128,789	7,085,426	8,424,895	(1,339,469)	(0.19)	44.1	(30,373)
1105H	GOVERNORS AND EXCITATION SYSTEM	492,218	161,825	193,442	(31,617)	(0.20)	39.0	(811)
1105L	LICENCE RENEWAL				0			*/**
1105P	A/C ELECTRICAL POWER SYSTEMS	9,493,088	3,314,653	3,714,794	(400,141)	(0.12)	31.1	(12,866)
1105Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	19,271,956	6,679,465	6,778,449	(98,984)	(0.01)	13.2	(7,499)
1105R	AUXILIARY STATION PROCESSES	8,345,798	3,026,374	3,244,974	(218,600)	(0.07)	24.0	(9,108)
1105X	SUPPORT BUILDINGS	1,495,253	638,944	750,898	(111,954)	(0.18)	39.7	(2,820)
1105W	SUPPORT BUILDING RENOVATIONS							*/**
	TOTAL GREAT FALLS	123,656,412	41,932,230	48,401,707	(6,469,477)			(166,264)
11100	POINTE DU BOIS							
1110A	DAMS, DYKES AND WEIRS	11,263,332	1,889,913	3,807,139	(1,917,226)	(1.01)	21.0	(91,296)
1110B	POWERHOUSE	6,242,749	552,108	1,114,041	(561,933)	(1.02)	21.0	(26,759)
1110C	POWERHOUSE RENOVATIONS							*/**
1110D	SPILLWAY - ORIGINAL	3,104,842	711,241	1,300,951	(589,710)	(0.83)	7.0	(84,244)
1110E	WATER CONTROL SYSTEMS	4,027,603	814,575	1,644,546	(829,971)	(1.02)	21.0	(39,522)
1110F	ROADS AND SITE IMPROVEMENTS	28,533	6,120	12,046	(5,926)	(0.97)	20.1	(295)
1110G	TURBINES AND GENERATORS	24,610,324	3,159,817	6,374,825	(3,215,008)	(1.02)	21.0	(153,096) *
1110H	GOVERNORS AND EXCITATION SYSTEM							*/**
1110L	LICENCE RENEWAL							
1110P	A/C ELECTRICAL POWER SYSTEMS	6,057,709	481,479	947,448	(465,969)	(0.97)	20.3	(22,954)
1110Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	355,559	50,269	88,467	(38,198)	(0.76)	14.8	(2,581)
1110R	AUXILIARY STATION PROCESSES	1,377,014	239,152	448,852	(209,700)	(0.88)	18.5	(11,335)
1110X	SUPPORT BUILDINGS	2,616,290	666,189	1,324,449	(658,260)	(0.99)	20.5	(32,110) */**
1110W	SUPPORT BUILDING RENOVATIONS							*
1111D	SPILLWAY - NEW							*
	TOTAL POINTE DU BOIS	59,683,956	8,570,863	17,062,765	(8,491,902)			(464,193)
11150	SEVEN SISTERS							
1115A	DAMS, DYKES AND WEIRS	31,497,995	10,903,236	15,406,970	(4,503,734)	(0.41)	59.1	(76,205)
1115B	POWERHOUSE	13,653,945	5,953,556	8,292,614	(2,339,058)	(0.39)	57.5	(40,679)
1115C	POWERHOUSE RENOVATIONS				0			*/**
1115D	SPILLWAY	2,841,355	1,432,825	1,607,456	(174,631)	(0.12)	50.1	(3,486)
1115E	WATER CONTROL SYSTEMS	4,296,891	2,019,990	2,839,823	(819,833)	(0.41)	34.6	(23,695)
1115F	ROADS AND SITE IMPROVEMENTS	201,701	102,573	142,642	(40,069)	(0.39)	33.8	(1,185)
1115G	TURBINES AND GENERATORS	41,208,963	9,885,456	13,488,286	(3,602,830)	(0.36)	47.7	(75,531)
1115H	GOVERNORS AND EXCITATION SYSTEM	6,860	5,805	8,062	(2,257)		5.0	(451)
1115L	LICENCE RENEWAL							*/**
1115P	A/C ELECTRICAL POWER SYSTEMS	10,648,619	3,796,763	4,966,536	(1,169,773)	(0.31)	32.4	(36,104)
1115Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	3,821,416	2,049,090	2,386,760	(337,670)	(0.16)	11.4	(29,620)
1115R	AUXILIARY STATION PROCESSES	5,224,958	2,217,975	2,809,589	(591,614)	(0.27)	23.3	(25,391)
1115X	SUPPORT BUILDINGS	608,294	105,899	137,334	(31,435)	(0.30)	46.5	(676)
1115W	SUPPORT BUILDING RENOVATIONS							*/**
	TOTAL SEVEN SISTERS	114,010,998	38,473,168	52,086,073	(13,612,905)			(313,025)

MH Exhibit #22

MANITOBA HYDRO

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION	SURVIVING ORIGINAL COST AS OF MARCH 31, 2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE AMOUNT	ACCUMULATED DEPRECIATION VARIANCE PERCENT	PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP	
	(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)	
11200	**SLAVE FALLS**								
1120A	DAMS, DYKES AND WEIRS	954,684	44,764	54,185	(9,421)	(0.21)	61.4	(153)	
1120B	POWERHOUSE	45,692,194	4,903,168	5,952,681	(1,049,513)	(0.21)	61.5	(17,065)	
1120C	POWERHOUSE RENOVATIONS								*/**
1120D	SPILLWAY	760,201	49,695	58,657	(8,962)	(0.18)	57.4	(156)	
1120E	WATER CONTROL SYSTEMS	318,933	24,068	28,347	(4,279)	(0.18)	44.7	(96)	
1120F	ROADS AND SITE IMPROVEMENTS	769,506	78,949	83,156	(4,207)	(0.05)	39.4	(107)	
1120G	TURBINES AND GENERATORS	11,630,909	1,490,317	1,739,984	(249,667)	(0.17)	50.7	(4,924)	
1120H	GOVERNORS AND EXCITATION SYSTEM								*
1120L	LICENCE RENEWAL								*/**
1120P	A/C ELECTRICAL POWER SYSTEMS	21,815,741	1,944,102	2,060,897	(116,795)	(0.06)	39.3	(2,972)	
1120Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	786,382	108,358	104,882	3,476	0.03	16.0	217	
1120R	AUXILIARY STATION PROCESSES	2,201,466	179,198	171,468	7,730	0.04	29.5	262	
1120X	SUPPORT BUILDINGS	3,724,095	507,079	552,458	(45,379)	(0.09)	47.5	(955)	
1120W	SUPPORT BUILDING RENOVATIONS								*/**
	TOTAL SLAVE FALLS	**88,654,109**	**9,329,698**	**10,806,713**	**(1,477,015)**			**(25,950)**	
11250	**PINE FALLS**								
1125A	DAMS, DYKES AND WEIRS	14,110,589	2,084,324	2,573,116	(488,792)	(0.23)	77.3	(6,323)	
1125B	POWERHOUSE	10,060,843	4,528,984	5,542,973	(1,013,989)	(0.22)	63.5	(15,968)	
1125C	POWERHOUSE RENOVATIONS								*/**
1125D	SPILLWAY	93,376	2,671	3,149	(478)	(0.18)	67.2	(7)	
1125E	WATER CONTROL SYSTEMS	3,564,106	1,925,975	2,388,172	(462,197)	(0.24)	30.8	(15,006)	
1125F	ROADS AND SITE IMPROVEMENTS	1,178,575	932,226	1,130,898	(198,672)	(0.21)	10.5	(18,921)	
1125G	TURBINES AND GENERATORS	9,464,220	4,932,555	5,889,287	(956,732)	(0.19)	38.0	(25,177)	
1125H	GOVERNORS AND EXCITATION SYSTEM								
1125L	LICENCE RENEWAL								*/**
1125P	A/C ELECTRICAL POWER SYSTEMS	5,071,108	1,827,772	2,169,610	(341,838)	(0.19)	36.1	(9,469)	
1125Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2,156,586	1,110,121	1,145,153	(35,032)	(0.03)	10.6	(3,305)	
1125R	AUXILIARY STATION PROCESSES	3,790,230	1,523,378	1,704,847	(181,469)	(0.12)	24.1	(7,530)	
1125X	SUPPORT BUILDINGS	336,412	88,521	99,028	(10,507)	(0.12)	43.6	(241)	
1125W	SUPPORT BUILDING RENOVATIONS								*/**
1125Z	COMMUNITY DEVELOPMENT COSTS	4,425,543	533,832	710,240	(176,408)	(0.33)	71.4	(2,471)	**
	TOTAL PINE FALLS	**54,251,587**	**19,490,359**	**23,356,474**	**(3,866,115)**			**(104,419)**	
11300	**MCARTHUR FALLS**								
1130A	DAMS, DYKES AND WEIRS	3,578,068	1,327,762	1,583,088	(255,326)	(0.19)	69.1	(3,695)	
1130B	POWERHOUSE	9,523,798	4,217,087	5,018,727	(801,640)	(0.19)	64.3	(12,467)	
1130C	POWERHOUSE RENOVATIONS								*/**
1130D	SPILLWAY	2,351,438	1,696,563	1,703,092	(6,529)	(0.00)	21.4	(305)	
1130E	WATER CONTROL SYSTEMS	11,703,203	4,138,832	5,007,819	(868,987)	(0.21)	33.3	(26,096)	
1130F	ROADS AND SITE IMPROVEMENTS	234,820	111,788	127,773	(15,985)	(0.14)	29.0	(551)	
1130G	TURBINES AND GENERATORS	5,096,367	3,966,488	4,670,712	(704,224)	(0.18)	15.7	(44,855)	
1130H	GOVERNORS AND EXCITATION SYSTEM	119,315	32,237	38,021	(5,784)	(0.18)	34.9	(166)	
1130L	LICENCE RENEWAL								*/**
1130P	A/C ELECTRICAL POWER SYSTEMS	2,480,539	1,548,716	1,818,844	(270,128)	(0.17)	29.3	(9,219)	
1130Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	1,245,885	697,673	747,884	(50,211)	(0.07)	12.3	(4,082)	
1130R	AUXILIARY STATION PROCESSES	3,440,197	1,347,401	1,483,474	(136,073)	(0.10)	25.0	(5,443)	
1130X	SUPPORT BUILDINGS	227,212	59,529	65,327	(5,798)	(0.10)	43.7	(133)	
1130W	SUPPORT BUILDING RENOVATIONS								*/**
	TOTAL MCARTHUR FALLS	**40,000,842**	**19,144,076**	**22,264,760**	**(3,120,684)**			**(107,012)**	

MANITOBA HYDRO

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION	SURVIVING ORIGINAL COST AS OF MARCH 31, 2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE AMOUNT	ACCUMULATED DEPRECIATION VARIANCE PERCENT	PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP
	(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)
11350	KELSEY							
1135A	DAMS, DYKES AND WEIRS	11,066,409	2,091,406	2,388,154	(296,748)	(0.14)	81.9	(3,623)
1135B	POWERHOUSE	27,569,817	10,369,448	11,797,459	(1,428,011)	(0.14)	71.8	(19,889)
1135C	POWERHOUSE RENOVATIONS							*/**
1135D	SPILLWAY	5,331,929	3,510,542	3,337,776	172,766	0.05	25.7	6,722
1135E	WATER CONTROL SYSTEMS	11,792,566	5,095,822	5,858,592	(762,770)	(0.15)	37.6	(20,286)
1135F	ROADS AND SITE IMPROVEMENTS	6,442,928	3,327,136	3,675,535	(348,399)	(0.10)	28.5	(12,225)
1135G	TURBINES AND GENERATORS	130,323,693	9,810,603	10,889,594	(1,078,991)	(0.11)	56.8	(18,996)
1135H	GOVERNORS AND EXCITATION SYSTEM	88,651	25,248	28,203	(2,955)	(0.12)	33.9	(87)
1135L	LICENCE RENEWAL							*/**
1135P	A/C ELECTRICAL POWER SYSTEMS	5,751,610	3,144,625	3,442,084	(297,459)	(0.09)	24.5	(12,141)
1135Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	3,595,490	1,573,603	1,535,475	38,128	0.02	12.3	3,100
1135R	AUXILIARY STATION PROCESSES	7,788,815	3,256,761	3,361,853	(105,092)	(0.03)	22.6	(4,650)
1135X	SUPPORT BUILDINGS	9,953,977	1,934,994	2,030,173	(95,179)	(0.05)	47.1	(2,021)
1135W	SUPPORT BUILDING RENOVATIONS							*/**
	TOTAL KELSEY	219,705,886	44,140,188	48,344,899	(4,204,711)			(84,096)
11400	GRAND RAPIDS							
1140A	DAMS, DYKES AND WEIRS	53,468,974	16,904,945	20,241,182	(3,336,237)	(0.20)	71.3	(46,792)
1140B	POWERHOUSE	24,506,522	9,074,278	10,870,236	(1,795,958)	(0.20)	69.2	(25,953)
1140C	POWERHOUSE RENOVATIONS							*/**
1140D	SPILLWAY	5,308,334	3,141,881	3,127,598	14,283	0.00	30.2	473
1140E	WATER CONTROL SYSTEMS	15,982,492	10,781,268	12,935,293	(2,154,025)	(0.20)	35.0	(61,544)
1140F	ROADS AND SITE IMPROVEMENTS	2,581,475	1,853,663	2,151,076	(297,413)	(0.16)	18.7	(15,904)
1140G	TURBINES AND GENERATORS	113,066,160	24,914,070	28,837,308	(3,923,238)	(0.16)	48.1	(81,564)
1140H	GOVERNORS AND EXCITATION SYSTEM	42,718	9,742	11,420	(1,678)	(0.17)	37.8	(44)
1140L	LICENCE RENEWAL							*/**
1140P	A/C ELECTRICAL POWER SYSTEMS	8,240,545	2,996,076	3,393,467	(397,391)	(0.13)	32.2	(12,341)
1140Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	4,674,247	3,162,334	3,344,181	(181,847)	(0.06)	10.2	(17,828)
1140R	AUXILIARY STATION PROCESSES	5,600,506	1,772,923	1,867,556	(94,633)	(0.05)	25.0	(3,785)
1140X	SUPPORT BUILDINGS	6,190,376	1,167,718	1,266,627	(98,909)	(0.08)	47.1	(2,100)
1140W	SUPPORT BUILDING RENOVATIONS							*/**
1140Z	COMMUNITY DEVELOPMENT COSTS	101,442,997	11,399,379	17,852,104	(6,452,725)	(0.57)	71.2	(90,628)
	TOTAL GRAND RAPIDS	341,105,346	87,178,277	105,898,046	(18,719,769)			(358,011)
11450	KETTLE							
1145A	DAMS, DYKES AND WEIRS	45,280,663	14,457,365	17,156,728	(2,699,363)	(0.19)	79.0	(34,169)
1145B	POWERHOUSE	146,207,420	46,205,345	54,832,267	(8,626,922)	(0.19)	79.3	(108,788)
1145C	POWERHOUSE RENOVATIONS							*/**
1145D	SPILLWAY	25,406,960	13,054,096	13,102,475	(48,379)	(0.00)	35.5	(1,363)
1145E	WATER CONTROL SYSTEMS	17,834,945	12,943,500	15,570,815	(2,627,315)	(0.20)	15.1	(173,994)
1145F	ROADS AND SITE IMPROVEMENTS	10,591	2,234	2,424	(190)	(0.08)	35.5	(5)
1145G	TURBINES AND GENERATORS	70,740,028	38,119,760	44,332,641	(6,212,881)	(0.16)	29.8	(208,486)
1145H	GOVERNORS AND EXCITATION SYSTEM	3,304,326	2,291,949	2,718,363	(426,414)	(0.19)	16.3	(26,160)
1145L	LICENCE RENEWAL							*/**
1145P	A/C ELECTRICAL POWER SYSTEMS	6,771,761	2,715,301	3,063,216	(347,915)	(0.13)	29.9	(11,636)
1145Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	12,001,279	7,812,908	8,161,591	(348,683)	(0.04)	10.2	(34,185)
1145R	AUXILIARY STATION PROCESSES	15,361,985	8,293,267	9,355,269	(1,062,002)	(0.13)	21.2	(50,094)
1145X	SUPPORT BUILDINGS	3,908,404	2,242,225	2,527,081	(284,856)	(0.13)	27.7	(10,284)
1145W	SUPPORT BUILDING RENOVATIONS							*/**
	TOTAL KETTLE	346,828,362	148,137,950	170,822,869	(22,684,919)			(659,165)

MANITOBA HYDRO

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION (1)	SURVIVING ORIGINAL COST AS OF MARCH 31, 2010 (2)	CALCULATED ACCRUED DEPRECIATION (3)	BOOK ACCUMULATED DEPRECIATION (4)	ACCUMULATED DEPRECIATION VARIANCE AMOUNT (5) = (3)-(4)	ACCUMULATED DEPRECIATION VARIANCE PERCENT (6) = (5)/(3)	PROBABLE REMAINING LIFE (7)	ANNUAL PROVISION FOR TRUE-UP (8)=(5)/(7)
11500	**LAURIE RIVER**							
1150A	DAMS, DYKES AND WEIRS	355,538	177,539	119,594	57,945	0.33	22.0	2,634
1150B	POWERHOUSE	7,664,146	1,880,047	1,265,197	614,850	0.33	22.0	27,948
1150C	POWERHOUSE RENOVATIONS							*/**
1150D	SPILLWAY	870,000	361,398	240,118	121,280	0.34	21.8	5,563
1150E	WATER CONTROL SYSTEMS	458,033	180,347	121,277	59,070	0.33	21.7	2,722
1150F	ROADS AND SITE IMPROVEMENTS	1,441,914	607,104	394,599	212,505	0.35	19.9	10,679
1150G	TURBINES AND GENERATORS	4,603,136	777,293	522,394	254,899	0.33	21.9	11,639
1150H	GOVERNORS AND EXCITATION SYSTEM	882,653	94,232	63,131	31,101	0.33	21.8	1,427
1150L	LICENCE RENEWAL							*/**
1150P	A/C ELECTRICAL POWER SYSTEMS	1,441,945	532,317	347,758	184,559	0.35	20.5	9,003
1150Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	1,220,047	769,647	436,660	332,987	0.43	8.4	39,641
1150R	AUXILIARY STATION PROCESSES	308,504	130,042	80,696	49,346	0.38	18.3	2,697
1150X	SUPPORT BUILDINGS	355,919	161,943	106,876	55,067	0.34	21.0	2,622
1150W	SUPPORT BUILDING RENOVATIONS							*/**
	TOTAL LAURIE RIVER	**19,601,835**	**5,671,909**	**3,698,298**	**1,984,399**			**116,575**
11550	**JENPEG**							
1155A	DAMS, DYKES AND WEIRS	15,295,318	3,325,195	3,661,242	(336,047)	(0.10)	88.4	(3,801)
1155B	POWERHOUSE	76,905,294	21,018,339	23,110,365	(2,092,026)	(0.10)	84.3	(24,816)
1155C	POWERHOUSE RENOVATIONS							*/**
1155D	SPILLWAY	14,942,733	6,703,048	6,251,622	451,426	0.07	39.7	11,371
1155E	WATER CONTROL SYSTEMS	16,762,099	10,865,384	12,126,362	(1,260,978)	(0.12)	17.4	(72,470)
1155F	ROADS AND SITE IMPROVEMENTS	1,563,205	735,898	769,243	(33,345)	(0.05)	25.8	(1,292)
1155G	TURBINES AND GENERATORS	79,641,550	36,965,814	39,906,553	(2,940,739)	(0.08)	33.4	(88,046)
1155H	GOVERNORS AND EXCITATION SYSTEM							*
1155L	LICENCE RENEWAL							*/**
1155P	A/C ELECTRICAL POWER SYSTEMS	19,308,049	12,128,595	12,814,770	(686,175)	(0.06)	19.1	(35,925)
1155Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	3,343,800	2,154,070	2,014,895	139,175	0.06	9.0	15,464
1155R	AUXILIARY STATION PROCESSES	9,796,258	4,363,099	4,457,960	(94,861)	(0.02)	21.6	(4,392)
1155X	SUPPORT BUILDINGS	7,885,397	2,301,830	2,365,167	(63,337)	(0.03)	42.5	(1,490)
1155W	SUPPORT BUILDING RENOVATIONS							*/**
	TOTAL JENPEG	**245,443,703**	**100,561,272**	**107,478,180**	**(6,916,908)**			**(205,399)**
11600	**LAKE WINNIPEG REGULATION**							
1160A	DAMS, DYKES AND WEIRS	96,807,065	26,325,352	33,231,067	(6,905,715)	(0.26)	86.7	(79,651)
1160L	LICENCE RENEWAL							*/**
1160Z	COMMUNITY DEVELOPMENT COSTS	387,802,871	54,108,862	73,448,592	(19,339,730)	(0.36)	86.6	(223,323) **
	TOTAL LAKE WINNIPEG REGULATION	**484,609,937**	**80,434,214**	**106,679,659**	**(26,245,445)**			**(302,973)**
11650	**CHURCHILL RIVER DIVERSION**							
1165A	DAMS, DYKES AND WEIRS	114,718,213	30,724,065	31,921,746	(1,197,681)	(0.04)	87.1	(13,751)
1165D	SPILLWAY	56,442,246	25,500,607	22,609,467	2,891,140	0.11	39.4	73,379
1165E	WATER CONTROL SYSTEMS	17,583,551	11,612,927	12,324,199	(711,272)	(0.06)	16.7	(42,591)
1165F	ROADS AND SITE IMPROVEMENTS	6,799,023	4,272,805	4,291,935	(19,130)	(0.00)	19.0	(1,007)
1165L	LICENCE RENEWAL							*/**
1165P	A/C ELECTRICAL POWER SYSTEMS	1,596,593	1,005,012	1,009,712	(4,700)	(0.00)	19.0	(247)
1165Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	1,417,862	1,197,658	1,107,794	89,864	0.08	6.0	14,977
1165R	AUXILIARY STATION PROCESSES	1,799,312	498,971	462,083	36,888	0.07	25.7	1,435
1165X	SUPPORT BUILDINGS	28,361	4,169	3,968	201	0.05	49.3	4
1165W	SUPPORT BUILDING RENOVATIONS							*/**
1165Z	COMMUNITY DEVELOPMENT COSTS	305,036,524	55,319,169	74,130,320	(18,811,151)	(0.34)	82.5	(228,014) **
	TOTAL CHURCHILL RIVER DIVERSION	**505,421,684**	**130,135,383**	**147,861,224**	**(17,725,841)**			**(195,814)**

MANITOBA HYDRO

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION (1)	SURVIVING ORIGINAL COST AS OF MARCH 31, 2010 (2)	CALCULATED ACCRUED DEPRECIATION (3)	BOOK ACCUMULATED DEPRECIATION (4)	ACCUMULATED DEPRECIATION VARIANCE AMOUNT (5) = (3)-(4)	ACCUMULATED DEPRECIATION VARIANCE PERCENT (6) = (5)/(3)	PROBABLE REMAINING LIFE (7)	ANNUAL PROVISION FOR TRUE-UP (8)=(5)/(7)	
11700	LONG SPRUCE								
1170A	DAMS, DYKES AND WEIRS	64,744,494	17,136,124	18,797,519	(1,661,395)	(0.10)	85.2	(19,500)	
1170B	POWERHOUSE	143,780,355	38,092,455	41,787,059	(3,694,604)	(0.10)	85.2	(43,364)	
1170C	POWERHOUSE RENOVATIONS								*/**
1170D	SPILLWAY	42,273,617	18,416,714	17,142,264	1,274,450	0.07	41.0	31,084	
1170E	WATER CONTROL SYSTEMS	57,946,281	37,207,115	41,449,762	(4,242,647)	(0.11)	17.5	(242,437)	
1170F	ROADS AND SITE IMPROVEMENTS	1,172,867	657,177	687,609	(30,432)	(0.05)	22.0	(1,383)	
1170G	TURBINES AND GENERATORS	143,328,643	72,028,075	77,103,787	(5,075,712)	(0.07)	30.7	(165,333)	
1170H	GOVERNORS AND EXCITATION SYSTEM	145,844	20,097	21,732	(1,635)	(0.08)	40.7	(40)	
1170L	LICENCE RENEWAL								*/**
1170P	A/C ELECTRICAL POWER SYSTEMS	30,503,528	17,655,095	18,542,547	(887,452)	(0.05)	21.3	(41,664)	
1170Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	4,409,200	3,518,156	3,373,611	144,545	0.04	6.9	20,949	
1170R	AUXILIARY STATION PROCESSES	12,199,119	6,909,582	7,135,875	(226,293)	(0.03)	17.9	(12,642)	
1170X	SUPPORT BUILDINGS	160,484	18,662	18,618	44	0.00	50.4	1	
1170W	SUPPORT BUILDING RENOVATIONS								*/**
	TOTAL LONG SPRUCE	**500,664,431**	**211,659,252**	**226,060,384**	**(14,401,132)**			**(474,330)**	
11750	LIMESTONE								
1175A	DAMS, DYKES AND WEIRS	33,258,073	5,378,081	5,756,238	(378,157)	(0.07)	96.8	(3,907)	
1175B	POWERHOUSE	461,430,334	74,262,785	79,485,351	(5,222,566)	(0.07)	96.9	(53,896)	
1175C	POWERHOUSE RENOVATIONS								*/**
1175D	SPILLWAY	201,240,773	53,026,515	49,241,598	3,784,917	0.07	47.6	79,515	
1175E	WATER CONTROL SYSTEMS	116,224,392	44,988,138	48,919,806	(3,931,668)	(0.09)	29.6	(132,827)	
1175F	ROADS AND SITE IMPROVEMENTS	17,164,432	6,795,781	6,832,303	(36,522)	(0.01)	28.5	(1,281)	
1175G	TURBINES AND GENERATORS	403,825,745	124,076,655	130,029,479	(5,952,824)	(0.05)	42.0	(141,734)	
1175H	GOVERNORS AND EXCITATION SYSTEM	16,584,271	6,439,021	6,847,507	(408,486)	(0.06)	29.2	(13,989)	
1175L	LICENCE RENEWAL								*/**
1175P	A/C ELECTRICAL POWER SYSTEMS	144,317,307	57,149,653	57,457,004	(307,351)	(0.01)	28.5	(10,784)	
1175Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	8,333,373	5,237,449	4,778,396	459,053	0.09	9.1	50,445	
1175R	AUXILIARY STATION PROCESSES	36,054,205	16,111,470	15,631,104	480,366	0.03	21.2	22,659	
1175X	SUPPORT BUILDINGS	5,703,494	1,625,607	1,616,130	9,477	0.01	42.6	222	
1175W	SUPPORT BUILDING RENOVATIONS								*/**
	TOTAL LIMESTONE	**1,444,136,399**	**395,091,155**	**406,594,917**	**(11,503,762)**			**(205,577)**	
11800	WUSKWATIM								
1180A	DAMS, DYKES AND WEIRS								*
1180B	POWERHOUSE								*
1180C	POWERHOUSE RENOVATIONS								*/**
1180D	SPILLWAY								*
1180E	WATER CONTROL SYSTEMS								*
1180F	ROADS AND SITE IMPROVEMENTS								*
1180G	TURBINES AND GENERATORS								*
1180H	GOVERNORS AND EXCITATION SYSTEM								*
1180P	A/C ELECTRICAL POWER SYSTEMS								*
1180Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS								*
1180R	AUXILIARY STATION PROCESSES								*
1180X	SUPPORT BUILDINGS								*
1180W	SUPPORT BUILDING RENOVATIONS								*/**
	TOTAL WUSKWATIM	**0**	**0**	**0**	**0**			**0**	
11990	INFRASTRUCTURE SUPPORTING GENERATION								
1199F	PROVINCIAL ROADS	25,380,938	14,256,798	13,691,986	564,812	0.04	21.8	25,909	
1199V	TOWN SITE BUILDINGS	63,280,714	21,821,338	18,850,678	2,970,660	0.14	38.2	77,766	
1199W	TOWN SITE BUILDINGS RENOVATIONS	13,502,581	2,082,369	809,439	1,272,930	0.61	16.0	79,558	**
1199Y	TOWN SITE OTHER INFRASTRUCTURE	26,527,464	6,785,574	6,187,988	597,586	0.09	30.3	19,722	
	TOTAL INFRASTRUCTURE SUPPORTING GENERATION	**128,691,696**	**44,946,079**	**39,540,091**	**5,405,988**	**0.12**		**202,955**	
	TOTAL HYDRAULIC GENERATION	**4,716,467,183**	**1,384,896,073**	**1,536,957,059**	**(152,050,198)**			**(3,346,698)**	

MANITOBA HYDRO

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010

ACCOUNT	DESCRIPTION	SURVIVING ORIGINAL COST AS OF MARCH 31, 2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE AMOUNT	ACCUMULATED DEPRECIATION VARIANCE PERCENT	PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP
	(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)

* The account has no balance as of March 31, 2010 and rate will be used on a go-forward basis for future additions.
** On amortized account any true-up of less than 10% is not considered significant.
*** True-up was deemed as not significant or has been limited to the annual depreciation expenses.

MANITOBA HYDRO
RESPONSE TO ADDITIONAL UNDERTAKING REQUEST
SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010
(USE OF THE ASL PROCEDURE)

ACCOUNT	DEPRECIABLE WORK	LIFE SPAN DATE	SURVIVOR CURVE	NET SALVAGE	SURVIVING ORIGINAL COST AS OF MARCH 31, 2010	CALCULATED ANNUAL ACCRUAL		ANNUAL PROVISION FOR TRUE-UP	TOTAL DEPRECIATION	
						AMOUNT	RATE (%)		EXPENSE	RATE (%)
	(1)		(2)	(3)	(4)	(5)	(6)=(5)/(4)	(7)	(8)=(5)+(7)	(9)=(8)/(4)
10000	GENERATION									
11000	HYDRAULIC GENERATION									
11050	GREAT FALLS									
1105A	DAMS, DYKES AND WEIRS	2063	125-R4	(10)	17,302,772	238,985	1.38	(16,829)	222,156	1.28
1105B	POWERHOUSE	2063	125-R4	(10)	7,990,993	109,555	1.37	(8,305)	101,250	1.27
1105C	POWERHOUSE RENOVATIONS	2063	25-SQ	(10)						4.00 */**
1105D	SPILLWAY	2063	75-R4	(10)	9,676,327	151,176	1.56	(6,672)	144,504	1.49
1105E	WATER CONTROL SYSTEMS	2063	50-S4	(10)	24,245,253	535,198	2.21	(33,000)	502,198	2.07
1105F	ROADS AND SITE IMPROVEMENTS	2063	50-R3	(10)	213,964	5,020	2.35	(29)	4,991	2.33
1105G	TURBINES AND GENERATORS	2063	65-S3	(10)	25,128,789	476,981	1.90	(20,626)	456,355	1.82
1105H	GOVERNORS AND EXCITATION SYSTEM	2063	50-R4	(10)	492,218	10,949	2.22	(548)	10,401	2.11
1105L	LICENCE RENEWAL	2063	50-SQ	0						2.00 */**
1105P	A/C ELECTRICAL POWER SYSTEMS	2063	50-R3	(10)	9,493,088	211,271	2.23	(12,083)	199,188	2.10
1105Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2063	23-L2	(10)	19,271,956	899,389	4.67	(45,393)	853,996	4.43
1105R	AUXILIARY STATION PROCESSES	2063	40-R2.5	(10)	8,345,798	228,986	2.74	(13,147)	215,839	2.59
1105X	SUPPORT BUILDINGS	2063	65-R3	(10)	1,495,253	27,670	1.85	(1,875)	25,795	1.73
1105W	SUPPORT BUILDING RENOVATIONS	2063	20-SQ	(10)						5.00 */**
	TOTAL GREAT FALLS				123,656,412	2,895,180	2.34	(158,507)	2,736,673	2.21
11100	POINTE DU BOIS									
1110A	DAMS, DYKES AND WEIRS	2031	125-R4	(10)	11,263,332	491,508	4.36	(82,462)	409,046	3.63
1110B	POWERHOUSE	2031	125-R4	(10)	6,242,749	298,076	4.77	(24,130)	273,946	4.39
1110C	POWERHOUSE RENOVATIONS	2031	25-SQ	(10)						4.84 */**
1110D	SPILLWAY - ORIGINAL	2017	75-R4	0	3,104,842	341,875	11.01	(84,776)	257,099	8.28
1110E	WATER CONTROL SYSTEMS	2031	50-S4	(10)	4,027,603	168,173	4.18	(35,621)	132,552	3.29
1110F	ROADS AND SITE IMPROVEMENTS	2031	50-R3	(10)	28,533	1,208	4.23	(266)	942	3.30
1110G	TURBINES AND GENERATORS	2031	65-S3	(10)	24,610,324	1,123,496	4.57	(138,078)	985,418	4.00 *
1110H	GOVERNORS AND EXCITATION SYSTEM	2031	50-R4	(10)						5.24 */**
1110L	LICENCE RENEWAL	2031	50-SQ	0						4.76
1110P	A/C ELECTRICAL POWER SYSTEMS	2031	50-R3	(10)	6,057,709	296,661	4.90	(20,819)	275,842	4.55
1110Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2031	23-L2	(10)	355,559	20,419	5.74	(2,381)	18,038	5.07
1110R	AUXILIARY STATION PROCESSES	2031	40-R2.5	(10)	1,377,014	65,027	4.72	(10,107)	54,920	3.99
1110X	SUPPORT BUILDINGS	2031	65-R3	(10)	2,616,290	103,919	3.97	(29,103)	74,816	2.86
1110W	SUPPORT BUILDING RENOVATIONS	2031	20-SQ	(10)						5.00 */**
1111D	SPILLWAY - NEW		75-R2	(10)						1.33 *
	TOTAL POINTE DU BOIS				59,683,956	2,910,362	4.88	(427,744)	2,482,618	4.16
11150	SEVEN SISTERS									
1115A	DAMS, DYKES AND WEIRS	2072	125-R4	(10)	31,497,995	386,490	1.23	(60,803)	325,687	1.03
1115B	POWERHOUSE	2072	125-R4	(10)	13,653,945	157,769	1.16	(34,219)	123,550	0.90
1115C	POWERHOUSE RENOVATIONS	2072	25-SQ	(10)						4.00 */**
1115D	SPILLWAY	2072	75-R4	(10)	2,841,355	39,214	1.38	(4,124)	35,090	1.23
1115E	WATER CONTROL SYSTEMS	2072	50-S4	(10)	4,296,891	94,567	2.20	(17,127)	77,440	1.80
1115F	ROADS AND SITE IMPROVEMENTS	2072	50-R3	(10)	201,701	4,456	2.21	(744)	3,712	1.84
1115G	TURBINES AND GENERATORS	2072	65-S3	(10)	41,208,963	737,500	1.79	(62,085)	675,415	1.64
1115H	GOVERNORS AND EXCITATION SYSTEM	2072	50-R4	(10)	6,860	151	2.20	(379)	(228)	(3.33)
1115L	LICENCE RENEWAL	2072	50-SQ	0						2.00 */**
1115P	A/C ELECTRICAL POWER SYSTEMS	2072	50-R3	(10)	10,648,619	234,601	2.20	(31,151)	203,450	1.91
1115Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2072	23-L2	(10)	3,821,416	182,855	4.79	(40,388)	142,467	3.73
1115R	AUXILIARY STATION PROCESSES	2072	40-R2.5	(10)	5,224,958	134,972	2.58	(23,517)	111,455	2.13
1115X	SUPPORT BUILDINGS	2072	65-R3	(10)	608,294	11,185	1.84	(628)	10,557	1.74
1115W	SUPPORT BUILDING RENOVATIONS	2072	20-SQ	(10)						5.00 */**
	TOTAL SEVEN SISTERS				114,010,998	1,983,760	1.74	(275,167)	1,708,593	1.50

MH Exhibit #22

MANITOBA HYDRO
RESPONSE TO ADDITIONAL UNDERTAKING REQUEST
SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010
(USE OF THE ASL PROCEDURE)

ACCOUNT	DEPRECIABLE WORK (1)	LIFE SPAN DATE	SURVIVOR CURVE (2)	NET SALVAGE (3)	SURVIVING ORIGINAL COST AS OF MARCH 31, 2010 (4)	CALCULATED ANNUAL ACCRUAL AMOUNT (5)	CALCULATED ANNUAL ACCRUAL RATE (%) (6)=(5)/(4)	ANNUAL PROVISION FOR TRUE-UP (7)	TOTAL DEPRECIATION EXPENSE (8)=(5)+(7)	TOTAL DEPRECIATION RATE (%) (9)=(8)/(4)
11200	SLAVE FALLS									
1120A	DAMS, DYKES AND WEIRS	2072	125-R4	(10)	954,684	16,233	1.70	(84)	16,149	1.69
1120B	POWERHOUSE	2072	125-R4	(10)	45,692,194	729,914	1.60	(9,268)	720,646	1.58
1120C	POWERHOUSE RENOVATIONS	2072	25-SQ	(10)						4.00 */**
1120D	SPILLWAY	2072	75-R4	(10)	760,201	13,291	1.75	(93)	13,198	1.74
1120E	WATER CONTROL SYSTEMS	2072	50-S4	(10)	318,933	7,022	2.20	(59)	6,963	2.18
1120F	ROADS AND SITE IMPROVEMENTS	2072	50-R3	(10)	769,506	17,098	2.22	(177)	16,921	2.20
1120G	TURBINES AND GENERATORS	2072	65-S3	(10)	11,630,909	211,168	1.82	(3,143)	208,025	1.79
1120H	GOVERNORS AND EXCITATION SYSTEM	2072	50-R4	(10)						2.00 *
1120L	LICENCE RENEWAL	2072	50-SQ	0						2.00 */**
1120P	A/C ELECTRICAL POWER SYSTEMS	2072	50-R3	(10)	21,815,741	485,981	2.23	(4,334)	481,647	2.21
1120Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2072	23-L2	(10)	786,382	37,628	4.78	(491)	37,137	4.72
1120R	AUXILIARY STATION PROCESSES	2072	40-R2.5	(10)	2,201,466	60,540	2.75	(440)	60,100	2.73
1120X	SUPPORT BUILDINGS	2072	65-R3	(10)	3,724,095	68,422	1.84	(1,005)	67,417	1.81
1120W	SUPPORT BUILDING RENOVATIONS	2072	20-SQ	(10)						5.00 */**
	TOTAL SLAVE FALLS				88,654,109	1,647,297	1.86	(19,093)	1,628,204	1.84
11250	PINE FALLS									
1125A	DAMS, DYKES AND WEIRS	2092	125-R4	(10)	14,110,589	170,023	1.20	(4,444)	165,579	1.17
1125B	POWERHOUSE	2092	125-R4	(10)	10,060,843	94,485	0.94	(11,302)	83,183	0.83
1125C	POWERHOUSE RENOVATIONS	2092	25-SQ	(10)						4.00 */**
1125D	SPILLWAY	2092	75-R4	(10)	93,376	1,413	1.51	(5)	1,407	1.51
1125E	WATER CONTROL SYSTEMS	2092	50-S4	(10)	3,564,106	78,410	2.20	(9,007)	69,403	1.95
1125F	ROADS AND SITE IMPROVEMENTS	2092	50-R3	(10)	1,178,575	25,929	2.20	(4,557)	21,372	1.81
1125G	TURBINES AND GENERATORS	2092	65-S3	(10)	9,464,220	160,333	1.69	(21,435)	138,898	1.47
1125H	GOVERNORS AND EXCITATION SYSTEM	2092	50-R4	(10)						2.00 *
1125L	LICENCE RENEWAL	2092	50-SQ	0						2.00 */**
1125P	A/C ELECTRICAL POWER SYSTEMS	2092	50-R3	(10)	5,071,108	111,564	2.20	(6,896)	104,668	2.06
1125Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2092	23-L2	(10)	2,156,586	103,193	4.79	(11,485)	91,708	4.25
1125R	AUXILIARY STATION PROCESSES	2092	40-R2.5	(10)	3,790,230	104,231	2.75	(7,987)	96,244	2.54
1125X	SUPPORT BUILDINGS	2092	65-R3	(10)	336,412	5,699	1.69	(269)	5,430	1.61
1125W	SUPPORT BUILDING RENOVATIONS	2092	20-SQ	(10)						5.00 */**
1125Z	COMMUNITY DEVELOPMENT COSTS	2092	81-SQ	0	4,425,543	54,434	1.23	(2,471)	51,963	1.17
	TOTAL PINE FALLS				54,251,587	909,714	1.68	(79,857)	829,857	1.53
11300	MCARTHUR FALLS									
1130A	DAMS, DYKES AND WEIRS	2095	125-R4	(10)	3,578,068	35,150	0.98	(2,609)	32,541	0.91
1130B	POWERHOUSE	2095	125-R4	(10)	9,523,798	88,239	0.93	(8,742)	79,497	0.83
1130C	POWERHOUSE RENOVATIONS	2095	25-SQ	(10)						4.00 */**
1130D	SPILLWAY	2095	75-R4	(10)	2,351,438	34,402	1.46	3,332	37,734	1.60
1130E	WATER CONTROL SYSTEMS	2095	50-S4	(10)	11,703,203	257,470	2.20	(16,879)	240,591	2.06
1130F	ROADS AND SITE IMPROVEMENTS	2095	50-R3	(10)	234,820	5,166	2.20	(489)	4,677	1.99
1130G	TURBINES AND GENERATORS	2095	65-S3	(10)	5,096,367	86,332	1.69	(32,214)	54,118	1.06
1130H	GOVERNORS AND EXCITATION SYSTEM	2095	50-R4	(10)	119,315	2,625	2.20	(121)	2,504	2.10
1130L	LICENCE RENEWAL	2095	50-SQ	0						2.00 */**
1130P	A/C ELECTRICAL POWER SYSTEMS	2095	50-R3	(10)	2,480,539	54,572	2.20	(7,535)	47,037	1.90
1130Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2095	23-L2	(10)	1,245,885	59,616	4.79	(6,197)	53,419	4.29
1130R	AUXILIARY STATION PROCESSES	2095	40-R2.5	(10)	3,440,197	94,605	2.75	(5,940)	88,665	2.58
1130X	SUPPORT BUILDINGS	2095	65-R3	(10)	227,212	3,849	1.69	(156)	3,693	1.63
1130W	SUPPORT BUILDING RENOVATIONS	2095	20-SQ	(10)						5.00 */**
	TOTAL MCARTHUR FALLS				40,000,842	722,026	1.81	(77,549)	644,476	1.61

MANITOBA HYDRO
RESPONSE TO ADDITIONAL UNDERTAKING REQUEST
SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010
(USE OF THE ASL PROCEDURE)

ACCOUNT	DEPRECIABLE WORK	LIFE SPAN DATE	SURVIVOR CURVE	NET SALVAGE	SURVIVING ORIGINAL COST AS OF MARCH 31, 2010	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE (%)	ANNUAL PROVISION FOR TRUE-UP	TOTAL DEPRECIATION EXPENSE	TOTAL DEPRECIATION RATE (%)
	(1)		(2)	(3)	(4)	(5)	(6)=(5)/(4)	(7)	(8)=(5)+(7)	(9)=(8)/(4)
11350	KELSEY									
1135A	DAMS, DYKES AND WEIRS	2101	125-R4	(10)	11,066,409	118,604	1.07	(2,046)	116,558	1.05
1135B	POWERHOUSE	2101	125-R4	(10)	27,569,817	256,025	0.93	(11,217)	244,808	0.89
1135C	POWERHOUSE RENOVATIONS	2101	25-SQ	(10)						4.00 */**
1135D	SPILLWAY	2101	75-R4	(10)	5,331,929	78,006	1.46	11,931	89,937	1.69
1135E	WATER CONTROL SYSTEMS	2101	50-S4	(10)	11,792,566	259,436	2.20	(12,855)	246,581	2.09
1135F	ROADS AND SITE IMPROVEMENTS	2101	50-R3	(10)	6,442,928	141,744	2.20	(9,348)	132,396	2.05
1135G	TURBINES AND GENERATORS	2101	65-S3	(10)	130,323,693	2,207,683	1.69	(12,933)	2,194,750	1.68
1135H	GOVERNORS AND EXCITATION SYSTEM	2101	50-R4	(10)	88,651	1,950	2.20	(55)	1,895	2.14
1135L	LICENCE RENEWAL	2101	50-SQ	0						2.00 */**
1135P	A/C ELECTRICAL POWER SYSTEMS	2101	50-R3	(10)	5,751,610	126,535	2.20	(9,565)	116,970	2.03
1135Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2101	23-L2	(10)	3,595,490	172,044	4.78	(7,271)	164,773	4.58
1135R	AUXILIARY STATION PROCESSES	2101	40-R2.5	(10)	7,788,815	214,192	2.75	(9,235)	204,957	2.63
1135X	SUPPORT BUILDINGS	2101	65-R3	(10)	9,953,977	168,620	1.69	(2,711)	165,909	1.67
1135W	SUPPORT BUILDING RENOVATIONS	2101	20-SQ	(10)						5.00 */**
	TOTAL KELSEY				**219,705,886**	**3,744,839**	**1.70**	**(65,305)**	**3,679,534**	**1.67**
11400	GRAND RAPIDS									
1140A	DAMS, DYKES AND WEIRS	2091	125-R4	(10)	53,468,974	555,421	1.04	(30,489)	524,932	0.98
1140B	POWERHOUSE	2091	125-R4	(10)	24,506,522	240,399	0.98	(16,737)	223,662	0.91
1140C	POWERHOUSE RENOVATIONS	2091	25-SQ	(10)						4.00 */**
1140D	SPILLWAY	2091	75-R4	(10)	5,308,334	77,661	1.46	4,694	82,355	1.55
1140E	WATER CONTROL SYSTEMS	2091	50-S4	(10)	15,982,492	351,615	2.20	(65,570)	286,045	1.79
1140F	ROADS AND SITE IMPROVEMENTS	2091	50-R3	(10)	2,581,475	56,792	2.20	(13,491)	43,301	1.68
1140G	TURBINES AND GENERATORS	2091	65-S3	(10)	113,066,160	1,920,457	1.70	(61,682)	1,858,775	1.64
1140H	GOVERNORS AND EXCITATION SYSTEM	2091	50-R4	(10)	42,718	940	2.20	(32)	908	2.13
1140L	LICENCE RENEWAL	2091	50-SQ	0						2.00 */**
1140P	A/C ELECTRICAL POWER SYSTEMS	2091	50-R3	(10)	8,240,545	181,292	2.20	(10,702)	170,590	2.07
1140Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2091	23-L2	(10)	4,674,247	223,663	4.79	(32,854)	190,809	4.08
1140R	AUXILIARY STATION PROCESSES	2091	40-R2.5	(10)	5,600,506	154,014	2.75	(7,004)	147,010	2.62
1140X	SUPPORT BUILDINGS	2091	65-R3	(10)	6,190,376	105,161	1.70	(2,599)	102,562	1.66
1140W	SUPPORT BUILDING RENOVATIONS	2091	20-SQ	(10)						5.00 */**
1140Z	COMMUNITY DEVELOPMENT COSTS	2091	80-SQ	0	101,442,997	1,268,037	1.25	(90,628)	1,177,409	1.16
	TOTAL GRAND RAPIDS				**341,105,346**	**5,135,452**	**1.51**	**(327,094)**	**4,808,358**	**1.41**
11450	KETTLE									
1145A	DAMS, DYKES AND WEIRS	2111	125-R4	(10)	45,280,663	414,201	0.91	(23,299)	390,902	0.86
1145B	POWERHOUSE	2111	125-R4	(10)	146,207,420	1,340,586	0.92	(74,373)	1,266,213	0.87
1145C	POWERHOUSE RENOVATIONS	2111	25-SQ	(10)						4.00 */**
1145D	SPILLWAY	2111	75-R4	(10)	25,406,960	371,704	1.46	13,958	385,662	1.52
1145E	WATER CONTROL SYSTEMS	2111	50-S4	(10)	17,834,945	392,369	2.20	(115,814)	276,555	1.55
1145F	ROADS AND SITE IMPROVEMENTS	2111	50-R3	(10)	10,591	233	2.20	(7)	226	2.14
1145G	TURBINES AND GENERATORS	2111	65-S3	(10)	70,740,028	1,198,336	1.69	(154,283)	1,044,053	1.48
1145H	GOVERNORS AND EXCITATION SYSTEM	2111	50-R4	(10)	3,304,326	72,695	2.20	(17,985)	54,710	1.66
1145L	LICENCE RENEWAL	2111	50-SQ	0						2.00 */**
1145P	A/C ELECTRICAL POWER SYSTEMS	2111	50-R3	(10)	6,771,761	148,979	2.20	(10,563)	138,416	2.04
1145Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2111	23-L2	(10)	12,001,279	574,261	4.78	(81,473)	492,788	4.11
1145R	AUXILIARY STATION PROCESSES	2111	40-R2.5	(10)	15,361,985	422,455	2.75	(47,108)	375,347	2.44
1145X	SUPPORT BUILDINGS	2111	65-R3	(10)	3,908,404	66,208	1.69	(9,217)	56,991	1.46
1145W	SUPPORT BUILDING RENOVATIONS	2111	20-SQ	(10)						5.00 */**
	TOTAL KETTLE				**346,828,362**	**5,002,027**	**1.44**	**(520,165)**	**4,481,862**	**1.29**

MANITOBA HYDRO
RESPONSE TO ADDITIONAL UNDERTAKING REQUEST
SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010
(USE OF THE ASL PROCEDURE)

ACCOUNT	DEPRECIABLE WORK (1)	LIFE SPAN DATE	SURVIVOR CURVE (2)	NET SALVAGE (3)	SURVIVING ORIGINAL COST AS OF MARCH 31, 2010 (4)	CALCULATED ANNUAL ACCRUAL AMOUNT (5)	CALCULATED ANNUAL ACCRUAL RATE (%) (6)=(5)/(4)	ANNUAL PROVISION FOR TRUE-UP (7)	TOTAL DEPRECIATION EXPENSE (8)=(5)+(7)	TOTAL DEPRECIATION RATE (%) (9)=(8)/(4)
11500	**LAURIE RIVER**									
1150A	DAMS, DYKES AND WEIRS	2032	125-R4	(10)	355,538	8,898	2.50	3,446	12,344	3.47
1150B	POWERHOUSE	2032	125-R4	(10)	7,664,146	289,315	3.77	36,456	325,771	4.25
1150C	POWERHOUSE RENOVATIONS	2032	25-SQ	(10)						4.55 */**
1150D	SPILLWAY	2032	75-R4	(10)	870,000	25,648	2.95	7,157	32,804	3.77
1150E	WATER CONTROL SYSTEMS	2032	50-S4	(10)	458,033	14,062	3.07	3,543	17,605	3.84
1150F	ROADS AND SITE IMPROVEMENTS	2032	50-R3	(10)	1,441,914	45,615	3.16	12,143	57,758	4.01
1150G	TURBINES AND GENERATORS	2032	65-S3	(10)	4,603,136	191,600	4.16	15,121	206,721	4.49
1150H	GOVERNORS AND EXCITATION SYSTEM	2032	50-R4	(10)	882,653	39,660	4.49	1,827	41,487	4.70
1150L	LICENCE RENEWAL	2032	50-SQ	0						4.55 */**
1150P	A/C ELECTRICAL POWER SYSTEMS	2032	50-R3	(10)	1,441,945	48,391	3.36	10,498	58,889	4.08
1150Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2032	23-L2	(10)	1,220,047	60,217	4.94	27,960	88,177	7.23
1150R	AUXILIARY STATION PROCESSES	2032	40-R2.5	(10)	308,504	10,635	3.45	2,623	13,258	4.30
1150X	SUPPORT BUILDINGS	2032	65-R3	(10)	355,919	10,179	2.86	3,181	13,360	3.75
1150W	SUPPORT BUILDING RENOVATIONS	2032	20-SQ	(10)						5.00 */**
	TOTAL LAURIE RIVER				**19,601,835**	**744,220**	**3.80**	**123,955**	**868,174**	**4.43**
11550	**JENPEG**									
1155A	DAMS, DYKES AND WEIRS	2118	125-R4	(10)	15,295,318	142,827	0.93	(1,830)	140,997	0.92
1155B	POWERHOUSE	2118	125-R4	(10)	76,905,294	696,306	0.91	(12,006)	684,300	0.89
1155C	POWERHOUSE RENOVATIONS	2118	25-SQ	(10)						4.00 */**
1155D	SPILLWAY	2118	75-R4	(10)	14,942,733	218,612	1.46	16,241	234,853	1.57
1155E	WATER CONTROL SYSTEMS	2118	50-S4	(10)	16,762,099	368,766	2.20	(30,152)	338,614	2.02
1155F	ROADS AND SITE IMPROVEMENTS	2118	50-R3	(10)	1,563,205	34,391	2.20	(1,238)	33,153	2.12
1155G	TURBINES AND GENERATORS	2118	65-S3	(10)	79,641,550	1,349,128	1.69	(50,285)	1,298,843	1.63
1155H	GOVERNORS AND EXCITATION SYSTEM	2118	50-R4	(10)						2.00 *
1155L	LICENCE RENEWAL	2118	50-SQ	0						2.00 */**
1155P	A/C ELECTRICAL POWER SYSTEMS	2118	50-R3	(10)	19,308,049	424,777	2.20	(28,106)	396,671	2.05
1155Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2118	23-L2	(10)	3,343,800	160,001	4.79	(8,517)	151,484	4.53
1155R	AUXILIARY STATION PROCESSES	2118	40-R2.5	(10)	9,796,258	269,397	2.75	(8,392)	261,005	2.66
1155X	SUPPORT BUILDINGS	2118	65-R3	(10)	7,885,397	133,579	1.69	(2,282)	131,297	1.67
1155W	SUPPORT BUILDING RENOVATIONS	2118	20-SQ	(10)						5.00 */**
	TOTAL JENPEG				**245,443,703**	**3,797,784**	**1.55**	**(126,566)**	**3,671,218**	**1.50**
11600	**LAKE WINNIPEG REGULATION**									
1160A	DAMS, DYKES AND WEIRS		125-R4	(10)	96,807,065	851,902	0.88	(62,478)	789,424	0.82
1160L	LICENCE RENEWAL		50-SQ	0						2.00 */**
1160Z	COMMUNITY DEVELOPMENT COSTS		100-SQ	0	387,802,871	3,878,029	1.00	(223,323)	3,654,706	0.94
	TOTAL LAKE WINNIPEG REGULATION				**484,609,937**	**4,729,931**	**0.98**	**(285,800)**	**4,444,131**	**0.92**
11650	**CHURCHILL RIVER DIVERSION**									
1165A	DAMS, DYKES AND WEIRS		125-R4	(10)	114,718,213	1,009,520	0.88	976	1,010,496	0.88
1165D	SPILLWAY		75-R4	(10)	56,442,246	825,750	1.46	89,392	915,142	1.62
1165E	WATER CONTROL SYSTEMS		50-S4	(10)	17,583,551	386,838	2.20	1,954	388,792	2.21
1165F	ROADS AND SITE IMPROVEMENTS		50-R3	(10)	6,799,023	149,578	2.20	578	150,156	2.21
1165L	LICENCE RENEWAL		50-SQ	0						2.00 */**
1165P	A/C ELECTRICAL POWER SYSTEMS		50-R3	(10)	1,596,593	35,125	2.20	136	35,261	2.21
1165Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		23-L2	(10)	1,417,862	67,845	4.79	479	68,324	4.82
1165R	AUXILIARY STATION PROCESSES		40-R2.5	(10)	1,799,312	49,481	2.75	43	49,524	2.75
1165X	SUPPORT BUILDINGS		65-R3	(10)	28,361	480	1.69	0	480	1.69
1165W	SUPPORT BUILDING RENOVATIONS		20-SQ	(10)						5.00 */**
1165Z	COMMUNITY DEVELOPMENT COSTS		100-SQ	0	305,036,524	3,050,365	1.00	(228,014)	2,822,351	0.93
	TOTAL CHURCHILL RIVER DIVERSION				**505,421,684**	**5,574,982**	**1.10**	**(134,456)**	**5,440,526**	**1.08**

MANITOBA HYDRO
RESPONSE TO ADDITIONAL UNDERTAKING REQUEST
SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010
(USE OF THE ASL PROCEDURE)

ACCOUNT	DEPRECIABLE WORK	LIFE SPAN DATE	SURVIVOR CURVE	NET SALVAGE	SURVIVING ORIGINAL COST AS OF MARCH 31, 2010	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE (%)	ANNUAL PROVISION FOR TRUE-UP	TOTAL DEPRECIATION EXPENSE	TOTAL DEPRECIATION RATE (%)
	(1)		(2)	(3)	(4)	(5)	(6)=(5)/(4)	(7)	(8)=(5)+(7)	(9)=(8)/(4)
11700	LONG SPRUCE									
1170A	DAMS, DYKES AND WEIRS	2118	125-R4	(10)	64,744,494	592,929	0.92	(8,709)	584,220	0.90
1170B	POWERHOUSE	2118	125-R4	(10)	143,780,355	1,317,441	0.92	(19,381)	1,298,060	0.90
1170C	POWERHOUSE RENOVATIONS	2118	25-SQ	(10)						4.00 */**
1170D	SPILLWAY	2118	75-R4	(10)	42,273,617	618,463	1.46	45,227	663,690	1.57
1170E	WATER CONTROL SYSTEMS	2118	50-S4	(10)	57,946,281	1,274,818	2.20	(92,134)	1,182,684	2.04
1170F	ROADS AND SITE IMPROVEMENTS	2118	50-R3	(10)	1,172,867	25,803	2.20	(1,173)	24,630	2.10
1170G	TURBINES AND GENERATORS	2118	65-S3	(10)	143,328,643	2,427,987	1.69	(93,123)	2,334,864	1.63
1170H	GOVERNORS AND EXCITATION SYSTEM	2118	50-R4	(10)	145,844	3,209	2.20	(21)	3,188	2.19
1170L	LICENCE RENEWAL	2118	50-SQ	0						2.00 */**
1170P	A/C ELECTRICAL POWER SYSTEMS	2118	50-R3	(10)	30,503,528	671,078	2.20	(32,833)	638,245	2.09
1170Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2118	23-L2	(10)	4,409,200	210,980	4.78	(18,309)	192,671	4.37
1170R	AUXILIARY STATION PROCESSES	2118	40-R2.5	(10)	12,199,119	335,476	2.75	(14,985)	320,491	2.63
1170X	SUPPORT BUILDINGS	2118	65-R3	(10)	160,484	2,719	1.69	(13)	2,706	1.69
1170W	SUPPORT BUILDING RENOVATIONS	2118	20-SQ	(10)						5.00 */**
	TOTAL LONG SPRUCE				**500,664,431**	**7,480,903**	**1.49**	**(235,454)**	**7,245,449**	**1.45**
11750	LIMESTONE									
1175A	DAMS, DYKES AND WEIRS	2131	125-R4	(10)	33,258,073	302,205	0.91	(1,269)	300,936	0.90
1175B	POWERHOUSE	2131	125-R4	(10)	461,430,334	4,194,354	0.91	(17,501)	4,176,853	0.91
1175C	POWERHOUSE RENOVATIONS	2131	25-SQ	(10)						4.00 */**
1175D	SPILLWAY	2131	75-R4	(10)	201,240,773	2,944,153	1.46	86,818	3,030,971	1.51
1175E	WATER CONTROL SYSTEMS	2131	50-S4	(10)	116,224,392	2,556,937	2.20	(35,306)	2,521,631	2.17
1175F	ROADS AND SITE IMPROVEMENTS	2131	50-R3	(10)	17,164,432	377,618	2.20	(4,778)	372,840	2.17
1175G	TURBINES AND GENERATORS	2131	65-S3	(10)	403,825,745	6,840,808	1.69	(63,305)	6,777,503	1.68
1175H	GOVERNORS AND EXCITATION SYSTEM	2131	50-R4	(10)	16,584,271	364,854	2.20	(4,880)	359,974	2.17
1175L	LICENCE RENEWAL	2131	50-SQ	0						2.00 */**
1175P	A/C ELECTRICAL POWER SYSTEMS	2131	50-R3	(10)	144,317,307	3,174,981	2.20	(40,184)	3,134,797	2.17
1175Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2131	23-L2	(10)	8,333,373	398,752	4.79	(9,553)	389,199	4.67
1175R	AUXILIARY STATION PROCESSES	2131	40-R2.5	(10)	36,054,205	991,491	2.75	(14,354)	977,137	2.71
1175X	SUPPORT BUILDINGS	2131	65-R3	(10)	5,703,494	96,617	1.69	(751)	95,866	1.68
1175W	SUPPORT BUILDING RENOVATIONS	2131	20-SQ	(10)						5.00 **
	TOTAL LIMESTONE				**1,444,136,399**	**22,242,770**	**1.54**	**(105,063)**	**22,137,707**	**1.53**
11800	WUSKWATIM									
1180A	DAMS, DYKES AND WEIRS	2152	125-R4	(10)						0.80 *
1180B	POWERHOUSE	2152	125-R4	(10)						0.80 *
1180C	POWERHOUSE RENOVATIONS	2152	25-SQ	(10)						4.00 */**
1180D	SPILLWAY	2152	75-R2	(10)						1.33 *
1180E	WATER CONTROL SYSTEMS	2152	50-S4	(10)						2.00 *
1180F	ROADS AND SITE IMPROVEMENTS	2152	50-R3	(10)						2.00 *
1180G	TURBINES AND GENERATORS	2152	65-S3	(10)						1.54 *
1180H	GOVERNORS AND EXCITATION SYSTEM	2152	50-R4	(10)						2.00 *
1180P	A/C ELECTRICAL POWER SYSTEMS	2152	50-R3	(10)						2.00 *
1180Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2152	23-L2	(10)						4.35 *
1180R	AUXILIARY STATION PROCESSES	2152	40-R2.5	(10)						2.50 *
1180X	SUPPORT BUILDINGS	2152	65-R3	(10)						1.54 *
1180W	SUPPORT BUILDING RENOVATIONS	2152	20-SQ	(10)						5.00 */**
	TOTAL WUSKWATIM				**0**	**0**		**0**	**0**	
11990	INFRASTRUCTURE SUPPORTING GENERATION									
1199F	PROVINCIAL ROADS		50-R3	(10)	25,380,938	558,381	2.20	24,833	583,214	2.30
1199V	TOWN SITE BUILDING		65-L3	(7)	63,280,714	1,042,740	1.65	41,341	1,084,081	1.71
1199W	TOWN SITE BUILDINGS RENOVATIONS		20-SQ	(6)	13,502,581	715,319	5.30	87,367	802,686	5.94
1199Y	TOWN SITE OTHER INFRASTRUCTURE		45-R3	(10)	26,527,464	646,258	2.44	14,107	660,365	2.49
	TOTAL INFRASTRUCTURE SUPPORTING GENERATION				**128,691,696**	**2,962,698**	**2.30**	**167,648**	**3,130,346**	**2.43**
	TOTAL HYDRAULIC GENERATION				**4,716,467,183**	**72,483,944**	**1.54**	**(2,546,218)**	**69,937,726**	**1.48**

MANITOBA HYDRO
RESPONSE TO ADDITIONAL UNDERTAKING REQUEST
SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010
(USE OF THE ASL PROCEDURE)

ACCOUNT	DEPRECIABLE WORK	LIFE SPAN DATE	SURVIVOR CURVE	NET SALVAGE	SURVIVING ORIGINAL COST AS OF MARCH 31, 2010	CALCULATED ANNUAL ACCRUAL		ANNUAL PROVISION FOR TRUE-UP	TOTAL DEPRECIATION	
						AMOUNT	RATE (%)		EXPENSE	RATE (%)
	(1)		(2)	(3)	(4)	(5)	(6)=(5)/(4)	(7)	(8)=(5)+(7)	(9)=(8)/(4)

* The account has no balance as of March 31, 2010 and rate will be used on a go-forward basis for future additions.
** On amortized accounts any true-up of less than 10% is not considered significant.
*** True-up was deemed as not significant.

MH Exhibit #22

MANITOBA HYDRO
RESPONSE TO ADDITIONAL UNDERTAKING REQUEST
SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010
(USE OF THE ASL PROCEDURE)

ACCOUNT	DESCRIPTION	SURVIVING ORIGINAL COST AS OF MARCH 31, 2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE		PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP
					AMOUNT	PERCENT		
	(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)
10000	GENERATION							
11000	HYDRAULIC GENERATION							
11050	GREAT FALLS							
1105A	DAMS, DYKES AND WEIRS	17,302,772	6,746,416	7,613,124	(866,708)	(12.85)	51.5	(16,829)
1105B	POWERHOUSE	7,990,993	3,277,346	3,698,385	(421,039)	(12.85)	50.7	(8,305)
1105C	POWERHOUSE RENOVATIONS				0			*/**
1105D	SPILLWAY	9,676,327	3,693,357	3,999,802	(306,445)	(8.30)	45.9	(6,672)
1105E	WATER CONTROL SYSTEMS	24,245,253	8,836,375	9,971,579	(1,135,204)	(12.85)	34.4	(33,000)
1105F	ROADS AND SITE IMPROVEMENTS	213,964	10,071	11,365	(1,294)	(12.85)	44.8	(29)
1105G	TURBINES AND GENERATORS	25,128,789	7,465,771	8,424,895	(959,124)	(12.85)	46.5	(20,626)
1105H	GOVERNORS AND EXCITATION SYSTEM	492,218	171,420	193,442	(22,022)	(12.85)	40.2	(548)
1105L	LICENCE RENEWAL				0			*/**
1105P	A/C ELECTRICAL POWER SYSTEMS	9,493,088	3,291,887	3,714,794	(422,907)	(12.85)	35.0	(12,083)
1105Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	19,271,956	6,006,763	6,778,449	(771,686)	(12.85)	17.0	(45,393)
1105R	AUXILIARY STATION PROCESSES	8,345,798	2,875,553	3,244,974	(369,421)	(12.85)	28.1	(13,147)
1105X	SUPPORT BUILDINGS	1,495,253	665,413	750,898	(85,485)	(12.85)	45.6	(1,875)
1105W	SUPPORT BUILDING RENOVATIONS							
								*/**
	TOTAL GREAT FALLS	123,656,412	43,040,372	48,401,707	(5,361,335)	(12.46)		(158,507)
11100	POINTE DU BOIS							
1110A	DAMS, DYKES AND WEIRS	11,263,332	2,075,429	3,807,139	(1,731,710)	(83.44)	21.0	(82,462)
1110B	POWERHOUSE	6,242,749	607,310	1,114,041	(506,731)	(83.44)	21.0	(24,130)
1110C	POWERHOUSE RENOVATIONS				0			*/**
1110D	SPILLWAY - ORIGINAL	3,104,842	710,911	1,300,951	(590,040)	(83.00)	7.0	(84,776)
1110E	WATER CONTROL SYSTEMS	4,027,603	896,510	1,644,546	(748,036)	(83.44)	21.0	(35,621)
1110F	ROADS AND SITE IMPROVEMENTS	28,533	6,567	12,046	(5,479)	(83.44)	20.6	(266)
1110G	TURBINES AND GENERATORS	24,610,324	3,475,181	6,374,825	(2,899,644)	(83.44)	21.0	(138,078) *
1110H	GOVERNORS AND EXCITATION SYSTEM				0			*/**
1110L	LICENCE RENEWAL				0			
1110P	A/C ELECTRICAL POWER SYSTEMS	6,057,709	516,493	947,448	(430,955)	(83.44)	20.7	(20,819)
1110Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	355,559	48,227	88,467	(40,240)	(83.44)	16.9	(2,381)
1110R	AUXILIARY STATION PROCESSES	1,377,014	244,688	448,852	(204,164)	(83.44)	20.2	(10,107)
1110X	SUPPORT BUILDINGS	2,616,290	722,012	1,324,449	(602,437)	(83.44)	20.7	(29,103) */**
1110W	SUPPORT BUILDING RENOVATIONS							*
1111D	SPILLWAY - NEW							*
	TOTAL POINTE DU BOIS	59,683,956	9,303,328	17,062,765	(7,759,437)	(83.40)		(427,744)
11150	SEVEN SISTERS							
1115A	DAMS, DYKES AND WEIRS	31,497,995	11,783,110	15,406,970	(3,623,860)	(30.75)	59.6	(60,803)
1115B	POWERHOUSE	13,653,945	6,342,115	8,292,614	(1,950,499)	(30.75)	57.0	(34,219)
1115C	POWERHOUSE RENOVATIONS				0			*/**
1115D	SPILLWAY	2,841,355	1,389,283	1,607,456	(218,173)	(15.70)	52.9	(4,124)
1115E	WATER CONTROL SYSTEMS	4,296,891	2,171,871	2,839,823	(667,952)	(30.75)	39.0	(17,127)
1115F	ROADS AND SITE IMPROVEMENTS	201,701	109,091	142,642	(33,551)	(30.75)	45.1	(744)
1115G	TURBINES AND GENERATORS	41,208,963	10,315,718	13,488,286	(3,172,568)	(30.75)	51.1	(62,085)
1115H	GOVERNORS AND EXCITATION SYSTEM	6,860	6,166	8,062	(1,896)	(30.75)	5.0	(379)
1115L	LICENCE RENEWAL				0			*/**
1115P	A/C ELECTRICAL POWER SYSTEMS	10,648,619	3,798,361	4,966,536	(1,168,175)	(30.75)	37.5	(31,151)
1115Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	3,821,416	1,825,372	2,386,760	(561,388)	(30.75)	13.9	(40,388)
1115R	AUXILIARY STATION PROCESSES	5,224,958	2,148,748	2,809,589	(660,841)	(30.75)	28.1	(23,517)
1115X	SUPPORT BUILDINGS	608,294	105,032	137,334	(32,302)	(30.75)	51.4	(628)
1115W	SUPPORT BUILDING RENOVATIONS							*/**
	TOTAL SEVEN SISTERS	114,010,998	39,994,867	52,086,073	(12,091,206)	(30.23)		(275,167)

MANITOBA HYDRO
RESPONSE TO ADDITIONAL UNDERTAKING REQUEST
SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010
(USE OF THE ASL PROCEDURE)

ACCOUNT	DESCRIPTION (1)	SURVIVING ORIGINAL COST AS OF MARCH 31, 2010 (2)	CALCULATED ACCRUED DEPRECIATION (3)	BOOK ACCUMULATED DEPRECIATION (4)	ACCUMULATED DEPRECIATION VARIANCE AMOUNT (5) = (3)-(4)	ACCUMULATED DEPRECIATION VARIANCE PERCENT (6) = (5)/(3)	PROBABLE REMAINING LIFE (7)	ANNUAL PROVISION FOR TRUE-UP (8)=(5)/(7)
11200	**SLAVE FALLS**							
1120A	DAMS, DYKES AND WEIRS	954,684	48,988	54,185	(5,197)	(10.61)	61.7	(84)
1120B	POWERHOUSE	45,692,194	5,381,783	5,952,681	(570,898)	(10.61)	61.6	(9,268)
1120C	POWERHOUSE RENOVATIONS				0			*/**
1120D	SPILLWAY	760,201	53,185	58,657	(5,472)	(10.29)	59.0	(93)
1120E	WATER CONTROL SYSTEMS	318,933	25,628	28,347	(2,719)	(10.61)	46.2	(59)
1120F	ROADS AND SITE IMPROVEMENTS	769,506	75,181	83,156	(7,975)	(10.61)	45.1	(177)
1120G	TURBINES AND GENERATORS	11,630,909	1,573,109	1,739,984	(166,875)	(10.61)	53.1	(3,143)
1120H	GOVERNORS AND EXCITATION SYSTEM				0			*
1120L	LICENCE RENEWAL				0			*/**
1120P	A/C ELECTRICAL POWER SYSTEMS	21,815,741	1,863,245	2,060,897	(197,652)	(10.61)	45.6	(4,334)
1120Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	786,382	94,823	104,882	(10,059)	(10.61)	20.5	(491)
1120R	AUXILIARY STATION PROCESSES	2,201,466	155,023	171,468	(16,445)	(10.61)	37.4	(440)
1120X	SUPPORT BUILDINGS	3,724,095	499,474	552,458	(52,984)	(10.61)	52.7	(1,005)
1120W	SUPPORT BUILDING RENOVATIONS							*/**
	TOTAL SLAVE FALLS	**88,654,109**	**9,770,439**	**10,806,713**	**(1,036,274)**	**(10.61)**		**(19,093)**
11250	**PINE FALLS**							
1125A	DAMS, DYKES AND WEIRS	14,110,589	2,224,733	2,573,116	(348,383)	(15.66)	78.4	(4,444)
1125B	POWERHOUSE	10,060,843	4,792,490	5,542,973	(750,483)	(15.66)	66.4	(11,302)
1125C	POWERHOUSE RENOVATIONS				0			*/**
1125D	SPILLWAY	93,376	2,786	3,149	(363)	(13.04)	70.8	(5)
1125E	WATER CONTROL SYSTEMS	3,564,106	2,064,829	2,388,172	(323,343)	(15.66)	35.9	(9,007)
1125F	ROADS AND SITE IMPROVEMENTS	1,178,575	977,782	1,130,898	(153,116)	(15.66)	33.6	(4,557)
1125G	TURBINES AND GENERATORS	9,464,220	5,091,915	5,889,287	(797,372)	(15.66)	37.2	(21,435)
1125H	GOVERNORS AND EXCITATION SYSTEM				0			
1125L	LICENCE RENEWAL				0			*/**
1125P	A/C ELECTRICAL POWER SYSTEMS	5,071,108	1,875,859	2,169,610	(293,751)	(15.66)	42.6	(6,896)
1125Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2,156,586	990,107	1,145,153	(155,046)	(15.66)	13.5	(11,485)
1125R	AUXILIARY STATION PROCESSES	3,790,230	1,474,022	1,704,847	(230,825)	(15.66)	28.9	(7,987)
1125X	SUPPORT BUILDINGS	336,412	85,620	99,028	(13,408)	(15.66)	49.9	(269)
1125W	SUPPORT BUILDING RENOVATIONS				0			*/**
1125Z	COMMUNITY DEVELOPMENT COSTS	4,425,543	533,832	710,240	(176,408)	**(33.05)**	71.4	(2,471) **
	TOTAL PINE FALLS	**54,251,587**	**20,113,975**	**23,356,474**	**(3,242,499)**	**(16.12)**		**(79,857)**
11300	**MCARTHUR FALLS**							
1130A	DAMS, DYKES AND WEIRS	3,578,068	1,394,196	1,583,088	(188,892)	(13.55)	72.4	(2,609)
1130B	POWERHOUSE	9,523,798	4,419,899	5,018,727	(598,828)	(13.55)	68.5	(8,742)
1130C	POWERHOUSE RENOVATIONS				0			*/**
1130D	SPILLWAY	2,351,438	1,780,939	1,703,092	77,847	4.37	23.4	3,332
1130E	WATER CONTROL SYSTEMS	11,703,203	4,410,292	5,007,819	(597,527)	(13.55)	35.4	(16,879)
1130F	ROADS AND SITE IMPROVEMENTS	234,820	112,527	127,773	(15,246)	(13.55)	31.2	(489)
1130G	TURBINES AND GENERATORS	5,096,367	4,113,408	4,670,712	(557,304)	(13.55)	17.3	(32,214)
1130H	GOVERNORS AND EXCITATION SYSTEM	119,315	33,484	38,021	(4,537)	(13.55)	37.6	(121)
1130L	LICENCE RENEWAL				0			*/**
1130P	A/C ELECTRICAL POWER SYSTEMS	2,480,539	1,601,822	1,818,844	(217,022)	(13.55)	28.8	(7,535)
1130Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	1,245,885	658,647	747,884	(89,237)	(13.55)	14.4	(6,197)
1130R	AUXILIARY STATION PROCESSES	3,440,197	1,306,468	1,483,474	(177,006)	(13.55)	29.8	(5,940)
1130X	SUPPORT BUILDINGS	227,212	57,532	65,327	(7,795)	(13.55)	50.0	(156)
1130W	SUPPORT BUILDING RENOVATIONS							*/**
	TOTAL MCARTHUR FALLS	**40,000,842**	**19,889,214**	**22,264,760**	**(2,375,546)**	**(11.94)**		**(77,549)**

MANITOBA HYDRO
RESPONSE TO ADDITIONAL UNDERTAKING REQUEST
SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010
(USE OF THE ASL PROCEDURE)

ACCOUNT	DESCRIPTION	SURVIVING ORIGINAL COST AS OF MARCH 31, 2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE		PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP
					AMOUNT	PERCENT		
	(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)
11350	**KELSEY**							
1135A	DAMS, DYKES AND WEIRS	11,066,409	2,216,272	2,388,154	(171,882)	(7.76)	84.0	(2,046)
1135B	POWERHOUSE	27,569,817	10,948,363	11,797,459	(849,096)	(7.76)	75.7	(11,217)
1135C	POWERHOUSE RENOVATIONS				0			*/**
1135D	SPILLWAY	5,331,929	3,672,329	3,337,776	334,553	9.11	28.0	11,931
1135E	WATER CONTROL SYSTEMS	11,792,566	5,436,933	5,858,592	(421,659)	(7.76)	32.8	(12,855)
1135F	ROADS AND SITE IMPROVEMENTS	6,442,928	3,410,997	3,675,535	(264,538)	(7.76)	28.3	(9,348)
1135G	TURBINES AND GENERATORS	130,323,693	10,105,840	10,889,594	(783,754)	(7.76)	60.6	(12,933)
1135H	GOVERNORS AND EXCITATION SYSTEM	88,651	26,173	28,203	(2,030)	(7.76)	36.6	(55)
1135L	LICENCE RENEWAL				0			*/**
1135P	A/C ELECTRICAL POWER SYSTEMS	5,751,610	3,194,348	3,442,084	(247,736)	(7.76)	25.9	(9,565)
1135Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	3,595,490	1,424,963	1,535,475	(110,512)	(7.76)	15.2	(7,271)
1135R	AUXILIARY STATION PROCESSES	7,788,815	3,119,891	3,361,853	(241,962)	(7.76)	26.2	(9,235)
1135X	SUPPORT BUILDINGS	9,953,977	1,884,056	2,030,173	(146,117)	(7.76)	53.9	(2,711)
1135W	SUPPORT BUILDING RENOVATIONS							*/**
	TOTAL KELSEY	**219,705,886**	**45,440,165**	**48,344,899**	**(2,904,734)**	**(6.39)**		**(65,305)**
11400	**GRAND RAPIDS**							
1140A	DAMS, DYKES AND WEIRS	53,468,974	17,994,155	20,241,182	(2,247,027)	(12.49)	73.7	(30,489)
1140B	POWERHOUSE	24,506,522	9,663,502	10,870,236	(1,206,734)	(12.49)	72.1	(16,737)
1140C	POWERHOUSE RENOVATIONS				0			*/**
1140D	SPILLWAY	5,308,334	3,281,808	3,127,598	154,210	4.70	32.9	4,694
1140E	WATER CONTROL SYSTEMS	15,982,492	11,499,312	12,935,293	(1,435,981)	(12.49)	21.9	(65,570)
1140F	ROADS AND SITE IMPROVEMENTS	2,581,475	1,912,279	2,151,076	(238,797)	(12.49)	17.7	(13,491)
1140G	TURBINES AND GENERATORS	113,066,160	25,636,002	28,837,308	(3,201,306)	(12.49)	51.9	(61,682)
1140H	GOVERNORS AND EXCITATION SYSTEM	42,718	10,152	11,420	(1,268)	(12.49)	39.9	(32)
1140L	LICENCE RENEWAL				0			*/**
1140P	A/C ELECTRICAL POWER SYSTEMS	8,240,545	3,016,749	3,393,467	(376,718)	(12.49)	35.2	(10,702)
1140Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	4,674,247	2,972,935	3,344,181	(371,246)	(12.49)	11.3	(32,854)
1140R	AUXILIARY STATION PROCESSES	5,600,506	1,660,234	1,867,556	(207,322)	(12.49)	29.6	(7,004)
1140X	SUPPORT BUILDINGS	6,190,376	1,126,015	1,266,627	(140,612)	(12.49)	54.1	(2,599)
1140W	SUPPORT BUILDING RENOVATIONS				0			*/**
1140Z	COMMUNITY DEVELOPMENT COSTS	101,442,997	11,399,379	17,852,104	(6,452,725)	(56.61)	71.2	(90,628)
	TOTAL GRAND RAPIDS	**341,105,346**	**90,172,522**	**105,898,046**	**(15,725,524)**	**(17.44)**		**(327,094)**
11450	**KETTLE**							
1145A	DAMS, DYKES AND WEIRS	45,280,663	15,204,290	17,156,728	(1,952,438)	(12.84)	83.8	(23,299)
1145B	POWERHOUSE	146,207,420	48,592,348	54,832,267	(6,239,919)	(12.84)	83.9	(74,373)
1145C	POWERHOUSE RENOVATIONS				0			*/**
1145D	SPILLWAY	25,406,960	13,638,456	13,102,475	535,981	3.93	38.4	13,958
1145E	WATER CONTROL SYSTEMS	17,834,945	13,798,854	15,570,815	(1,771,961)	(12.84)	15.3	(115,814)
1145F	ROADS AND SITE IMPROVEMENTS	10,591	2,148	2,424	(276)	(12.84)	40.8	(7)
1145G	TURBINES AND GENERATORS	70,740,028	39,287,581	44,332,641	(5,045,060)	(12.84)	32.7	(154,283)
1145H	GOVERNORS AND EXCITATION SYSTEM	3,304,326	2,409,013	2,718,363	(309,350)	(12.84)	17.2	(17,985)
1145L	LICENCE RENEWAL				0			*/**
1145P	A/C ELECTRICAL POWER SYSTEMS	6,771,761	2,714,622	3,063,216	(348,594)	(12.84)	33.0	(10,563)
1145Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	12,001,279	7,232,801	8,161,591	(928,790)	(12.84)	11.4	(81,473)
1145R	AUXILIARY STATION PROCESSES	15,361,985	8,290,638	9,355,269	(1,064,631)	(12.84)	22.6	(47,108)
1145X	SUPPORT BUILDINGS	3,908,404	2,239,499	2,527,081	(287,582)	(12.84)	31.2	(9,217)
1145W	SUPPORT BUILDING RENOVATIONS							*/**
	TOTAL KETTLE	**346,828,362**	**153,410,250**	**170,822,869**	**(17,412,619)**	**(11.35)**		**(520,165)**

MH Exhibit #22

MANITOBA HYDRO
RESPONSE TO ADDITIONAL UNDERTAKING REQUEST
SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010
(USE OF THE ASL PROCEDURE)

ACCOUNT	DESCRIPTION (1)	SURVIVING ORIGINAL COST AS OF MARCH 31, 2010 (2)	CALCULATED ACCRUED DEPRECIATION (3)	BOOK ACCUMULATED DEPRECIATION (4)	ACCUMULATED DEPRECIATION VARIANCE AMOUNT (5) = (3)-(4)	ACCUMULATED DEPRECIATION VARIANCE PERCENT (6) = (5)/(3)	PROBABLE REMAINING LIFE (7)	ANNUAL PROVISION FOR TRUE-UP (8)=(5)/(7)	
11500	**LAURIE RIVER**								
1150A	DAMS, DYKES AND WEIRS	355,538	195,406	119,594	75,812	38.80	22.0	3,446	
1150B	POWERHOUSE	7,664,146	2,067,225	1,265,197	802,028	38.80	22.0	36,456	
1150C	POWERHOUSE RENOVATIONS				0				*/**
1150D	SPILLWAY	870,000	396,638	240,118	156,520	39.46	21.9	7,157	
1150E	WATER CONTROL SYSTEMS	458,033	198,157	121,277	76,880	38.80	21.7	3,543	
1150F	ROADS AND SITE IMPROVEMENTS	1,441,914	644,741	394,599	250,142	38.80	20.6	12,143	
1150G	TURBINES AND GENERATORS	4,603,136	853,547	522,394	331,153	38.80	21.9	15,121	
1150H	GOVERNORS AND EXCITATION SYSTEM	882,653	103,151	63,131	40,020	38.80	21.9	1,827	
1150L	LICENCE RENEWAL				0				*/**
1150P	A/C ELECTRICAL POWER SYSTEMS	1,441,945	568,207	347,758	220,449	38.80	21.0	10,498	
1150Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	1,220,047	713,465	436,660	276,805	38.80	9.9	27,960	
1150R	AUXILIARY STATION PROCESSES	308,504	131,850	80,696	51,154	38.80	19.5	2,623	
1150X	SUPPORT BUILDINGS	355,919	174,626	106,876	67,750	38.80	21.3	3,181	
1150W	SUPPORT BUILDING RENOVATIONS								*/**
	TOTAL LAURIE RIVER	**19,601,835**	**6,047,013**	**3,698,298**	**2,348,715**	**38.84**		**123,955**	
11550	**JENPEG**								
1155A	DAMS, DYKES AND WEIRS	15,295,318	3,491,006	3,661,242	(170,236)	(4.88)	93.0	(1,830)	
1155B	POWERHOUSE	76,905,294	22,035,810	23,110,365	(1,074,555)	(4.88)	89.5	(12,006)	
1155C	POWERHOUSE RENOVATIONS				0				*/**
1155D	SPILLWAY	14,942,733	6,954,367	6,251,622	702,745	10.11	43.3	16,241	
1155E	WATER CONTROL SYSTEMS	16,762,099	11,562,526	12,126,362	(563,836)	(4.88)	18.7	(30,152)	
1155F	ROADS AND SITE IMPROVEMENTS	1,563,205	733,476	769,243	(35,767)	(4.88)	28.9	(1,238)	
1155G	TURBINES AND GENERATORS	79,641,550	38,051,031	39,906,553	(1,855,522)	(4.88)	36.9	(50,285)	
1155H	GOVERNORS AND EXCITATION SYSTEM				0				*
1155L	LICENCE RENEWAL				0				*/**
1155P	A/C ELECTRICAL POWER SYSTEMS	19,308,049	12,218,926	12,814,770	(595,844)	(4.88)	21.2	(28,106)	
1155Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	3,343,800	1,921,209	2,014,895	(93,686)	(4.88)	11.0	(8,517)	
1155R	AUXILIARY STATION PROCESSES	9,796,258	4,250,680	4,457,960	(207,280)	(4.88)	24.7	(8,392)	
1155X	SUPPORT BUILDINGS	7,885,397	2,255,195	2,365,167	(109,972)	(4.88)	48.2	(2,282)	
1155W	SUPPORT BUILDING RENOVATIONS								*/**
	TOTAL JENPEG	**245,443,703**	**103,474,226**	**107,478,180**	**(4,003,954)**	**(3.87)**		**(126,566)**	
11600	**LAKE WINNIPEG REGULATION**								
1160A	DAMS, DYKES AND WEIRS	96,807,065	27,433,119	33,231,067	(5,797,948)	(21.13)	92.8	(62,478)	
1160L	LICENCE RENEWAL				0				*/**
1160Z	COMMUNITY DEVELOPMENT COSTS	387,802,871	54,108,862	73,448,592	(19,339,730)	(35.74)	86.6	(223,323)	**
	TOTAL LAKE WINNIPEG REGULATION	**484,609,937**	**81,541,981**	**106,679,659**	**(25,137,678)**	**(30.83)**		**(285,800)**	
11650	**CHURCHILL RIVER DIVERSION**								
1165A	DAMS, DYKES AND WEIRS	114,718,213	32,012,829	31,921,746	91,083	0.28	93.3	976	
1165D	SPILLWAY	56,442,246	26,456,908	22,609,467	3,847,441	14.54	43.0	89,392	
1165E	WATER CONTROL SYSTEMS	17,583,551	12,359,364	12,324,199	35,165	0.28	18.0	1,954	
1165F	ROADS AND SITE IMPROVEMENTS	6,799,023	4,304,181	4,291,935	12,246	0.28	21.2	578	
1165L	LICENCE RENEWAL				0				*/**
1165P	A/C ELECTRICAL POWER SYSTEMS	1,596,593	1,012,593	1,009,712	2,881	0.28	21.2	136	
1165Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	1,417,862	1,110,955	1,107,794	3,161	0.28	6.6	479	
1165R	AUXILIARY STATION PROCESSES	1,799,312	463,401	462,083	1,318	0.28	30.6	43	
1165X	SUPPORT BUILDINGS	28,361	3,979	3,968	11	0.28	56.7	0	
1165W	SUPPORT BUILDING RENOVATIONS				0				*/**
1165Z	COMMUNITY DEVELOPMENT COSTS	305,036,524	55,319,169	74,130,320	(18,811,151)	(34.00)	82.5	(228,014)	**
	TOTAL CHURCHILL RIVER DIVERSION	**505,421,684**	**133,043,379**	**147,861,224**	**(14,817,845)**	**(11.14)**		**(134,456)**	

MANITOBA HYDRO
RESPONSE TO ADDITIONAL UNDERTAKING REQUEST
SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010
(USE OF THE ASL PROCEDURE)

ACCOUNT	DESCRIPTION (1)	SURVIVING ORIGINAL COST AS OF MARCH 31, 2010 (2)	CALCULATED ACCRUED DEPRECIATION (3)	BOOK ACCUMULATED DEPRECIATION (4)	ACCUMULATED DEPRECIATION VARIANCE AMOUNT (5) = (3)-(4)	ACCUMULATED DEPRECIATION VARIANCE PERCENT (6) = (5)/(3)	PROBABLE REMAINING LIFE (7)	ANNUAL PROVISION FOR TRUE-UP (8)=(5)/(7)	
11700	LONG SPRUCE								
1170A	DAMS, DYKES AND WEIRS	64,744,494	18,011,999	18,797,519	(785,520)	(4.36)	90.2	(8,709)	
1170B	POWERHOUSE	143,780,355	40,040,841	41,787,059	(1,746,218)	(4.36)	90.1	(19,381)	
1170C	POWERHOUSE RENOVATIONS				0				*/**
1170D	SPILLWAY	42,273,617	19,138,111	17,142,264	1,995,847	10.43	44.1	45,227	
1170E	WATER CONTROL SYSTEMS	57,946,281	39,717,639	41,449,762	(1,732,123)	(4.36)	18.8	(92,134)	
1170F	ROADS AND SITE IMPROVEMENTS	1,172,867	658,875	687,609	(28,734)	(4.36)	24.5	(1,173)	
1170G	TURBINES AND GENERATORS	143,328,643	73,881,737	77,103,787	(3,222,050)	(4.36)	34.6	(93,123)	
1170H	GOVERNORS AND EXCITATION SYSTEM	145,844	20,824	21,732	(908)	(4.36)	43.5	(21)	
1170L	LICENCE RENEWAL				0				*/**
1170P	A/C ELECTRICAL POWER SYSTEMS	30,503,528	17,767,682	18,542,547	(774,865)	(4.36)	23.6	(32,833)	
1170Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	4,409,200	3,232,633	3,373,611	(140,978)	(4.36)	7.7	(18,309)	
1170R	AUXILIARY STATION PROCESSES	12,199,119	6,837,678	7,135,875	(298,197)	(4.36)	19.9	(14,985)	
1170X	SUPPORT BUILDINGS	160,484	17,840	18,618	(778)	(4.36)	58.4	(13)	
1170W	SUPPORT BUILDING RENOVATIONS								*/**
	TOTAL LONG SPRUCE	**500,664,431**	**219,325,859**	**226,060,384**	**(6,734,525)**	**(3.07)**		**(235,454)**	
11750	LIMESTONE								
1175A	DAMS, DYKES AND WEIRS	33,258,073	5,626,205	5,756,238	(130,033)	(2.31)	102.5	(1,269)	
1175B	POWERHOUSE	461,430,334	77,689,788	79,485,351	(1,795,563)	(2.31)	102.6	(17,501)	
1175C	POWERHOUSE RENOVATIONS				0				*/**
1175D	SPILLWAY	201,240,773	54,138,111	49,241,598	4,896,513	9.04	56.4	86,818	
1175E	WATER CONTROL SYSTEMS	116,224,392	47,814,715	48,919,806	(1,105,091)	(2.31)	31.3	(35,306)	
1175F	ROADS AND SITE IMPROVEMENTS	17,164,432	6,677,962	6,832,303	(154,341)	(2.31)	32.3	(4,778)	
1175G	TURBINES AND GENERATORS	403,825,745	127,092,132	130,029,479	(2,937,347)	(2.31)	46.4	(63,305)	
1175H	GOVERNORS AND EXCITATION SYSTEM	16,584,271	6,692,823	6,847,507	(154,684)	(2.31)	31.7	(4,880)	
1175L	LICENCE RENEWAL				0				*/**
1175P	A/C ELECTRICAL POWER SYSTEMS	144,317,307	56,159,059	57,457,004	(1,297,945)	(2.31)	32.3	(40,184)	
1175Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	8,333,373	4,670,453	4,778,396	(107,943)	(2.31)	11.3	(9,553)	
1175R	AUXILIARY STATION PROCESSES	36,054,205	15,278,000	15,631,104	(353,104)	(2.31)	24.6	(14,354)	
1175X	SUPPORT BUILDINGS	5,703,494	1,579,622	1,616,130	(36,508)	(2.31)	48.6	(751)	
1175W	SUPPORT BUILDING RENOVATIONS								*/**
	TOTAL LIMESTONE	**1,444,136,399**	**403,418,870**	**406,594,917**	**(3,176,047)**	**(0.79)**		**(105,063)**	
11800	WUSKWATIM								
1180A	DAMS, DYKES AND WEIRS								*
1180B	POWERHOUSE								*/**
1180C	POWERHOUSE RENOVATIONS								*
1180D	SPILLWAY								*
1180E	WATER CONTROL SYSTEMS								*
1180F	ROADS AND SITE IMPROVEMENTS								*
1180G	TURBINES AND GENERATORS								*
1180H	GOVERNORS AND EXCITATION SYSTEM								*
1180P	A/C ELECTRICAL POWER SYSTEMS								*
1180Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS								*
1180R	AUXILIARY STATION PROCESSES								*
1180X	SUPPORT BUILDINGS								*/**
1180W	SUPPORT BUILDING RENOVATIONS								
	TOTAL WUSKWATIM	**0**	**0**	**0**	**0**			**0**	
11990	INFRASTRUCTURE SUPPORTING GENERATION								
1199F	PROVINCIAL ROADS	25,380,938	14,295,429	13,691,986	603,443	4.22	24.3	24,833	
1199V	TOWN SITE BUILDINGS	63,280,714	20,698,637	18,850,678	1,847,959	8.93	44.7	41,341	
1199W	TOWN SITE BUILDINGS RENOVATIONS	13,502,581	2,207,310	809,439	1,397,871	63.33	16.0	87,367	**
1199Y	TOWN SITE OTHER INFRASTRUCTURE	26,527,464	6,674,666	6,187,988	486,678	7.29	34.5	14,107	
	TOTAL INFRASTRUCTURE SUPPORTING GENERATION	**128,691,696**	**43,876,042**	**39,540,091**	**4,335,951**	**9.88**		**167,648**	
	TOTAL HYDRAULIC GENERATION	**4,716,467,183**	**1,421,862,502**	**1,536,957,059**	**(115,094,557)**	**(8.09)**		**(2,546,218)**	

MANITOBA HYDRO
RESPONSE TO ADDITIONAL UNDERTAKING REQUEST
SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010
(USE OF THE ASL PROCEDURE)

ACCOUNT	DESCRIPTION	SURVIVING ORIGINAL COST AS OF MARCH 31, 2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE		PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP
					AMOUNT	PERCENT		
	(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)

* The account has no balance as of March 31, 2010 and rate will be used on a go-forward basis for future additions.
** On amortized account any true-up of less than 10% is not considered significant.
*** True-up was deemed as not significant or has been limited to the annual depreciation expenses.

MANITOBA HYDRO
RESPONSE TO ADDITIONAL UNDERTAKING REQUEST
SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010
(USE OF THE ASL PROCEDURE) NO NEGATIVE SALVAGE

ACCOUNT	DEPRECIABLE WORK	LIFE SPAN DATE	SURVIVOR CURVE	NET SALVAGE	SURVIVING ORIGINAL COST AS OF MARCH 31, 2010	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE (%)	ANNUAL PROVISION FOR TRUE-UP	TOTAL DEPRECIATION EXPENSE	TOTAL DEPRECIATION RATE (%)
	(1)		(2)	(3)	(4)	(5)	(6)=(5)/(4)	(7)	(8)=(5)+(7)	(9)=(8)/(4)
10000	GENERATION									
11000	HYDRAULIC GENERATION									
11050	GREAT FALLS									
1105A	DAMS, DYKES AND WEIRS	2063	125-R4	0	17,302,772	238,985	1.38	(16,829)	222,156	1.28
1105B	POWERHOUSE	2063	125-R4	0	7,990,993	109,555	1.37	(8,305)	101,250	1.27
1105C	POWERHOUSE RENOVATIONS	2063	25-SQ	0						4.00 */**
1105D	SPILLWAY	2063	75-R4	0	9,676,327	137,433	1.42	(13,991)	123,441	1.28
1105E	WATER CONTROL SYSTEMS	2063	50-S4	0	24,245,253	535,198	2.21	(33,000)	502,198	2.07
1105F	ROADS AND SITE IMPROVEMENTS	2063	50-R3	0	213,964	5,020	2.35	(29)	4,991	2.33
1105G	TURBINES AND GENERATORS	2063	65-S3	0	25,128,789	476,981	1.90	(20,626)	456,355	1.82
1105H	GOVERNORS AND EXCITATION SYSTEM	2063	50-R4	0	492,218	10,949	2.22	(548)	10,401	2.11
1105L	LICENCE RENEWAL	2063	50-SQ	0						2.00 */**
1105P	A/C ELECTRICAL POWER SYSTEMS	2063	50-R3	0	9,493,088	211,271	2.23	(12,083)	199,188	2.10
1105Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2063	23-L2	0	19,271,956	899,389	4.67	(45,393)	853,996	4.43
1105R	AUXILIARY STATION PROCESSES	2063	40-R2.5	0	8,345,798	228,986	2.74	(13,147)	215,839	2.59
1105X	SUPPORT BUILDINGS	2063	65-R3	0	1,495,253	27,670	1.85	(1,875)	25,795	1.73
1105W	SUPPORT BUILDING RENOVATIONS	2063	20-SQ	0						5.00 */**
	TOTAL GREAT FALLS				123,656,412	2,881,437	2.33	(165,826)	2,715,611	2.20
11100	POINTE DU BOIS									
1110A	DAMS, DYKES AND WEIRS	2031	125-R4	0	11,263,332	491,508	4.36	(82,462)	409,046	3.63
1110B	POWERHOUSE	2031	125-R4	0	6,242,749	298,076	4.77	(24,130)	273,946	4.39
1110C	POWERHOUSE RENOVATIONS	2031	25-SQ	0						4.84 */**
1110D	SPILLWAY - ORIGINAL	2017	75-R4	0	3,104,842	341,875	11.01	(84,776)	257,099	8.28
1110E	WATER CONTROL SYSTEMS	2031	50-S4	0	4,027,603	168,173	4.18	(35,621)	132,552	3.29
1110F	ROADS AND SITE IMPROVEMENTS	2031	50-R3	0	28,533	1,208	4.23	(266)	942	3.30
1110G	TURBINES AND GENERATORS	2031	65-S3	0	24,610,324	1,123,496	4.57	(138,078)	985,418	4.00 *
1110H	GOVERNORS AND EXCITATION SYSTEM	2031	50-R4	0						5.24 */**
1110L	LICENCE RENEWAL	2031	50-SQ	0						4.76
1110P	A/C ELECTRICAL POWER SYSTEMS	2031	50-R3	0	6,057,709	296,661	4.90	(20,819)	275,842	4.55
1110Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2031	23-L2	0	355,559	20,419	5.74	(2,381)	18,038	5.07
1110R	AUXILIARY STATION PROCESSES	2031	40-R2.5	0	1,377,014	65,027	4.72	(10,107)	54,920	3.99
1110X	SUPPORT BUILDINGS	2031	65-R3	0	2,616,290	103,919	3.97	(29,103)	74,816	2.86
1110W	SUPPORT BUILDING RENOVATIONS	2031	20-SQ	0						5.00 */**
1111D	SPILLWAY - NEW		75-R2	0						1.33 *
	TOTAL POINTE DU BOIS				59,683,956	2,910,362	4.88	(427,744)	2,482,618	4.16
11150	SEVEN SISTERS									
1115A	DAMS, DYKES AND WEIRS	2072	125-R4	0	31,497,995	386,490	1.23	(60,803)	325,687	1.03
1115B	POWERHOUSE	2072	125-R4	0	13,653,945	157,769	1.16	(34,219)	123,550	0.90
1115C	POWERHOUSE RENOVATIONS	2072	25-SQ	0						4.00 */**
1115D	SPILLWAY	2072	75-R4	0	2,841,355	39,214	1.38	(4,124)	35,090	1.23
1115E	WATER CONTROL SYSTEMS	2072	50-S4	0	4,296,891	94,567	2.20	(17,127)	77,440	1.80
1115F	ROADS AND SITE IMPROVEMENTS	2072	50-R3	0	201,701	4,456	2.21	(744)	3,712	1.84
1115G	TURBINES AND GENERATORS	2072	65-S3	0	41,208,963	737,500	1.79	(62,085)	675,415	1.64
1115H	GOVERNORS AND EXCITATION SYSTEM	2072	50-R4	0	6,860	151	2.20	(379)	(228)	(3.33)
1115L	LICENCE RENEWAL	2072	50-SQ	0						2.00 */**
1115P	A/C ELECTRICAL POWER SYSTEMS	2072	50-R3	0	10,648,619	234,601	2.20	(31,151)	203,450	1.91
1115Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2072	23-L2	0	3,821,416	182,855	4.79	(40,388)	142,467	3.73
1115R	AUXILIARY STATION PROCESSES	2072	40-R2.5	0	5,224,958	134,972	2.58	(23,517)	111,455	2.13
1115X	SUPPORT BUILDINGS	2072	65-R3	0	608,294	11,185	1.84	(628)	10,557	1.74
1115W	SUPPORT BUILDING RENOVATIONS	2072	20-SQ	0						5.00 */**
	TOTAL SEVEN SISTERS				114,010,998	1,983,760	1.74	(275,167)	1,708,593	1.50

MH Exhibit #22

MANITOBA HYDRO
RESPONSE TO ADDITIONAL UNDERTAKING REQUEST
SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010
(USE OF THE ASL PROCEDURE) NO NEGATIVE SALVAGE

ACCOUNT	DEPRECIABLE WORK	LIFE SPAN DATE	SURVIVOR CURVE	NET SALVAGE	SURVIVING ORIGINAL COST AS OF MARCH 31, 2010	CALCULATED ANNUAL ACCRUAL		ANNUAL PROVISION FOR TRUE-UP	TOTAL DEPRECIATION	
						AMOUNT	RATE (%)		EXPENSE	RATE (%)
	(1)		(2)	(3)	(4)	(5)	(6)=(5)/(4)	(7)	(8)=(5)+(7)	(9)=(8)/(4)
11200	**SLAVE FALLS**									
1120A	DAMS, DYKES AND WEIRS	2072	125-R4	0	954,684	16,233	1.70	(84)	16,149	1.69
1120B	POWERHOUSE	2072	125-R4	0	45,692,194	729,914	1.60	(9,268)	720,646	1.58
1120C	POWERHOUSE RENOVATIONS	2072	25-SQ	0						4.00 */**
1120D	SPILLWAY	2072	75-R4	0	760,201	12,083	1.59	(175)	11,908	1.57
1120E	WATER CONTROL SYSTEMS	2072	50-S4	0	318,933	7,022	2.20	(59)	6,963	2.18
1120F	ROADS AND SITE IMPROVEMENTS	2072	50-R3	0	769,506	17,098	2.22	(177)	16,921	2.20
1120G	TURBINES AND GENERATORS	2072	65-S3	0	11,630,909	211,168	1.82	(3,143)	208,025	1.79
1120H	GOVERNORS AND EXCITATION SYSTEM	2072	50-R4	0						2.00 *
1120L	LICENCE RENEWAL	2072	50-SQ	0						2.00 */**
1120P	A/C ELECTRICAL POWER SYSTEMS	2072	50-R3	0	21,815,741	485,981	2.23	(4,334)	481,647	2.21
1120Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2072	23-L2	0	786,382	37,628	4.78	(491)	37,137	4.72
1120R	AUXILIARY STATION PROCESSES	2072	40-R2.5	0	2,201,466	60,540	2.75	(440)	60,100	2.73
1120X	SUPPORT BUILDINGS	2072	65-R3	0	3,724,095	68,422	1.84	(1,005)	67,417	1.81
1120W	SUPPORT BUILDING RENOVATIONS	2072	20-SQ	0						5.00 */**
	TOTAL SLAVE FALLS				**88,654,109**	**1,646,089**	**1.86**	**(19,175)**	**1,626,914**	**1.84**
11250	**PINE FALLS**									
1125A	DAMS, DYKES AND WEIRS	2092	125-R4	0	14,110,589	170,023	1.20	(4,444)	165,579	1.17
1125B	POWERHOUSE	2092	125-R4	0	10,060,843	94,485	0.94	(11,302)	83,183	0.83
1125C	POWERHOUSE RENOVATIONS	2092	25-SQ	0						4.00 */**
1125D	SPILLWAY	2092	75-R4	0	93,376	1,284	1.38	(9)	1,275	1.37
1125E	WATER CONTROL SYSTEMS	2092	50-S4	0	3,564,106	78,410	2.20	(9,007)	69,403	1.95
1125F	ROADS AND SITE IMPROVEMENTS	2092	50-R3	0	1,178,575	25,929	2.20	(4,557)	21,372	1.81
1125G	TURBINES AND GENERATORS	2092	65-S3	0	9,464,220	160,333	1.69	(21,435)	138,898	1.47
1125H	GOVERNORS AND EXCITATION SYSTEM	2092	50-R4	0						2.00 *
1125L	LICENCE RENEWAL	2092	50-SQ	0						2.00 */**
1125P	A/C ELECTRICAL POWER SYSTEMS	2092	50-R3	0	5,071,108	111,564	2.20	(6,896)	104,668	2.06
1125Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2092	23-L2	0	2,156,586	103,193	4.79	(11,485)	91,708	4.25
1125R	AUXILIARY STATION PROCESSES	2092	40-R2.5	0	3,790,230	104,231	2.75	(7,987)	96,244	2.54
1125X	SUPPORT BUILDINGS	2092	65-R3	0	336,412	5,699	1.69	(269)	5,430	1.61
1125W	SUPPORT BUILDING RENOVATIONS	2092	20-SQ	0						5.00 */**
1125Z	COMMUNITY DEVELOPMENT COSTS	2092	81-SQ	0	4,425,543	54,434	1.23	(2,471)	51,963	1.17
	TOTAL PINE FALLS				**54,251,587**	**909,585**	**1.68**	**(79,860)**	**829,725**	**1.53**
11300	**MCARTHUR FALLS**									
1130A	DAMS, DYKES AND WEIRS	2095	125-R4	0	3,578,068	35,150	0.98	(2,609)	32,541	0.91
1130B	POWERHOUSE	2095	125-R4	0	9,523,798	88,239	0.93	(8,742)	79,497	0.83
1130C	POWERHOUSE RENOVATIONS	2095	25-SQ	0						4.00 */**
1130D	SPILLWAY	2095	75-R4	0	2,351,438	31,274	1.33	(3,592)	27,682	1.18
1130E	WATER CONTROL SYSTEMS	2095	50-S4	0	11,703,203	257,470	2.20	(16,879)	240,591	2.06
1130F	ROADS AND SITE IMPROVEMENTS	2095	50-R3	0	234,820	5,166	2.20	(489)	4,677	1.99
1130G	TURBINES AND GENERATORS	2095	65-S3	0	5,096,367	86,332	1.69	(32,214)	54,118	1.06
1130H	GOVERNORS AND EXCITATION SYSTEM	2095	50-R4	0	119,315	2,625	2.20	(121)	2,504	2.10
1130L	LICENCE RENEWAL	2095	50-SQ	0						2.00 */**
1130P	A/C ELECTRICAL POWER SYSTEMS	2095	50-R3	0	2,480,539	54,572	2.20	(7,535)	47,037	1.90
1130Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2095	23-L2	0	1,245,885	59,616	4.79	(6,197)	53,419	4.29
1130R	AUXILIARY STATION PROCESSES	2095	40-R2.5	0	3,440,197	94,605	2.75	(5,940)	88,665	2.58
1130X	SUPPORT BUILDINGS	2095	65-R3	0	227,212	3,849	1.69	(156)	3,693	1.63
1130W	SUPPORT BUILDING RENOVATIONS	2095	20-SQ	0						5.00 */**
	TOTAL MCARTHUR FALLS				**40,000,842**	**718,898**	**1.80**	**(84,474)**	**634,424**	**1.59**

MANITOBA HYDRO
RESPONSE TO ADDITIONAL UNDERTAKING REQUEST
SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010
(USE OF THE ASL PROCEDURE) NO NEGATIVE SALVAGE

ACCOUNT	DEPRECIABLE WORK	LIFE SPAN DATE	SURVIVOR CURVE	NET SALVAGE	SURVIVING ORIGINAL COST AS OF MARCH 31, 2010	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE (%)	ANNUAL PROVISION FOR TRUE-UP	TOTAL DEPRECIATION EXPENSE	TOTAL DEPRECIATION RATE (%)
	(1)		(2)	(3)	(4)	(5)	(6)=(5)/(4)	(7)	(8)=(5)+(7)	(9)=(8)/(4)
11350	**KELSEY**									
1135A	DAMS, DYKES AND WEIRS	2101	125-R4	0	11,066,409	118,604	1.07	(2,046)	116,558	1.05
1135B	POWERHOUSE	2101	125-R4	0	27,569,817	256,025	0.93	(11,217)	244,808	0.89
1135C	POWERHOUSE RENOVATIONS	2101	25-SQ	0						4.00 */**
1135D	SPILLWAY	2101	75-R4	0	5,331,929	70,915	1.33	25	70,940	1.33
1135E	WATER CONTROL SYSTEMS	2101	50-S4	0	11,792,566	259,436	2.20	(12,855)	246,581	2.09
1135F	ROADS AND SITE IMPROVEMENTS	2101	50-R3	0	6,442,928	141,744	2.20	(9,348)	132,396	2.05
1135G	TURBINES AND GENERATORS	2101	65-S3	0	130,323,693	2,207,683	1.69	(12,933)	2,194,750	1.68
1135H	GOVERNORS AND EXCITATION SYSTEM	2101	50-R4	0	88,651	1,950	2.20	(55)	1,895	2.14
1135L	LICENCE RENEWAL	2101	50-SQ	0						2.00 */**
1135P	A/C ELECTRICAL POWER SYSTEMS	2101	50-R3	0	5,751,610	126,535	2.20	(9,565)	116,970	2.03
1135Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2101	23-L2	0	3,595,490	172,044	4.78	(7,271)	164,773	4.58
1135R	AUXILIARY STATION PROCESSES	2101	40-R2.5	0	7,788,815	214,192	2.75	(9,235)	204,957	2.63
1135X	SUPPORT BUILDINGS	2101	65-R3	0	9,953,977	168,620	1.69	(2,711)	165,909	1.67
1135W	SUPPORT BUILDING RENOVATIONS	2101	20-SQ	0						5.00 */**
	TOTAL KELSEY				**219,705,886**	**3,737,748**	**1.70**	**(77,211)**	**3,660,536**	**1.67**
11400	**GRAND RAPIDS**									
1140A	DAMS, DYKES AND WEIRS	2091	125-R4	0	53,468,974	555,421	1.04	(30,489)	524,932	0.98
1140B	POWERHOUSE	2091	125-R4	0	24,506,522	240,399	0.98	(16,737)	223,662	0.91
1140C	POWERHOUSE RENOVATIONS	2091	25-SQ	0						4.00 */**
1140D	SPILLWAY	2091	75-R4	0	5,308,334	70,601	1.33	(4,381)	66,220	1.25
1140E	WATER CONTROL SYSTEMS	2091	50-S4	0	15,982,492	351,615	2.20	(65,570)	286,045	1.79
1140F	ROADS AND SITE IMPROVEMENTS	2091	50-R3	0	2,581,475	56,792	2.20	(13,491)	43,301	1.68
1140G	TURBINES AND GENERATORS	2091	65-S3	0	113,066,160	1,920,457	1.70	(61,682)	1,858,775	1.64
1140H	GOVERNORS AND EXCITATION SYSTEM	2091	50-R4	0	42,718	940	2.20	(32)	908	2.13
1140L	LICENCE RENEWAL	2091	50-SQ	0						2.00 */**
1140P	A/C ELECTRICAL POWER SYSTEMS	2091	50-R3	0	8,240,545	181,292	2.20	(10,702)	170,590	2.07
1140Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2091	23-L2	0	4,674,247	223,663	4.79	(32,854)	190,809	4.08
1140R	AUXILIARY STATION PROCESSES	2091	40-R2.5	0	5,600,506	154,014	2.75	(7,004)	147,010	2.62
1140X	SUPPORT BUILDINGS	2091	65-R3	0	6,190,376	105,161	1.70	(2,599)	102,562	1.66
1140W	SUPPORT BUILDING RENOVATIONS	2091	20-SQ	0						5.00 */**
1140Z	COMMUNITY DEVELOPMENT COSTS	2091	80-SQ	0	101,442,997	1,268,037	1.25	(90,628)	1,177,409	1.16
	TOTAL GRAND RAPIDS				**341,105,346**	**5,128,392**	**1.50**	**(336,169)**	**4,792,223**	**1.40**
11450	**KETTLE**									
1145A	DAMS, DYKES AND WEIRS	2111	125-R4	0	45,280,663	414,201	0.91	(23,299)	390,902	0.86
1145B	POWERHOUSE	2111	125-R4	0	146,207,420	1,340,586	0.92	(74,373)	1,266,213	0.87
1145C	POWERHOUSE RENOVATIONS	2111	25-SQ	0						4.00 */**
1145D	SPILLWAY	2111	75-R4	0	25,406,960	337,913	1.33	(18,330)	319,582	1.26
1145E	WATER CONTROL SYSTEMS	2111	50-S4	0	17,834,945	392,369	2.20	(115,814)	276,555	1.55
1145F	ROADS AND SITE IMPROVEMENTS	2111	50-R3	0	10,591	233	2.20	(7)	226	2.14
1145G	TURBINES AND GENERATORS	2111	65-S3	0	70,740,028	1,198,336	1.69	(154,283)	1,044,053	1.48
1145H	GOVERNORS AND EXCITATION SYSTEM	2111	50-R4	0	3,304,326	72,695	2.20	(17,985)	54,710	1.66
1145L	LICENCE RENEWAL	2111	50-SQ	0						2.00 */**
1145P	A/C ELECTRICAL POWER SYSTEMS	2111	50-R3	0	6,771,761	148,979	2.20	(10,563)	138,416	2.04
1145Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2111	23-L2	0	12,001,279	574,261	4.78	(81,473)	492,788	4.11
1145R	AUXILIARY STATION PROCESSES	2111	40-R2.5	0	15,361,985	422,455	2.75	(47,108)	375,347	2.44
1145X	SUPPORT BUILDINGS	2111	65-R3	0	3,908,404	66,208	1.69	(9,217)	56,991	1.46
1145W	SUPPORT BUILDING RENOVATIONS	2111	20-SQ	0						5.00 */**
	TOTAL KETTLE				**346,828,362**	**4,968,236**	**1.43**	**(552,453)**	**4,415,782**	**1.27**

MANITOBA HYDRO
RESPONSE TO ADDITIONAL UNDERTAKING REQUEST
SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010
(USE OF THE ASL PROCEDURE) NO NEGATIVE SALVAGE

ACCOUNT	DEPRECIABLE WORK (1)	LIFE SPAN DATE	SURVIVOR CURVE (2)	NET SALVAGE (3)	SURVIVING ORIGINAL COST AS OF MARCH 31, 2010 (4)	CALCULATED ANNUAL ACCRUAL AMOUNT (5)	CALCULATED ANNUAL ACCRUAL RATE (%) (6)=(5)/(4)	ANNUAL PROVISION FOR TRUE-UP (7)	TOTAL DEPRECIATION EXPENSE (8)=(5)+(7)	TOTAL DEPRECIATION RATE (%) (9)=(8)/(4)
11500	**LAURIE RIVER**									
1150A	DAMS, DYKES AND WEIRS	2032	125-R4	0	355,538	8,898	2.50	3,446	12,344	3.47
1150B	POWERHOUSE	2032	125-R4	0	7,664,146	289,315	3.77	36,456	325,771	4.25
1150C	POWERHOUSE RENOVATIONS	2032	25-SQ	0						4.55 */**
1150D	SPILLWAY	2032	75-R4	0	870,000	23,316	2.68	5,501	28,817	3.31
1150E	WATER CONTROL SYSTEMS	2032	50-S4	0	458,033	14,062	3.07	3,543	17,605	3.84
1150F	ROADS AND SITE IMPROVEMENTS	2032	50-R3	0	1,441,914	45,615	3.16	12,143	57,758	4.01
1150G	TURBINES AND GENERATORS	2032	65-S3	0	4,603,136	191,600	4.16	15,121	206,721	4.49
1150H	GOVERNORS AND EXCITATION SYSTEM	2032	50-R4	0	882,653	39,660	4.49	1,827	41,487	4.70
1150L	LICENCE RENEWAL	2032	50-SQ	0						4.55 */**
1150P	A/C ELECTRICAL POWER SYSTEMS	2032	50-R3	0	1,441,945	48,391	3.36	10,498	58,889	4.08
1150Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2032	23-L2	0	1,220,047	60,217	4.94	27,960	88,177	7.23
1150R	AUXILIARY STATION PROCESSES	2032	40-R2.5	0	308,504	10,635	3.45	2,623	13,258	4.30
1150X	SUPPORT BUILDINGS	2032	65-R3	0	355,919	10,179	2.86	3,181	13,360	3.75
1150W	SUPPORT BUILDING RENOVATIONS	2032	20-SQ	0						5.00 */**
	TOTAL LAURIE RIVER				**19,601,835**	**741,888**	**3.78**	**122,298**	**864,186**	**4.41**
11550	**JENPEG**									
1155A	DAMS, DYKES AND WEIRS	2118	125-R4	0	15,295,318	142,827	0.93	(1,830)	140,997	0.92
1155B	POWERHOUSE	2118	125-R4	0	76,905,294	696,306	0.91	(12,006)	684,300	0.89
1155C	POWERHOUSE RENOVATIONS	2118	25-SQ	0						4.00 */**
1155D	SPILLWAY	2118	75-R4	0	14,942,733	198,738	1.33	1,629	200,367	1.34
1155E	WATER CONTROL SYSTEMS	2118	50-S4	0	16,762,099	368,766	2.20	(30,152)	338,614	2.02
1155F	ROADS AND SITE IMPROVEMENTS	2118	50-R3	0	1,563,205	34,391	2.20	(1,238)	33,153	2.12
1155G	TURBINES AND GENERATORS	2118	65-S3	0	79,641,550	1,349,128	1.69	(50,285)	1,298,843	1.63
1155H	GOVERNORS AND EXCITATION SYSTEM	2118	50-R4	0						2.00 *
1155L	LICENCE RENEWAL	2118	50-SQ	0						2.00 */**
1155P	A/C ELECTRICAL POWER SYSTEMS	2118	50-R3	0	19,308,049	424,777	2.20	(28,106)	396,671	2.05
1155Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2118	23-L2	0	3,343,800	160,001	4.79	(8,517)	151,484	4.53
1155R	AUXILIARY STATION PROCESSES	2118	40-R2.5	0	9,796,258	269,397	2.75	(8,392)	261,005	2.66
1155X	SUPPORT BUILDINGS	2118	65-R3	0	7,885,397	133,579	1.69	(2,282)	131,297	1.67
1155W	SUPPORT BUILDING RENOVATIONS	2118	20-SQ	0						5.00 */**
	TOTAL JENPEG				**245,443,703**	**3,777,910**	**1.54**	**(141,179)**	**3,636,732**	**1.48**
11600	**LAKE WINNIPEG REGULATION**									
1160A	DAMS, DYKES AND WEIRS		125-R4	0	96,807,065	851,902	0.88	(62,478)	789,424	0.82
1160L	LICENCE RENEWAL		50-SQ	0						2.00 */**
1160Z	COMMUNITY DEVELOPMENT COSTS		100-SQ	0	387,802,871	3,878,029	1.00	(223,323)	3,654,706	0.94
	TOTAL LAKE WINNIPEG REGULATION				**484,609,937**	**4,729,931**	**0.98**	**(285,800)**	**4,444,131**	**0.92**
11650	**CHURCHILL RIVER DIVERSION**									
1165A	DAMS, DYKES AND WEIRS		125-R4	0	114,718,213	1,009,520	0.88	976	1,010,496	0.88
1165D	SPILLWAY		75-R4	0	56,442,246	750,682	1.33	33,541	784,223	1.39
1165E	WATER CONTROL SYSTEMS		50-S4	0	17,583,551	386,838	2.20	1,954	388,792	2.21
1165F	ROADS AND SITE IMPROVEMENTS		50-R3	0	6,799,023	149,578	2.20	578	150,156	2.21
1165L	LICENCE RENEWAL		50-SQ	0						2.00 */**
1165P	A/C ELECTRICAL POWER SYSTEMS		50-R3	0	1,596,593	35,125	2.20	136	35,261	2.21
1165Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS		23-L2	0	1,417,862	67,845	4.79	479	68,324	4.82
1165R	AUXILIARY STATION PROCESSES		40-R2.5	0	1,799,312	49,481	2.75	43	49,524	2.75
1165X	SUPPORT BUILDINGS		65-R3	0	28,361	480	1.69	0	480	1.69
1165W	SUPPORT BUILDING RENOVATIONS		20-SQ	0						5.00 */**
1165Z	COMMUNITY DEVELOPMENT COSTS		100-SQ	0	305,036,524	3,050,365	1.00	(228,014)	2,822,351	0.93
	TOTAL CHURCHILL RIVER DIVERSION				**505,421,684**	**5,499,914**	**1.09**	**(190,307)**	**5,309,607**	**1.05**

MH Exhibit #22

MANITOBA HYDRO
RESPONSE TO ADDITIONAL UNDERTAKING REQUEST
SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010
(USE OF THE ASL PROCEDURE) NO NEGATIVE SALVAGE

ACCOUNT	DEPRECIABLE WORK	LIFE SPAN DATE	SURVIVOR CURVE	NET SALVAGE	SURVIVING ORIGINAL COST AS OF MARCH 31, 2010	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE (%)	ANNUAL PROVISION FOR TRUE-UP	TOTAL DEPRECIATION EXPENSE	TOTAL DEPRECIATION RATE (%)
	(1)		(2)	(3)	(4)	(5)	(6)=(5)/(4)	(7)	(8)=(5)+(7)	(9)=(8)/(4)
11700	LONG SPRUCE									
1170A	DAMS, DYKES AND WEIRS	2118	125-R4	0	64,744,494	592,929	0.92	(8,709)	584,220	0.90
1170B	POWERHOUSE	2118	125-R4	0	143,780,355	1,317,441	0.92	(19,381)	1,298,060	0.90
1170C	POWERHOUSE RENOVATIONS	2118	25-SQ	0						4.00 */**
1170D	SPILLWAY	2118	75-R4	0	42,273,617	562,239	1.33	5,805	568,045	1.34
1170E	WATER CONTROL SYSTEMS	2118	50-S4	0	57,946,281	1,274,818	2.20	(92,134)	1,182,684	2.04
1170F	ROADS AND SITE IMPROVEMENTS	2118	50-R3	0	1,172,867	25,803	2.20	(1,173)	24,630	2.10
1170G	TURBINES AND GENERATORS	2118	65-S3	0	143,328,643	2,427,987	1.69	(93,123)	2,334,864	1.63
1170H	GOVERNORS AND EXCITATION SYSTEM	2118	50-R4	0	145,844	3,209	2.20	(21)	3,188	2.19
1170L	LICENCE RENEWAL	2118	50-SQ	0						2.00 */**
1170P	A/C ELECTRICAL POWER SYSTEMS	2118	50-R3	0	30,503,528	671,078	2.20	(32,833)	638,245	2.09
1170Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2118	23-L2	0	4,409,200	210,980	4.78	(18,309)	192,671	4.37
1170R	AUXILIARY STATION PROCESSES	2118	40-R2.5	0	12,199,119	335,476	2.75	(14,985)	320,491	2.63
1170X	SUPPORT BUILDINGS	2118	65-R3	0	160,484	2,719	1.69	(13)	2,706	1.69
1170W	SUPPORT BUILDING RENOVATIONS	2118	20-SQ	0						5.00 */**
	TOTAL LONG SPRUCE				500,664,431	7,424,679	1.48	(274,875)	7,149,804	1.43
11750	LIMESTONE									
1175A	DAMS, DYKES AND WEIRS	2131	125-R4	0	33,258,073	302,205	0.91	(1,269)	300,936	0.90
1175B	POWERHOUSE	2131	125-R4	0	461,430,334	4,194,354	0.91	(17,501)	4,176,853	0.91
1175C	POWERHOUSE RENOVATIONS	2131	25-SQ	0						4.00 */**
1175D	SPILLWAY	2131	75-R4	0	201,240,773	2,676,502	1.46	11,591	2,688,094	1.34
1175E	WATER CONTROL SYSTEMS	2131	50-S4	0	116,224,392	2,556,937	2.20	(35,306)	2,521,631	2.17
1175F	ROADS AND SITE IMPROVEMENTS	2131	50-R3	0	17,164,432	377,618	2.20	(4,778)	372,840	2.17
1175G	TURBINES AND GENERATORS	2131	65-S3	0	403,825,745	6,840,808	1.69	(63,305)	6,777,503	1.68
1175H	GOVERNORS AND EXCITATION SYSTEM	2131	50-R4	0	16,584,271	364,854	2.20	(4,880)	359,974	2.17
1175L	LICENCE RENEWAL	2131	50-SQ	0						2.00 */**
1175P	A/C ELECTRICAL POWER SYSTEMS	2131	50-R3	0	144,317,307	3,174,981	2.20	(40,184)	3,134,797	2.17
1175Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2131	23-L2	0	8,333,373	398,752	4.79	(9,553)	389,199	4.67
1175R	AUXILIARY STATION PROCESSES	2131	40-R2.5	0	36,054,205	991,491	2.75	(14,354)	977,137	2.71
1175X	SUPPORT BUILDINGS	2131	65-R3	0	5,703,494	96,617	1.69	(751)	95,866	1.68
1175W	SUPPORT BUILDING RENOVATIONS	2131	20-SQ	0						5.00 **
	TOTAL LIMESTONE				1,444,136,399	21,975,119	1.52	(180,289)	21,794,830	1.51
11800	WUSKWATIM									
1180A	DAMS, DYKES AND WEIRS	2152	125-R4	0						0.80 *
1180B	POWERHOUSE	2152	125-R4	0						0.80 *
1180C	POWERHOUSE RENOVATIONS	2152	25-SQ	0						4.00 */**
1180D	SPILLWAY	2152	75-R2	0						1.33 *
1180E	WATER CONTROL SYSTEMS	2152	50-S4	0						2.00 *
1180F	ROADS AND SITE IMPROVEMENTS	2152	50-R3	0						2.00 *
1180G	TURBINES AND GENERATORS	2152	65-S3	0						1.54 *
1180H	GOVERNORS AND EXCITATION SYSTEM	2152	50-R4	0						2.00 *
1180P	A/C ELECTRICAL POWER SYSTEMS	2152	50-R3	0						2.00 *
1180Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2152	23-L2	0						4.35 *
1180R	AUXILIARY STATION PROCESSES	2152	40-R2.5	0						2.50 *
1180X	SUPPORT BUILDINGS	2152	65-R3	0						1.54 *
1180W	SUPPORT BUILDING RENOVATIONS	2152	20-SQ	0						5.00 */**
	TOTAL WUSKWATIM				0	0		0	0	
11990	INFRASTRUCTURE SUPPORTING GENERATION									
1199F	PROVINCIAL ROADS		50-R3	0	25,380,938	558,381	2.20	24,833	583,214	2.30
1199V	TOWN SITE BUILDING		65-L3	0	63,280,714	1,042,740	1.65	41,341	1,084,081	1.71
1199W	TOWN SITE BUILDINGS RENOVATIONS		20-SQ	0	13,502,581	715,319	5.30	87,367	802,686	5.94
1199Y	TOWN SITE OTHER INFRASTRUCTURE		45-R3	0	26,527,464	646,258	2.44	14,107	660,365	2.49
	TOTAL INFRASTRUCTURE SUPPORTING GENERATION				128,691,696	2,962,698	2.30	167,648	3,130,346	2.43
	TOTAL HYDRAULIC GENERATION				4,716,467,183	71,996,646	1.53	(2,800,584)	69,196,062	1.47

MANITOBA HYDRO
RESPONSE TO ADDITIONAL UNDERTAKING REQUEST
SCHEDULE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010
(USE OF THE ASL PROCEDURE) NO NEGATIVE SALVAGE

ACCOUNT	DEPRECIABLE WORK	LIFE SPAN DATE	SURVIVOR CURVE	NET SALVAGE	SURVIVING ORIGINAL COST AS OF MARCH 31, 2010	CALCULATED ANNUAL ACCRUAL		ANNUAL PROVISION FOR TRUE-UP	TOTAL DEPRECIATION	
						AMOUNT	RATE (%)		EXPENSE	RATE (%)
	(1)		(2)	(3)	(4)	(5)	(6)=(5)/(4)	(7)	(8)=(5)+(7)	(9)=(8)/(4)

* The account has no balance as of March 31, 2010 and rate will be used on a go-forward basis for future additions.
** On amortized accounts any true-up of less than 10% is not considered significant.
*** True-up was deemed as not significant.

MANITOBA HYDRO
RESPONSE TO ADDITIONAL UNDERTAKING REQUEST
SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010
(USE OF THE ASL PROCEDURE) NO NEGATIVE SALVAGE

ACCOUNT	DESCRIPTION	SURVIVING ORIGINAL COST AS OF MARCH 31, 2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE AMOUNT	ACCUMULATED DEPRECIATION VARIANCE PERCENT	PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP
	(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)
10000	GENERATION							
11000	HYDRAULIC GENERATION							
11050	GREAT FALLS							
1105A	DAMS, DYKES AND WEIRS	17,302,772	6,746,416	7,613,124	(866,708)	(12.85)	51.5	(16,829)
1105B	POWERHOUSE	7,990,993	3,277,346	3,698,385	(421,039)	(12.85)	50.7	(8,305)
1105C	POWERHOUSE RENOVATIONS				0			*/**
1105D	SPILLWAY	9,676,327	3,357,599	3,999,802	(642,203)	(19.13)	45.9	(13,991)
1105E	WATER CONTROL SYSTEMS	24,245,253	8,836,375	9,971,579	(1,135,204)	(12.85)	34.4	(33,000)
1105F	ROADS AND SITE IMPROVEMENTS	213,964	10,071	11,365	(1,294)	(12.85)	44.8	(29)
1105G	TURBINES AND GENERATORS	25,128,789	7,465,771	8,424,895	(959,124)	(12.85)	46.5	(20,626)
1105H	GOVERNORS AND EXCITATION SYSTEM	492,218	171,420	193,442	(22,022)	(12.85)	40.2	(548)
1105L	LICENCE RENEWAL				0			*/**
1105P	A/C ELECTRICAL POWER SYSTEMS	9,493,088	3,291,887	3,714,794	(422,907)	(12.85)	35.0	(12,083)
1105Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	19,271,956	6,006,763	6,778,449	(771,686)	(12.85)	17.0	(45,393)
1105R	AUXILIARY STATION PROCESSES	8,345,798	2,875,553	3,244,974	(369,421)	(12.85)	28.1	(13,147)
1105X	SUPPORT BUILDINGS	1,495,253	665,413	750,898	(85,485)	(12.85)	45.6	(1,875)
1105W	SUPPORT BUILDING RENOVATIONS							*/**
	TOTAL GREAT FALLS	123,656,412	42,704,614	48,401,707	(5,697,093)	(13.34)		(165,826)
11100	POINTE DU BOIS							
1110A	DAMS, DYKES AND WEIRS	11,263,332	2,075,429	3,807,139	(1,731,710)	(83.44)	21.0	(82,462)
1110B	POWERHOUSE	6,242,749	607,310	1,114,041	(506,731)	(83.44)	21.0	(24,130)
1110C	POWERHOUSE RENOVATIONS				0			*/**
1110D	SPILLWAY - ORIGINAL	3,104,842	710,911	1,300,951	(590,040)	(83.00)	7.0	(84,776)
1110E	WATER CONTROL SYSTEMS	4,027,603	896,510	1,644,546	(748,036)	(83.44)	21.0	(35,621)
1110F	ROADS AND SITE IMPROVEMENTS	28,533	6,567	12,046	(5,479)	(83.44)	20.6	(266)
1110G	TURBINES AND GENERATORS	24,610,324	3,475,181	6,374,825	(2,899,644)	(83.44)	21.0	(138,078) *
1110H	GOVERNORS AND EXCITATION SYSTEM				0			*/**
1110L	LICENCE RENEWAL				0			
1110P	A/C ELECTRICAL POWER SYSTEMS	6,057,709	516,493	947,448	(430,955)	(83.44)	20.7	(20,819)
1110Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	355,559	48,227	88,467	(40,240)	(83.44)	16.9	(2,381)
1110R	AUXILIARY STATION PROCESSES	1,377,014	244,688	448,852	(204,164)	(83.44)	20.2	(10,107)
1110X	SUPPORT BUILDINGS	2,616,290	722,012	1,324,449	(602,437)	(83.44)	20.7	(29,103) */**
1110W	SUPPORT BUILDING RENOVATIONS							*
1111D	SPILLWAY - NEW							*
	TOTAL POINTE DU BOIS	59,683,956	9,303,328	17,062,765	(7,759,437)	(83.40)		(427,744)
11150	SEVEN SISTERS							
1115A	DAMS, DYKES AND WEIRS	31,497,995	11,783,110	15,406,970	(3,623,860)	(30.75)	59.6	(60,803)
1115B	POWERHOUSE	13,653,945	6,342,115	8,292,614	(1,950,499)	(30.75)	57.0	(34,219)
1115C	POWERHOUSE RENOVATIONS				0			*/**
1115D	SPILLWAY	2,841,355	1,389,283	1,607,456	(218,173)	(15.70)	52.9	(4,124)
1115E	WATER CONTROL SYSTEMS	4,296,891	2,171,871	2,839,823	(667,952)	(30.75)	39.0	(17,127)
1115F	ROADS AND SITE IMPROVEMENTS	201,701	109,091	142,642	(33,551)	(30.75)	45.1	(744)
1115G	TURBINES AND GENERATORS	41,208,963	10,315,718	13,488,286	(3,172,568)	(30.75)	51.1	(62,085)
1115H	GOVERNORS AND EXCITATION SYSTEM	6,860	6,166	8,062	(1,896)	(30.75)	5.0	(379)
1115L	LICENCE RENEWAL				0			*/**
1115P	A/C ELECTRICAL POWER SYSTEMS	10,648,619	3,798,361	4,966,536	(1,168,175)	(30.75)	37.5	(31,151)
1115Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	3,821,416	1,825,372	2,386,760	(561,388)	(30.75)	13.9	(40,388)
1115R	AUXILIARY STATION PROCESSES	5,224,958	2,148,748	2,809,589	(660,841)	(30.75)	28.1	(23,517)
1115X	SUPPORT BUILDINGS	608,294	105,032	137,334	(32,302)	(30.75)	51.4	(628)
1115W	SUPPORT BUILDING RENOVATIONS							*/**
	TOTAL SEVEN SISTERS	114,010,998	39,994,867	52,086,073	(12,091,206)	(30.23)		(275,167)

MANITOBA HYDRO
RESPONSE TO ADDITIONAL UNDERTAKING REQUEST
SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010
(USE OF THE ASL PROCEDURE) NO NEGATIVE SALVAGE

ACCOUNT	DESCRIPTION	SURVIVING ORIGINAL COST AS OF MARCH 31, 2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE		PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP
					AMOUNT	PERCENT		
	(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)
11200	SLAVE FALLS							
1120A	DAMS, DYKES AND WEIRS	954,684	48,988	54,185	(5,197)	(10.61)	61.7	(84)
1120B	POWERHOUSE	45,692,194	5,381,783	5,952,681	(570,898)	(10.61)	61.6	(9,268)
1120C	POWERHOUSE RENOVATIONS				0			*/**
1120D	SPILLWAY	760,201	48,352	58,657	(10,305)	(21.31)	59.0	(175)
1120E	WATER CONTROL SYSTEMS	318,933	25,628	28,347	(2,719)	(10.61)	46.2	(59)
1120F	ROADS AND SITE IMPROVEMENTS	769,506	75,181	83,156	(7,975)	(10.61)	45.1	(177)
1120G	TURBINES AND GENERATORS	11,630,909	1,573,109	1,739,984	(166,875)	(10.61)	53.1	(3,143)
1120H	GOVERNORS AND EXCITATION SYSTEM				0			*
1120L	LICENCE RENEWAL				0			*/**
1120P	A/C ELECTRICAL POWER SYSTEMS	21,815,741	1,863,245	2,060,897	(197,652)	(10.61)	45.6	(4,334)
1120Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	786,382	94,823	104,882	(10,059)	(10.61)	20.5	(491)
1120R	AUXILIARY STATION PROCESSES	2,201,466	155,023	171,468	(16,445)	(10.61)	37.4	(440)
1120X	SUPPORT BUILDINGS	3,724,095	499,474	552,458	(52,984)	(10.61)	52.7	(1,005)
1120W	SUPPORT BUILDING RENOVATIONS							*/**
	TOTAL SLAVE FALLS	88,654,109	9,765,606	10,806,713	(1,041,107)	(10.66)		(19,175)
11250	PINE FALLS							
1125A	DAMS, DYKES AND WEIRS	14,110,589	2,224,733	2,573,116	(348,383)	(15.66)	78.4	(4,444)
1125B	POWERHOUSE	10,060,843	4,792,490	5,542,973	(750,483)	(15.66)	66.4	(11,302)
1125C	POWERHOUSE RENOVATIONS				0			*/**
1125D	SPILLWAY	93,376	2,532	3,149	(617)	(24.38)	70.8	(9)
1125E	WATER CONTROL SYSTEMS	3,564,106	2,064,829	2,388,172	(323,343)	(15.66)	35.9	(9,007)
1125F	ROADS AND SITE IMPROVEMENTS	1,178,575	977,782	1,130,898	(153,116)	(15.66)	33.6	(4,557)
1125G	TURBINES AND GENERATORS	9,464,220	5,091,915	5,889,287	(797,372)	(15.66)	37.2	(21,435)
1125H	GOVERNORS AND EXCITATION SYSTEM				0			
1125L	LICENCE RENEWAL				0			*/**
1125P	A/C ELECTRICAL POWER SYSTEMS	5,071,108	1,875,859	2,169,610	(293,751)	(15.66)	42.6	(6,896)
1125Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	2,156,586	990,107	1,145,153	(155,046)	(15.66)	13.5	(11,485)
1125R	AUXILIARY STATION PROCESSES	3,790,230	1,474,022	1,704,847	(230,825)	(15.66)	28.9	(7,987)
1125X	SUPPORT BUILDINGS	336,412	85,620	99,028	(13,408)	(15.66)	49.9	(269)
1125W	SUPPORT BUILDING RENOVATIONS				0			*/**
1125Z	COMMUNITY DEVELOPMENT COSTS	4,425,543	533,832	710,240	(176,408)	**(33.05)**	71.4	(2,471) **
	TOTAL PINE FALLS	54,251,587	20,113,721	23,356,474	(3,242,753)	(16.12)		(79,860)
11300	MCARTHUR FALLS							
1130A	DAMS, DYKES AND WEIRS	3,578,068	1,394,196	1,583,088	(188,892)	(13.55)	72.4	(2,609)
1130B	POWERHOUSE	9,523,798	4,419,899	5,018,727	(598,828)	(13.55)	68.5	(8,742)
1130C	POWERHOUSE RENOVATIONS				0			*/**
1130D	SPILLWAY	2,351,438	1,619,036	1,703,092	(84,056)	(5.19)	23.4	(3,592)
1130E	WATER CONTROL SYSTEMS	11,703,203	4,410,292	5,007,819	(597,527)	(13.55)	35.4	(16,879)
1130F	ROADS AND SITE IMPROVEMENTS	234,820	112,527	127,773	(15,246)	(13.55)	31.2	(489)
1130G	TURBINES AND GENERATORS	5,096,367	4,113,408	4,670,712	(557,304)	(13.55)	17.3	(32,214)
1130H	GOVERNORS AND EXCITATION SYSTEM	119,315	33,484	38,021	(4,537)	(13.55)	37.6	(121)
1130L	LICENCE RENEWAL				0			*/**
1130P	A/C ELECTRICAL POWER SYSTEMS	2,480,539	1,601,822	1,818,844	(217,022)	(13.55)	28.8	(7,535)
1130Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	1,245,885	658,647	747,884	(89,237)	(13.55)	14.4	(6,197)
1130R	AUXILIARY STATION PROCESSES	3,440,197	1,306,468	1,483,474	(177,006)	(13.55)	29.8	(5,940)
1130X	SUPPORT BUILDINGS	227,212	57,532	65,327	(7,795)	(13.55)	50.0	(156)
1130W	SUPPORT BUILDING RENOVATIONS							*/**
	TOTAL MCARTHUR FALLS	40,000,842	19,727,311	22,264,760	(2,537,449)	(12.86)		(84,474)

MANITOBA HYDRO
RESPONSE TO ADDITIONAL UNDERTAKING REQUEST
SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010
(USE OF THE ASL PROCEDURE) NO NEGATIVE SALVAGE

ACCOUNT	DESCRIPTION (1)	SURVIVING ORIGINAL COST AS OF MARCH 31, 2010 (2)	CALCULATED ACCRUED DEPRECIATION (3)	BOOK ACCUMULATED DEPRECIATION (4)	ACCUMULATED DEPRECIATION VARIANCE AMOUNT (5) = (3)-(4)	ACCUMULATED DEPRECIATION VARIANCE PERCENT (6) = (5)/(3)	PROBABLE REMAINING LIFE (7)	ANNUAL PROVISION FOR TRUE-UP (8)=(5)/(7)
11350	KELSEY							
1135A	DAMS, DYKES AND WEIRS	11,066,409	2,216,272	2,388,154	(171,882)	(7.76)	84.0	(2,046)
1135B	POWERHOUSE	27,569,817	10,948,363	11,797,459	(849,096)	(7.76)	75.7	(11,217)
1135C	POWERHOUSE RENOVATIONS				0			*/**
1135D	SPILLWAY	5,331,929	3,338,481	3,337,776	705	0.02	28.0	25
1135E	WATER CONTROL SYSTEMS	11,792,566	5,436,933	5,858,592	(421,659)	(7.76)	32.8	(12,855)
1135F	ROADS AND SITE IMPROVEMENTS	6,442,928	3,410,997	3,675,535	(264,538)	(7.76)	28.3	(9,348)
1135G	TURBINES AND GENERATORS	130,323,693	10,105,840	10,889,594	(783,754)	(7.76)	60.6	(12,933)
1135H	GOVERNORS AND EXCITATION SYSTEM	88,651	26,173	28,203	(2,030)	(7.76)	36.6	(55)
1135L	LICENCE RENEWAL				0			*/**
1135P	A/C ELECTRICAL POWER SYSTEMS	5,751,610	3,194,348	3,442,084	(247,736)	(7.76)	25.9	(9,565)
1135Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	3,595,490	1,424,963	1,535,475	(110,512)	(7.76)	15.2	(7,271)
1135R	AUXILIARY STATION PROCESSES	7,788,815	3,119,891	3,361,853	(241,962)	(7.76)	26.2	(9,235)
1135X	SUPPORT BUILDINGS	9,953,977	1,884,056	2,030,173	(146,117)	(7.76)	53.9	(2,711)
1135W	SUPPORT BUILDING RENOVATIONS							*/**
	TOTAL KELSEY	219,705,886	45,106,317	48,344,899	(3,238,582)	(7.18)		(77,211)
11400	GRAND RAPIDS							
1140A	DAMS, DYKES AND WEIRS	53,468,974	17,994,155	20,241,182	(2,247,027)	(12.49)	73.7	(30,489)
1140B	POWERHOUSE	24,506,522	9,663,502	10,870,236	(1,206,734)	(12.49)	72.1	(16,737)
1140C	POWERHOUSE RENOVATIONS				0			*/**
1140D	SPILLWAY	5,308,334	2,983,462	3,127,598	(144,136)	(4.83)	32.9	(4,381)
1140E	WATER CONTROL SYSTEMS	15,982,492	11,499,312	12,935,293	(1,435,981)	(12.49)	21.9	(65,570)
1140F	ROADS AND SITE IMPROVEMENTS	2,581,475	1,912,279	2,151,076	(238,797)	(12.49)	17.7	(13,491)
1140G	TURBINES AND GENERATORS	113,066,160	25,636,002	28,837,308	(3,201,306)	(12.49)	51.9	(61,682)
1140H	GOVERNORS AND EXCITATION SYSTEM	42,718	10,152	11,420	(1,268)	(12.49)	39.9	(32)
1140L	LICENCE RENEWAL				0			*/**
1140P	A/C ELECTRICAL POWER SYSTEMS	8,240,545	3,016,749	3,393,467	(376,718)	(12.49)	35.2	(10,702)
1140Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	4,674,247	2,972,935	3,344,181	(371,246)	(12.49)	11.3	(32,854)
1140R	AUXILIARY STATION PROCESSES	5,600,506	1,660,234	1,867,556	(207,322)	(12.49)	29.6	(7,004)
1140X	SUPPORT BUILDINGS	6,190,376	1,126,015	1,266,627	(140,612)	(12.49)	54.1	(2,599)
1140W	SUPPORT BUILDING RENOVATIONS				0			*/**
1140Z	COMMUNITY DEVELOPMENT COSTS	101,442,997	11,399,379	17,852,104	(6,452,725)	(56.61)	71.2	(90,628)
	TOTAL GRAND RAPIDS	341,105,346	89,874,176	105,898,046	(16,023,870)	(17.83)		(336,169)
11450	KETTLE							
1145A	DAMS, DYKES AND WEIRS	45,280,663	15,204,290	17,156,728	(1,952,438)	(12.84)	83.8	(23,299)
1145B	POWERHOUSE	146,207,420	48,592,348	54,832,267	(6,239,919)	(12.84)	83.9	(74,373)
1145C	POWERHOUSE RENOVATIONS				0			*/**
1145D	SPILLWAY	25,406,960	12,398,596	13,102,475	(703,879)	(5.68)	38.4	(18,330)
1145E	WATER CONTROL SYSTEMS	17,834,945	13,798,854	15,570,815	(1,771,961)	(12.84)	15.3	(115,814)
1145F	ROADS AND SITE IMPROVEMENTS	10,591	2,148	2,424	(276)	(12.84)	40.8	(7)
1145G	TURBINES AND GENERATORS	70,740,028	39,287,581	44,332,641	(5,045,060)	(12.84)	32.7	(154,283)
1145H	GOVERNORS AND EXCITATION SYSTEM	3,304,326	2,409,013	2,718,363	(309,350)	(12.84)	17.2	(17,985)
1145L	LICENCE RENEWAL				0			*/**
1145P	A/C ELECTRICAL POWER SYSTEMS	6,771,761	2,714,622	3,063,216	(348,594)	(12.84)	33.0	(10,563)
1145Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	12,001,279	7,232,801	8,161,591	(928,790)	(12.84)	11.4	(81,473)
1145R	AUXILIARY STATION PROCESSES	15,361,985	8,290,638	9,355,269	(1,064,631)	(12.84)	22.6	(47,108)
1145X	SUPPORT BUILDINGS	3,908,404	2,239,499	2,527,081	(287,582)	(12.84)	31.2	(9,217)
1145W	SUPPORT BUILDING RENOVATIONS							*/**
	TOTAL KETTLE	346,828,362	152,170,390	170,822,869	(18,652,479)	(12.26)		(552,453)

MANITOBA HYDRO
RESPONSE TO ADDITIONAL UNDERTAKING REQUEST
SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010
(USE OF THE ASL PROCEDURE) NO NEGATIVE SALVAGE

ACCOUNT	DESCRIPTION	SURVIVING ORIGINAL COST AS OF MARCH 31, 2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE AMOUNT	ACCUMULATED DEPRECIATION VARIANCE PERCENT	PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP	
	(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)	
11500	LAURIE RIVER								
1150A	DAMS, DYKES AND WEIRS	355,538	195,406	119,594	75,812	38.80	22.0	3,446	
1150B	POWERHOUSE	7,664,146	2,067,225	1,265,197	802,028	38.80	22.0	36,456	
1150C	POWERHOUSE RENOVATIONS				0				*/**
1150D	SPILLWAY	870,000	360,580	240,118	120,462	33.41	21.9	5,501	
1150E	WATER CONTROL SYSTEMS	458,033	198,157	121,277	76,880	38.80	21.7	3,543	
1150F	ROADS AND SITE IMPROVEMENTS	1,441,914	644,741	394,599	250,142	38.80	20.6	12,143	
1150G	TURBINES AND GENERATORS	4,603,136	853,547	522,394	331,153	38.80	21.9	15,121	
1150H	GOVERNORS AND EXCITATION SYSTEM	882,653	103,151	63,131	40,020	38.80	21.9	1,827	
1150L	LICENCE RENEWAL				0				*/**
1150P	A/C ELECTRICAL POWER SYSTEMS	1,441,945	568,207	347,758	220,449	38.80	21.0	10,498	
1150Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	1,220,047	713,465	436,660	276,805	38.80	9.9	27,960	
1150R	AUXILIARY STATION PROCESSES	308,504	131,850	80,696	51,154	38.80	19.5	2,623	
1150X	SUPPORT BUILDINGS	355,919	174,626	106,876	67,750	38.80	21.3	3,181	
1150W	SUPPORT BUILDING RENOVATIONS								*/**
	TOTAL LAURIE RIVER	**19,601,835**	**6,010,955**	**3,698,298**	**2,312,657**	**38.47**		**122,298**	
11550	JENPEG								
1155A	DAMS, DYKES AND WEIRS	15,295,318	3,491,006	3,661,242	(170,236)	(4.88)	93.0	(1,830)	
1155B	POWERHOUSE	76,905,294	22,035,810	23,110,365	(1,074,555)	(4.88)	89.5	(12,006)	
1155C	POWERHOUSE RENOVATIONS				0				*/**
1155D	SPILLWAY	14,942,733	6,322,152	6,251,622	70,530	1.12	43.3	1,629	
1155E	WATER CONTROL SYSTEMS	16,762,099	11,562,526	12,126,362	(563,836)	(4.88)	18.7	(30,152)	
1155F	ROADS AND SITE IMPROVEMENTS	1,563,205	733,476	769,243	(35,767)	(4.88)	28.9	(1,238)	
1155G	TURBINES AND GENERATORS	79,641,550	38,051,031	39,906,553	(1,855,522)	(4.88)	36.9	(50,285)	
1155H	GOVERNORS AND EXCITATION SYSTEM				0				*
1155L	LICENCE RENEWAL				0				*/**
1155P	A/C ELECTRICAL POWER SYSTEMS	19,308,049	12,218,926	12,814,770	(595,844)	(4.88)	21.2	(28,106)	
1155Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	3,343,800	1,921,209	2,014,895	(93,686)	(4.88)	11.0	(8,517)	
1155R	AUXILIARY STATION PROCESSES	9,796,258	4,250,680	4,457,960	(207,280)	(4.88)	24.7	(8,392)	
1155X	SUPPORT BUILDINGS	7,885,397	2,255,195	2,365,167	(109,972)	(4.88)	48.2	(2,282)	
1155W	SUPPORT BUILDING RENOVATIONS								*/**
	TOTAL JENPEG	**245,443,703**	**102,842,011**	**107,478,180**	**(4,636,169)**	**(4.51)**		**(141,179)**	
11600	LAKE WINNIPEG REGULATION								
1160A	DAMS, DYKES AND WEIRS	96,807,065	27,433,119	33,231,067	(5,797,948)	(21.13)	92.8	(62,478)	
1160L	LICENCE RENEWAL				0				*/**
1160Z	COMMUNITY DEVELOPMENT COSTS	387,802,871	54,108,862	73,448,592	(19,339,730)	(35.74)	86.6	(223,323)	**
	TOTAL LAKE WINNIPEG REGULATION	**484,609,937**	**81,541,981**	**106,679,659**	**(25,137,678)**	**(30.83)**		**(285,800)**	
11650	CHURCHILL RIVER DIVERSION								
1165A	DAMS, DYKES AND WEIRS	114,718,213	32,012,829	31,921,746	91,083	0.28	93.3	976	
1165D	SPILLWAY	56,442,246	24,051,734	22,609,467	1,442,267	6.00	43.0	33,541	
1165E	WATER CONTROL SYSTEMS	17,583,551	12,359,364	12,324,199	35,165	0.28	18.0	1,954	
1165F	ROADS AND SITE IMPROVEMENTS	6,799,023	4,304,181	4,291,935	12,246	0.28	21.2	578	
1165L	LICENCE RENEWAL				0				*/**
1165P	A/C ELECTRICAL POWER SYSTEMS	1,596,593	1,012,593	1,009,712	2,881	0.28	21.2	136	
1165Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	1,417,862	1,110,955	1,107,794	3,161	0.28	6.6	479	
1165R	AUXILIARY STATION PROCESSES	1,799,312	463,401	462,083	1,318	0.28	30.6	43	
1165X	SUPPORT BUILDINGS	28,361	3,979	3,968	11	0.28	56.7	0	
1165W	SUPPORT BUILDING RENOVATIONS				0				*/**
1165Z	COMMUNITY DEVELOPMENT COSTS	305,036,524	55,319,169	74,130,320	(18,811,151)	(34.00)	82.5	(228,014)	**
	TOTAL CHURCHILL RIVER DIVERSION	**505,421,684**	**130,638,205**	**147,861,224**	**(17,223,019)**	**(13.18)**		**(190,307)**	

MANITOBA HYDRO

RESPONSE TO ADDITIONAL UNDERTAKING REQUEST

SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP FOR THE TWELVE MONTHS ENDED MARCH 31, 2010 (USE OF THE ASL PROCEDURE) NO NEGATIVE SALVAGE

ACCOUNT	DESCRIPTION	SURVIVING ORIGINAL COST AS OF MARCH 31, 2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE AMOUNT	ACCUMULATED DEPRECIATION VARIANCE PERCENT	PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP
	(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)
11700	LONG SPRUCE							
1170A	DAMS, DYKES AND WEIRS	64,744,494	18,011,999	18,797,519	(785,520)	(4.36)	90.2	(8,709)
1170B	POWERHOUSE	143,780,355	40,040,841	41,787,059	(1,746,218)	(4.36)	90.1	(19,381)
1170C	POWERHOUSE RENOVATIONS				0			*/**
1170D	SPILLWAY	42,273,617	17,398,283	17,142,264	256,019	1.47	44.1	5,805
1170E	WATER CONTROL SYSTEMS	57,946,281	39,717,639	41,449,762	(1,732,123)	(4.36)	18.8	(92,134)
1170F	ROADS AND SITE IMPROVEMENTS	1,172,867	658,875	687,609	(28,734)	(4.36)	24.5	(1,173)
1170G	TURBINES AND GENERATORS	143,328,643	73,881,737	77,103,787	(3,222,050)	(4.36)	34.6	(93,123)
1170H	GOVERNORS AND EXCITATION SYSTEM	145,844	20,824	21,732	(908)	(4.36)	43.5	(21)
1170L	LICENCE RENEWAL				0			*/**
1170P	A/C ELECTRICAL POWER SYSTEMS	30,503,528	17,767,682	18,542,547	(774,865)	(4.36)	23.6	(32,833)
1170Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	4,409,200	3,232,633	3,373,611	(140,978)	(4.36)	7.7	(18,309)
1170R	AUXILIARY STATION PROCESSES	12,199,119	6,837,678	7,135,875	(298,197)	(4.36)	19.9	(14,985)
1170X	SUPPORT BUILDINGS	160,484	17,840	18,618	(778)	(4.36)	58.4	(13)
1170W	SUPPORT BUILDING RENOVATIONS							*/**
	TOTAL LONG SPRUCE	**500,664,431**	**217,586,031**	**226,060,384**	**(8,474,353)**	**(3.89)**		**(274,875)**
11750	LIMESTONE							
1175A	DAMS, DYKES AND WEIRS	33,258,073	5,626,205	5,756,238	(130,033)	(2.31)	102.5	(1,269)
1175B	POWERHOUSE	461,430,334	77,689,788	79,485,351	(1,795,563)	(2.31)	102.6	(17,501)
1175C	POWERHOUSE RENOVATIONS				0			*/**
1175D	SPILLWAY	201,240,773	49,895,347	49,241,598	653,749	1.31	56.4	11,591
1175E	WATER CONTROL SYSTEMS	116,224,392	47,814,715	48,919,806	(1,105,091)	(2.31)	31.3	(35,306)
1175F	ROADS AND SITE IMPROVEMENTS	17,164,432	6,677,962	6,832,303	(154,341)	(2.31)	32.3	(4,778)
1175G	TURBINES AND GENERATORS	403,825,745	127,092,132	130,029,479	(2,937,347)	(2.31)	46.4	(63,305)
1175H	GOVERNORS AND EXCITATION SYSTEM	16,584,271	6,692,823	6,847,507	(154,684)	(2.31)	31.7	(4,880)
1175L	LICENCE RENEWAL				0			*/**
1175P	A/C ELECTRICAL POWER SYSTEMS	144,317,307	56,159,059	57,457,004	(1,297,945)	(2.31)	32.3	(40,184)
1175Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	8,333,373	4,670,453	4,778,396	(107,943)	(2.31)	11.3	(9,553)
1175R	AUXILIARY STATION PROCESSES	36,054,205	15,278,000	15,631,104	(353,104)	(2.31)	24.6	(14,354)
1175X	SUPPORT BUILDINGS	5,703,494	1,579,622	1,616,130	(36,508)	(2.31)	48.6	(751)
1175W	SUPPORT BUILDING RENOVATIONS							*/**
	TOTAL LIMESTONE	**1,444,136,399**	**399,176,106**	**406,594,917**	**(7,418,811)**	**(1.86)**		**(180,289)**
11800	WUSKWATIM							
1180A	DAMS, DYKES AND WEIRS							*
1180B	POWERHOUSE							*/**
1180C	POWERHOUSE RENOVATIONS							*
1180D	SPILLWAY							*
1180E	WATER CONTROL SYSTEMS							*
1180F	ROADS AND SITE IMPROVEMENTS							*
1180G	TURBINES AND GENERATORS							*
1180H	GOVERNORS AND EXCITATION SYSTEM							*
1180P	A/C ELECTRICAL POWER SYSTEMS							*
1180Q	INSTRUMENTATION, CONTROL AND D/C SYSTEMS							*
1180R	AUXILIARY STATION PROCESSES							*
1180X	SUPPORT BUILDINGS							*/**
1180W	SUPPORT BUILDING RENOVATIONS							
	TOTAL WUSKWATIM	**0**	**0**	**0**	**0**			**0**
11990	INFRASTRUCTURE SUPPORTING GENERATION							
1199F	PROVINCIAL ROADS	25,380,938	14,295,429	13,691,986	603,443	4.22	24.3	24,833
1199V	TOWN SITE BUILDINGS	63,280,714	20,698,637	18,850,678	1,847,959	8.93	44.7	41,341
1199W	TOWN SITE BUILDINGS RENOVATIONS	13,502,581	2,207,310	809,439	1,397,871	63.33	16.0	87,367 **
1199Y	TOWN SITE OTHER INFRASTRUCTURE	26,527,464	6,674,666	6,187,988	486,678	7.29	34.5	14,107
	TOTAL INFRASTRUCTURE SUPPORTING GENERATION	**128,691,696**	**43,876,042**	**39,540,091**	**4,335,951**	**9.88**		**167,648**
	TOTAL HYDRAULIC GENERATION	**4,716,467,183**	**1,410,431,661**	**1,536,957,059**	**(126,525,398)**	**(8.97)**		**(2,800,584)**

MANITOBA HYDRO
RESPONSE TO ADDITIONAL UNDERTAKING REQUEST
SCHEDULE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION FOR TRUE-UP
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010
(USE OF THE ASL PROCEDURE) NO NEGATIVE SALVAGE

ACCOUNT	DESCRIPTION	SURVIVING ORIGINAL COST AS OF MARCH 31, 2010	CALCULATED ACCRUED DEPRECIATION	BOOK ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION VARIANCE		PROBABLE REMAINING LIFE	ANNUAL PROVISION FOR TRUE-UP
					AMOUNT	PERCENT		
	(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6) = (5)/(3)	(7)	(8)=(5)/(7)

* The account has no balance as of March 31, 2010 and rate will be used on a go-forward basis for future additions.
** On amortized account any true-up of less than 10% is not considered significant.
*** True-up was deemed as not significant or has been limited to the annual depreciation expenses.

MANITOBA HYDRO

2012/13 & 2013/14 ELECTRIC GENERAL RATE APPLICATION

MANITOBA INDUSTRIAL POWER USERS GROUP ("MIPUG") PRE-ASK QUESTIONS OF MANITOBA HYDRO

MIPUG/MH/PRE-ASK-9

Question: Data quality - CAC book of documents, Exhibit CAC-5 pages 24-27

a) Please confirm Mr. Kennedy has reviewed the data in the column noted "retirements during age interval" at pages 25-27;
b) Please confirm Manitoba Hydro intends to fully address providing the details behind each item listed in the "retirements during age interval" as pages 25-27, as per PUB counsel undertaking at pages 1585 of the transcript; and
c) Please provide a detailed list of all steps and procedures Mr. Kennedy applied, including in consultation with Manitoba Hydro staff, to confirm that these data points are valid, are not database errors, and are not related to retirements that are of a unique and non-recurring nature.

ANSWER:

a) Gannett Fleming confirms.

b) The PUB counsel undertaking referenced in the above question requested the retirement details for Account 000A Dams, Dykes and Weirs as shown on page 22 of the CAC book of documents. The response to this undertaking has been filed as Manitoba Hydro Exhibit # 54.

   The following table provides the retirement details for Account 000D Spillways, for each item listed in the "retirements during age interval" column as shown on pages 25-27 of the CAC book of documents.

ACCOUNT 000D - SPILLWAYS
SPECIFIC RETIREMENT TRANSACTION DETAILS

As shown on Page 25-27 of CAC Exhibit 5
Original source Document: Appendix 16: [2010 Depreciation Study] Part IV: Service Life Statistics

AGE AT BEGIN OF INTERVAL	RETIREMENTS DURING AGE INTERVAL ($)	HYDRAULIC GENERATING FACILITY	YEAR RETIRED	YEAR INSTALLED	NATURE OF WORK TRIGGERING ASSET RETIREMENT
8.5	1,838	Great Falls	1995	1986	Replacement of joint seals
65.5	9,446	Great Falls	1995	1927	Replacement of joint seals
71.5	16,317	Great Falls	1995	1923	Replacement of joint seals

c) The following response was provided by Gannett Fleming:

During the completion of the retirement rate analysis, the retirement ratios at all age intervals are reviewed to determine if the retirement ratios are consistent with the expectation of Gannett Fleming. In the circumstances of both, the Dams, Dykes and Weirs, and the Spillways Accounts, the retirement ratios were based on only a limited number of retirement transactions. The transactions were reviewed through a data audit routine to ensure that they were applicable to the correct account grouping, correctly coded as retirement transactions and did not result in a surviving balance in a credit position. The nature of the retirement transactions as indicated in response to part (b) of this request and as provided in response to the undertaking at pages 1585 of the transcript, are consistent with normal causes of retirement and are of a type that could reasonably be expected to re-occur in the future.

MANITOBA HYDRO

2012/13 & 2013/14 ELECTRIC GENERAL RATE APPLICATION

MANITOBA INDUSTRIAL POWER USERS GROUP ("MIPUG") PRE-ASK QUESTIONS OF MANITOBA HYDRO

MIPUG/MH/PRE-ASK-10

Question: **IFF-12 – major projects**

a) Please provide all calculations used to estimate the depreciation impacts of Bipole III, Keeyask and Conawapa in IFF-12, by year, including the gross plant balance (by account class if needed) and the rates assumed to apply. Please provide all supporting data on the derivation of the rates applied; and

b) Please provide the account class breakdowns for the estimated capital costs of each of these major projects. If not available, please explain why account class breakdowns are not available and describe the method used to perform the depreciation calculations as well as the assumptions which were used.

Response:

The following response applies to parts a) and b) of the question:

The attached schedules show the calculation used to estimate the depreciation impacts of Bipole III, Keeyask and Conawapa in IFF-12, by year, including the gross plant balance by account class and the rates assumed to apply for forecast purposes.

For depreciation forecast purposes, Manitoba Hydro uses a composite depreciation rate in the following circumstances:

- To estimate the depreciation associated with costs which are common to multiple components of the project, such as project management. These costs will be allocated to the relevant specific components on project in-service.
- To estimate the depreciation associated with projects where componentization has not yet been applied to the project plan – typically for projects with in-service dates beyond the first few years of the forecast.

The IFF12 depreciation forecast was determined by applying the depreciation rates provided in Appendix 5.7 – Electric Depreciation Rates. Calculations for the 2013 and 2014 fiscal years use the depreciation rates provided in Schedule 1 to the letter from Gannett Fleming letter dated January 13, 2012 (pages 1 – 8). Calculations for the 2015 - 2032 fiscal years use the depreciation rates provided in, or derived from the rates in Schedule 1 to the 2010 Depreciation Study (pages III-4 to III-11).

The following composite depreciation rates were used in IFF12 for the calculation of depreciation expense for Bipole III, Keeyask and Conawapa:

HGEN-NEW New Hydraulic Generation Station – Composite: uses a composite depreciation rate derived by applying the Wuskwatim depreciation rates to the consolidated surviving original cost for the existing hydraulic generating station asset accounts, as shown on pages III-4 – III-8 of the 2010 Depreciation Study.

		Surviving Original Cost *	Total Depreciation @ Wuskwatim Rates	
Acct	**Depreciable Group**	**at 03/31/2010**	**Expense**	**Rate (%)**
11xxA	DAMS, DYKES AND WEIRS	302,176,910	2,417,415	0.80
11xxB	POWERHOUSE	981,228,410	7,849,827	0.80
11xxC	POWERHOUSE RENOVATIONS	-	-	4.00
11xxD	SPILLWAY	314,201,886	4,189,358	1.33
11xxE	WATER CONTROL SYSTEMS	281,157,726	5,623,155	2.00
11xxF	ROADS AND SITE IMPROVEMENTS	57,586,303	1,151,726	2.00
11xxG	TURBINES AND GENERATORS	1,038,058,205	15,970,126	1.54
11xxH	GOVERNORS AND EXCITATION SYSTEM	21,666,854	433,337	2.00
11xxP	A/C ELECTRICAL POWER SYSTEMS	266,199,398	5,323,988	2.00
11xxQ	INSTRUMENTATION, CONTROL AND D/C SYSTEMS	66,236,674	2,879,855	4.35
11xxR	AUXILIARY STATION PROCESSES	112,728,332	2,818,208	2.50
11xxX	SUPPORT BUILDINGS	40,549,317	623,836	1.54
11xxW	SUPPORT BUILDING RENOVATIONS	-	-	5.00
	HYDRAULIC - COMPOSITE FOR NEW GENERATION	**3,481,790,015**	**49,280,832**	**1.42**

* Surviving Original Cost: Total by component for all existing Hydraulic Generating Stations - excludes Lake Winnipeg Regulation, Churchill River Diversion & Infrastructure assets.

TRNS Transmission – Composite: uses the composite depreciation rate shown for the "Total Transmission" line on page III-10 of the 2010 Depreciation Study.

SSTN-AC AC Substation – Composite: uses a composite depreciation rate derived from the Substation asset accounts shown on page III-10 of the 2010 Depreciation Study by excluding the accounts relevant only to HVDC substation equipment as follows:

Acct	Depreciable Group	Surviving Original Cost at 03/31/2010	Total Depreciation Expense	Total Depreciation Rate (%)
3000B	BUILDINGS	109,491,690	1,604,410	1.47
3000C	BUILDING RENOVATIONS	32,047	1,448	4.52
3000F	ROADS, STEEL STRUCTURES AND CIVIL SITE WORK	109,211,425	2,123,078	1.94
3000J	POLES AND FIXTURES	7,810,315	207,500	2.66
3100R	POWER TRANSFORMERS	287,449,387	6,544,163	2.28
3100S	OTHER TRANSFORMERS	72,153,356	2,099,534	2.91
3100T	INTERRUPTING EQUIPMENT	156,214,257	3,608,467	2.31
3100U	OTHER STATION EQUIPMENT	503,404,372	12,360,023	2.46
3100V	ELECTRONIC EQUIPMENT AND BATTERIES	151,238,104	6,799,907	4.50
	TOTAL AC SUBSTATIONS	**1,397,004,953**	**35,348,530**	**2.53**

SSTN-HVDC HVDC Substation – Composite: uses a composite depreciation rate derived from the Substation asset accounts shown on page III-10 of the 2010 Depreciation Study by including only the accounts relevant HVDC substation equipment as follows:

Acct	Depreciable Group	Surviving Original Cost at 03/31/2010	Total Depreciation Expense	Total Depreciation Rate (%)
3200M	SYNCHRONOUS CONDENSERS AND TRANSFORMERS - HVDC	111,737,981	1,834,760	1.64
3200N	SYNCHRONOUS CONDENSER OVERHAULS - HVDC	11,320,594	868,792	7.67
3200P	CONVERTOR EQUIPMENT - HVDC	214,981,687	6,667,909	3.10
3200S	SERIALIZED EQUIPMENT - HVDC	646,219,985	22,663,105	3.51
3200U	ACCESSORY STATION EQUIPMENT - HVDC	55,177,090	1,292,538	2.34
3200V	ELECTRONIC EQUIPMENT AND BATTERIES - HVDC	10,401,883	403,780	3.88
	TOTAL HVDC EQUIPMENT	**1,049,839,220**	**33,730,884**	**3.21**

DIST Distribution – Composite: uses the composite depreciation rate shown for the “Total Distribution” line on page III-10 of the 2010 Depreciation Study.

COMM Communication – Composite: uses the composite depreciation rate shown for the “Total Communication” line on page III-11 of the 2010 Depreciation Study.

($ Million's)

Asset Account	Description	Depreciation Rate - CGAAP 2013-2014	Depreciation Rate - IFRS 2015-2032		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Bipole III - Transmission Line														
Transmission														
2000F	Roads, Trails & Bridges		2.63%	Depreciation Expense	-	-	-	-	-	0.2	0.5	0.5	0.5	0.5
				Amount Placed In-Service	-	-	-	-	-	18.3	-	-	-	-
				Gross Plant Balance	-	-	-	-	-	18.3	18.3	18.3	18.3	18.3
2000G	Metal Towers		1.19%	Depreciation Expense	-	-	-	-	-	3.5	8.5	8.5	8.5	8.5
				Amount Placed In-Service	-	-	-	-	-	713.5	-	-	-	-
				Gross Plant Balance	-	-	-	-	-	713.5	713.5	713.5	713.5	713.5
2000L	Overhead Conductor & Devices		1.38%	Depreciation Expense	-	-	-	-	-	1.5	3.6	3.6	3.6	3.6
				Amount Placed In-Service	-	-	-	-	-	262.7	-	-	-	-
				Gross Plant Balance	-	-	-	-	-	262.7	262.7	262.7	262.7	262.7
TRNS	Transmission - Composite Project costs applicable to multiple components		1.38%	Depreciation Expense	-	-	-	-	-	1.0	2.4	2.4	2.4	2.4
				Amount Placed In-Service	-	-	-	-	-	173.7	-	-	-	-
				Gross Plant Balance	-	-	-	-	-	173.7	173.7	173.7	173.7	173.7
Communication														
5000B	Buildings		1.69%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	-	-	1.9	-	-	-	-
				Gross Plant Balance	-	-	-	-	-	1.9	1.9	1.9	1.9	1.9
5000H	Fibre Optic & Metallic Cable		3.95%	Depreciation Expense	-	-	-	-	-	0.4	0.8	0.8	0.8	0.8
				Amount Placed In-Service	-	-	-	-	-	21.5	-	-	-	-
				Gross Plant Balance	-	-	-	-	-	21.5	21.5	21.5	21.5	21.5
5000J	Carrier Equipment		8.85%	Depreciation Expense	-	-	-	-	-	0.2	0.4	0.4	0.4	0.4
				Amount Placed In-Service	-	-	-	-	-	4.5	-	-	-	-
				Gross Plant Balance	-	-	-	-	-	4.5	4.5	4.5	4.5	4.5
Motor Vehicles														
6000F	Light Trucks	7.85%	8.79%	Depreciation Expense	-	-	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
				Amount Placed In-Service	-	3.1	-	-	-	-	-	-	-	-
				Amount Retired	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	-	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1
6000I	Large Soft Track Equipment	4.28%	4.97%	Depreciation Expense	-	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
				Amount Placed In-Service	1.3	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3

($ Million's)

Asset Account	Description	Depreciation Rate - CGAAP 2013-2014	Depreciation Rate - IFRS 2015-2032		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Bipole III - Transmission Line														
Transmission														
2000F	Roads, Trails & Bridges		2.63%	Depreciation Expense	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	18.3	18.3	18.3	18.3	18.3	18.3	18.3	18.3	18.3	18.3
2000G	Metal Towers		1.19%	Depreciation Expense	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	713.5	713.5	713.5	713.5	713.5	713.5	713.5	713.5	713.5	713.5
2000L	Overhead Conductor & Devices		1.38%	Depreciation Expense	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	262.7	262.7	262.7	262.7	262.7	262.7	262.7	262.7	262.7	262.7
TRNS	Transmission - Composite		1.38%	Depreciation Expense	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
	Project costs applicable to multiple components			Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	173.7	173.7	173.7	173.7	173.7	173.7	173.7	173.7	173.7	173.7
Communication														
5000B	Buildings		1.69%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
5000H	Fibre Optic & Metallic Cable		3.95%	Depreciation Expense	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5
5000J	Carrier Equipment		8.85%	Depreciation Expense	0.4	0.4	0.4	0.4	0.4	0.4	0.3	-	-	-
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Motor Vehicles														
6000F	Light Trucks	7.85%	8.79%	Depreciation Expense	0.3	0.3	0.3	0.1	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Amount Retired	-	-	-	(3.1)	-	-	-	-	-	-
				Gross Plant Balance	3.1	3.1	3.1	-	-	-	-	-	-	-
6000I	Large Soft Track Equipment	4.28%	4.97%	Depreciation Expense	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3

($ Million's)

Asset Account	Description	Depreciation Rate - CGAAP 2013-2014	Depreciation Rate - IFRS 2015-2032		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Bipole III - Transmission Line														
6000K	Miscellaneous Vehicles	5.93%	6.99%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	0.1	-	-	-	-	-	-	-	-
				Amount Retired	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	-	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Easements														
A100A	Easements	1.28%	1.49%	Depreciation Expense	-	0.5	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
				Amount Placed In-Service	-	59.3	-	-	-	-	-	-	-	-
				Gross Plant Balance	-	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3
Total - Bipole III - Transmission Line														
				Depreciation Expense	-	0.6	1.3	1.3	1.3	8.1	17.5	17.5	17.5	17.5
				Amount Placed In-Service	1.3	62.5	-	-	-	1,196.1	-	-	-	-
				Amount Retired	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	1.3	63.8	63.8	63.8	63.8	1,259.9	1,259.9	1,259.9	1,259.9	1,259.9

($ Million's)

Asset Account	Description	Depreciation Rate - CGAAP 2013-2014	Depreciation Rate - IFRS 2015-2032		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Bipole III - Transmission Line														
6000K	Miscellaneous Vehicles	5.93%	6.99%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Amount Retired	-	-	-	-	-	(0.1)	-	-	-	-
				Gross Plant Balance	0.1	0.1	0.1	0.1	0.1	-	-	-	-	-
Easements														
A100A	Easements	1.28%	1.49%	Depreciation Expense	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3
Total - Bipole III - Transmission Line														
				Depreciation Expense	17.5	17.5	17.5	17.3	17.2	17.2	17.1	16.8	16.8	16.8
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Amount Retired	-	-	-	(3.1)	-	(0.1)	-	-	-	-
				Gross Plant Balance	1,259.9	1,259.9	1,259.9	1,256.8	1,256.8	1,256.7	1,256.7	1,256.7	1,256.7	1,256.7

($ Million's)

Asset Account	Description	Depreciation Rate - CGAAP 2013-2014	Depreciation Rate - IFRS 2015-2032		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Bipole III - Converter Stations														
Land														
LAND	Land	0.00%	0.00%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	0.2	0.2	-	-	-	0.3	-	-	-	-
				Gross Plant Balance	17.9	18.1	18.1	18.1	18.1	18.4	18.4	18.4	18.4	18.4
Sub-Stations														
3000B	Buildings		1.47%	Depreciation Expense	-	-	-	-	-	0.1	0.1	0.1	0.1	0.1
				Amount Placed In-Service	-	-	-	-	-	9.7	-	-	-	-
				Gross Plant Balance	-	-	-	-	-	9.7	9.7	9.7	9.7	9.7
3000F	Roads, Steel Structure & Civil Site Work		1.94%	Depreciation Expense	-	-	-	0.1	0.3	0.8	1.5	1.5	1.5	1.5
				Amount Placed In-Service	-	-	-	11.7	1.8	65.7	-	-	-	-
				Gross Plant Balance	-	-	-	11.7	13.5	79.2	79.2	79.2	79.2	79.2
3100R	Power Transformers		2.28%	Depreciation Expense	-	-	-	0.1	0.1	0.1	0.1	0.1	0.1	0.1
				Amount Placed In-Service	-	-	-	4.3	-	-	-	-	-	-
				Gross Plant Balance	-	-	-	4.3	4.3	4.3	4.3	4.3	4.3	4.3
3100S	Other Transformers		2.91%	Depreciation Expense	-	-	-	-	0.1	0.1	0.1	0.1	0.1	0.1
				Amount Placed In-Service	-	-	-	2.5	-	0.7	-	-	-	-
				Gross Plant Balance	-	-	-	2.5	2.5	3.2	3.2	3.2	3.2	3.2
3100T	Interrupting Equipment		2.31%	Depreciation Expense	-	-	-	-	-	0.1	0.1	0.1	0.1	0.1
				Amount Placed In-Service	-	-	-	1.5	-	1.5	-	-	-	-
				Gross Plant Balance	-	-	-	1.5	1.5	3.0	3.0	3.0	3.0	3.0
3100U	Other Station Equipment		2.46%	Depreciation Expense	-	-	-	-	0.1	0.1	0.2	0.2	0.2	0.2
				Amount Placed In-Service	-	-	-	3.3	-	2.8	-	-	-	-
				Gross Plant Balance	-	-	-	3.3	3.3	6.1	6.1	6.1	6.1	6.1
3100V	Electronic Equipment & Batteries		4.50%	Depreciation Expense	-	-	-	0.9	2.2	2.4	2.4	2.4	2.4	2.4
				Amount Placed In-Service	-	-	-	43.9	8.5	0.6	-	-	-	-
				Gross Plant Balance	-	-	-	43.9	52.4	53.0	53.0	53.0	53.0	53.0
SSTN-AC	AC Substation - Composite Project costs applicable to multiple components: Riel Site Development & expansion of 230kV yard		2.53%	Depreciation Expense	-	-	-	0.4	1.0	1.2	1.5	1.5	1.5	1.5
				Amount Placed In-Service	-	-	-	39.8	1.8	18.3	-	-	-	-
				Gross Plant Balance	-	-	-	39.8	41.6	59.9	59.9	59.9	59.9	59.9
SSTN-AC	AC Substation - Composite High level componentization: Keewatinoow & Riel converter stations		2.53%	Depreciation Expense	-	-	-	-	-	16.6	40.2	40.2	40.2	40.2
				Amount Placed In-Service	-	-	-	-	-	1,588.5	-	-	-	-
				Gross Plant Balance	-	-	-	-	-	1,588.5	1,588.5	1,588.5	1,588.5	1,588.5

($ Million's)

Asset Account	Description	Depreciation Rate - CGAAP 2013-2014	Depreciation Rate - IFRS 2015-2032		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Bipole III - Converter Stations														
Land														
LAND	Land	0.00%	0.00%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4
Sub-Stations														
3000B	Buildings		1.47%	Depreciation Expense	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7
3000F	Roads, Steel Structure & Civil Site Work		1.94%	Depreciation Expense	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	79.2	79.2	79.2	79.2	79.2	79.2	79.2	79.2	79.2	79.2
3100R	Power Transformers		2.28%	Depreciation Expense	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3
3100S	Other Transformers		2.91%	Depreciation Expense	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
3100T	Interrupting Equipment		2.31%	Depreciation Expense	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
3100U	Other Station Equipment		2.46%	Depreciation Expense	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1
3100V	Electronic Equipment & Batteries		4.50%	Depreciation Expense	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	53.0	53.0	53.0	53.0	53.0	53.0	53.0	53.0	53.0	53.0
SSTN-AC	AC Substation - Composite Project costs applicable to multiple components: Riel Site Development & expansion of 230kV yard		2.53%	Depreciation Expense	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	59.9	59.9	59.9	59.9	59.9	59.9	59.9	59.9	59.9	59.9
SSTN-AC	AC Substation - Composite High level componentization: Keewatinoow & Riel converter stations		2.53%	Depreciation Expense	40.2	40.2	40.2	40.2	40.2	40.2	40.2	40.2	40.2	40.2
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	1,588.5	1,588.5	1,588.5	1,588.5	1,588.5	1,588.5	1,588.5	1,588.5	1,588.5	1,588.5

($ Million's)

Asset Account	Description	Depreciation Rate - CGAAP 2013-2014	Depreciation Rate - IFRS 2015-2032		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Bipole III - Converter Stations														
Distribution														
4000J	Poles & Fixtures		1.41%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	0.3	-	-	-	-	-	-
				Gross Plant Balance	-	-	-	0.3	0.3	0.3	0.3	0.3	0.3	0.3
4000L	Overhead Conductor & Devices		1.54%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	0.5	-	-	-	-	-	-
				Gross Plant Balance	-	-	-	0.5	0.5	0.5	0.5	0.5	0.5	0.5
4000N	Underground Cable & Devices - Primary		1.69%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	0.2	-	-	-	-	-	-
				Gross Plant Balance	-	-	-	0.2	0.2	0.2	0.2	0.2	0.2	0.2
4000Q	Serialized Equipment - Overhead		2.49%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	0.1	-	-	-	-	-	-
				Gross Plant Balance	-	-	-	0.1	0.1	0.1	0.1	0.1	0.1	0.1
DIST	Distribution - Composite Project costs applicable to multiple components		2.00%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	0.1	-	-	-	-	-	-
				Gross Plant Balance	-	-	-	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Communication														
W50H	Fibre Optic & Metallic Cable		3.95%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	0.3	-	-	-	-	-	-
				Amount Retired										
				Gross Plant Balance	-	-	-	0.3	0.3	0.3	0.3	0.3	0.3	0.3
W50J	Carrier Equipment		8.85%	Depreciation Expense	-	-	-	-	0.1	0.1	0.1	0.1	0.1	0.1
				Amount Placed In-Service	-	-	-	0.8	-	-	-	-	-	-
				Amount Retired										
				Gross Plant Balance	-	-	-	0.8	0.8	0.8	0.8	0.8	0.8	0.8
W50M	Mobile Radio, Telephone & Video Conferencing		8.19%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	0.2	-	-	-	-	-	-
				Amount Retired										
				Gross Plant Balance	-	-	-	0.2	0.2	0.2	0.2	0.2	0.2	0.2
W50N	Network		13.19%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	0.1	-	-	-	-	-	-
				Amount Retired										
				Gross Plant Balance	-	-	-	0.1	0.1	0.1	0.1	0.1	0.1	0.1

($ Million's)

Asset Account	Description	Depreciation Rate - CGAAP 2013-2014	Depreciation Rate - IFRS 2015-2032		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Bipole III - Converter Stations														
Distribution														
4000J	Poles & Fixtures		1.41%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
4000L	Overhead Conductor & Devices		1.54%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
4000N	Underground Cable & Devices - Primary		1.69%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
4000Q	Serialized Equipment - Overhead		2.49%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
DIST	Distribution - Composite Project costs applicable to multiple components		2.00%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Communication														
W50H	Fibre Optic & Metallic Cable		3.95%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Amount Retired										
				Gross Plant Balance	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
W50J	Carrier Equipment		8.85%	Depreciation Expense	0.1	0.1	0.1	0.1	0.1	-	-	-	-	-
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Amount Retired					(0.8)					
				Gross Plant Balance	0.8	0.8	0.8	0.8	-	-	-	-	-	-
W50M	Mobile Radio, Telephone & Video Conferencing		8.19%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Amount Retired						(0.2)				
				Gross Plant Balance	0.2	0.2	0.2	0.2	0.2	-	-	-	-	-
W50N	Network		13.19%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Amount Retired		(0.1)								
				Gross Plant Balance	0.1	-	-	-	-	-	-	-	-	-

($ Million's)

Asset Account	Description	Depreciation Rate - CGAAP 2013-2014	Depreciation Rate - IFRS 2015-2032		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Bipole III - Converter Stations														
COMM	Communication - Composite Project costs applicable to multiple components		6.49%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	0.3	-	-	-	-	-	-
				Amount Retired										
				Gross Plant Balance	-	-	-	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Easements														
A100A	Easements	1.28%	1.49%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Total - Bipole III - Converter Stations														
				Depreciation Expense	-	-	-	1.5	3.9	21.6	46.3	46.3	46.3	46.3
				Amount Placed In-Service	0.2	0.2	-	109.9	12.1	1,688.1	-	-	-	-
				Amount Retired	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	18.2	18.4	18.4	128.3	140.4	1,828.5	1,828.5	1,828.5	1,828.5	1,828.5

($ Million's)

Asset Account	Description	Depreciation Rate - CGAAP 2013-2014	Depreciation Rate - IFRS 2015-2032		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Bipole III - Converter Stations														
COMM	Communication - Composite Project costs applicable to multiple components		6.49%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Amount Retired									(0.3)	
				Gross Plant Balance	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	-	-
Easements														
A100A	Easements	1.28%	1.49%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Total - Bipole III - Converter Stations														
				Depreciation Expense	46.3	46.3	46.3	46.3	46.3	46.2	46.2	46.2	46.2	46.2
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Amount Retired	-	(0.1)	-	-	(0.8)	(0.2)	-	-	(0.3)	-
				Gross Plant Balance	1,828.5	1,828.4	1,828.4	1,828.4	1,827.6	1,827.4	1,827.4	1,827.4	1,827.1	1,827.1

($ Million's)

Asset Account	Description	Depreciation Rate - CGAAP 2013-2014	Depreciation Rate - IFRS 2015-2032		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Bipole III - Collector Lines														
Land														
LAND	LAND	0.00%	0.00%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	2.3	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Transmission														
2000F	Roads, Trails & Bridges		2.63%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	-	-	1.7	-	-	-	-
				Gross Plant Balance	-	-	-	-	-	1.7	1.7	1.7	1.7	1.7
2000G	Metal Towers		1.19%	Depreciation Expense	-	-	-	-	-	0.5	0.9	0.9	0.9	0.9
				Amount Placed In-Service	-	-	-	-	-	75.0	-	-	-	-
				Gross Plant Balance	-	-	-	-	-	75.0	75.0	75.0	75.0	75.0
2000L	Overhead Conductor & Devices		1.38%	Depreciation Expense	-	-	-	-	-	0.1	0.3	0.3	0.3	0.3
				Amount Placed In-Service	-	-	-	-	-	24.1	-	-	-	-
				Gross Plant Balance	-	-	-	-	-	24.1	24.1	24.1	24.1	24.1
TRNS	Transmission - Composite Includes project costs common to multiple components		1.38%	Depreciation Expense	-	-	-	-	-	0.2	0.5	0.5	0.5	0.5
				Amount Placed In-Service	-	-	-	-	-	35.2	-	-	-	-
				Gross Plant Balance	-	-	-	-	-	35.2	35.2	35.2	35.2	35.2
Substations														
3000B	Buildings		1.47%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	-	-	0.4	-	-	-	-
				Gross Plant Balance	-	-	-	-	-	0.4	0.4	0.4	0.4	0.4
3000F	Roads, Steel Structure & Civil Site Work		1.94%	Depreciation Expense	-	-	-	-	-	-	0.1	0.1	0.1	0.1
				Amount Placed In-Service	-	-	-	-	0.3	5.1	-	-	-	-
				Gross Plant Balance	-	-	-	-	0.3	5.4	5.4	5.4	5.4	5.4
3000J	Poles & Fixtures		2.66%	Depreciation Expense	-	-	-	-	-	0.1	0.2	0.2	0.2	0.2
				Amount Placed In-Service	-	-	-	-	-	6.4	-	-	-	-
				Gross Plant Balance	-	-	-	-	-	6.4	6.4	6.4	6.4	6.4
3100R	Power Transformers		2.28%	Depreciation Expense	-	-	-	-	-	-	0.1	0.1	0.1	0.1
				Amount Placed In-Service	-	-	-	-	-	3.7	-	-	-	-
				Gross Plant Balance	-	-	-	-	-	3.7	3.7	3.7	3.7	3.7
3100S	Other Transformers		2.91%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	-	-	0.8	-	-	-	-
				Gross Plant Balance	-	-	-	-	-	0.8	0.8	0.8	0.8	0.8

($ Million's)

Asset Account	Description	Depreciation Rate - CGAAP 2013-2014	Depreciation Rate - IFRS 2015-2032		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Bipole III - Collector Lines														
Land														
LAND	LAND	0.00%	0.00%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Transmission														
2000F	Roads, Trails & Bridges		2.63%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
2000G	Metal Towers		1.19%	Depreciation Expense	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0
2000L	Overhead Conductor & Devices		1.38%	Depreciation Expense	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1
TRNS	Transmission - Composite Includes project costs common to multiple components		1.38%	Depreciation Expense	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	35.2	35.2	35.2	35.2	35.2	35.2	35.2	35.2	35.2	35.2
Substations														
3000B	Buildings		1.47%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
3000F	Roads, Steel Structure & Civil Site Work		1.94%	Depreciation Expense	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4
3000J	Poles & Fixtures		2.66%	Depreciation Expense	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.4
3100R	Power Transformers		2.28%	Depreciation Expense	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7
3100S	Other Transformers		2.91%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8

($ Million's)

Asset Account	Description	Depreciation Rate - CGAAP 2013-2014	Depreciation Rate - IFRS 2015-2032		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Bipole III - Collector Lines														
3100T	Interrupting Equipment		2.31%	Depreciation Expense	-	-	-	-	-	0.1	0.1	0.1	0.1	0.1
				Amount Placed In-Service	-	-	-	-	1.8	2.6	-	-	-	-
				Gross Plant Balance	-	-	-	-	1.8	4.4	4.4	4.4	4.4	4.4
3100U	Other Station Equipment		2.46%	Depreciation Expense	-	-	-	-	-	-	0.1	0.1	0.1	0.1
				Amount Placed In-Service	-	-	-	-	-	2.7	-	-	-	-
				Gross Plant Balance	-	-	-	-	-	2.7	2.7	2.7	2.7	2.7
3100V	Electronic Equipment & Batteries		4.50%	Depreciation Expense	-	-	-	-	0.1	0.1	0.2	0.2	0.2	0.2
				Amount Placed In-Service	-	-	-	-	1.1	3.7	-	-	-	-
				Gross Plant Balance	-	-	-	-	1.1	4.8	4.8	4.8	4.8	4.8
3200U	HVDC Accessory Stn Equipment		2.34%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	-	-	2.2	-	-	-	-
				Gross Plant Balance	-	-	-	-	-	2.2	2.2	2.2	2.2	2.2
SSTN-AC	AC Substation - Composite		2.53%	Depreciation Expense	-	-	-	-	-	0.3	0.5	0.5	0.5	0.5
				Amount Placed In-Service	-	-	-	-	2.6	16.0	-	-	-	-
				Gross Plant Balance	-	-	-	-	2.6	18.6	18.6	18.6	18.6	18.6
Distribution														
4100Q	Serialized Equipment - Overhead		2.49%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	-	-	1.1	-	-	-	-
				Gross Plant Balance	-	-	-	-	-	1.1	1.1	1.1	1.1	1.1
Communication														
5000H	Fibre Optic & Metallic Cable		3.95%	Depreciation Expense	-	-	-	-	-	-	0.1	0.1	0.1	0.1
				Amount Placed In-Service	-	-	-	-	-	1.2	-	-	-	-
				Gross Plant Balance	-	-	-	-	-	1.2	1.2	1.2	1.2	1.2
5000J	Carrier Equipment		8.85%	Depreciation Expense	-	-	-	-	-	-	0.1	0.1	0.1	0.1
				Amount Placed In-Service	-	-	-	-	-	0.8	-	-	-	-
				Amount Retired										
				Gross Plant Balance	-	-	-	-	-	0.8	0.8	0.8	0.8	0.8
5000N	Operational Data Network		13.19%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	-	0.1	-	-	-	-	-
				Amount Retired										
				Gross Plant Balance	-	-	-	-	0.1	0.1	0.1	0.1	0.1	0.1
Easements														
A100A	Easements	1.28%	1.49%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	0.4	-	0.1	-	-	-	-	-	-	-
				Gross Plant Balance	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5

($ Million's)

Asset Account	Description	Depreciation Rate - CGAAP 2013-2014	Depreciation Rate - IFRS 2015-2032		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Bipole III - Collector Lines														
3100T	Interrupting Equipment		2.31%	Depreciation Expense	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4
3100U	Other Station Equipment		2.46%	Depreciation Expense	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7
3100V	Electronic Equipment & Batteries		4.50%	Depreciation Expense	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8
3200U	HVDC Accessory Stn Equipment		2.34%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
SSTN-AC	AC Substation - Composite		2.53%	Depreciation Expense	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	18.6	18.6	18.6	18.6	18.6	18.6	18.6	18.6	18.6	18.6
Distribution														
4100Q	Serialized Equipment - Overhead		2.49%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Communication														
5000H	Fibre Optic & Metallic Cable		3.95%	Depreciation Expense	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
5000J	Carrier Equipment		8.85%	Depreciation Expense	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-	-	-
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Amount Retired							(0.8)			
				Gross Plant Balance	0.8	0.8	0.8	0.8	0.8	0.8	-	-	-	-
5000N	Operational Data Network		13.19%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Amount Retired			(0.1)				-			
				Gross Plant Balance	0.1	0.1	-	-	-	-	-	-	-	-
Easements														
A100A	Easements	1.28%	1.49%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5

($ Million's)

Asset Account Description	Depreciation Rate - CGAAP 2013-2014	Depreciation Rate - IFRS 2015-2032		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Bipole III - Collector Lines													
Total - Bipole III - Collector Lines													
			Depreciation Expense	-	-	-	-	0.1	1.4	3.2	3.2	3.2	3.2
			Amount Placed In-Service	2.7	-	0.1	-	5.9	182.7	-	-	-	-
			Amount Retired	-	-	-	-	-	-	-	-	-	-
			Gross Plant Balance	2.7	2.7	2.8	2.8	8.7	191.4	191.4	191.4	191.4	191.4

($ Million's)

Asset Account Description	Depreciation Rate - CGAAP 2013-2014	Depreciation Rate - IFRS 2015-2032		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Bipole III - Collector Lines													
Total - Bipole III - Collector Lines													
			Depreciation Expense	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.1	3.1	3.1
			Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
			Amount Retired	-	-	(0.1)	-	-	-	(0.8)	-	-	-
			Gross Plant Balance	191.4	191.4	191.3	191.3	191.3	191.3	190.5	190.5	190.5	190.5

($ Million's)

Asset Account	Description	Depreciation Rate - CGAAP 2013-2014	Depreciation Rate - IFRS 2015-2032		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Keeyask														
Hydraulic Generation														
HGEN-NEW	New Hydraulic Generating Station - Composite		1.42%	Depreciation Expense	-	-	-	-	-	-	-	6.1	62.2	85.6
	High level componentization			Amount Placed In-Service	-	-	-	-	-	-	-	2,579.6	3,439.3	-
				Gross Plant Balance	-	-	-	-	-	-	-	2,579.6	6,018.9	6,018.9
1199F	Provincial Roads		2.10%	Depreciation Expense	-	-	-	-	-	-	-	-	0.4	0.5
				Amount Placed In-Service	-	-	-	-	-	-	-	10.7	14.3	-
				Gross Plant Balance	-	-	-	-	-	-	-	10.7	25.0	25.0
Transmission														
TRNS	Transmission Composite		1.38%	Depreciation Expense	-	-	-	-	-	-	-	0.1	1.0	1.3
	High level componentization			Amount Placed In-Service	-	-	-	-	-	-	-	41.6	55.4	-
				Gross Plant Balance	-	-	-	-	-	-	-	41.6	97.0	97.0
Substations														
SSTN-AC	AC Substation - Composite		2.53%	Depreciation Expense	-	-	-	-	-	-	-	0.1	0.8	1.1
	High level componentization			Amount Placed In-Service	-	-	-	-	-	-	-	19.4	25.8	-
				Gross Plant Balance	-	-	-	-	-	-	-	19.4	45.2	45.2
SSTN-HVDC	HVDC Substation - Composite		3.21%	Depreciation Expense	-	-	-	-	-	-	-	0.1	0.8	1.1
	High level componentization			Amount Placed In-Service	-	-	-	-	-	-	-	14.6	19.4	-
				Gross Plant Balance	-	-	-	-	-	-	-	14.6	34.0	34.0
Total - Keeyask														
				Depreciation Expense	-	-	-	-	-	-	-	6.4	65.2	89.6
				Amount Placed In-Service	-	-	-	-	-	-	-	2,665.9	3,554.2	-
				Gross Plant Balance	-	-	-	-	-	-	-	2,665.9	6,220.1	6,220.1

($ Million's)

Asset Account	Description	Depreciation Rate - CGAAP 2013-2014	Depreciation Rate - IFRS 2015-2032		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Keeyask														
Hydraulic Generation														
HGEN-NEW	New Hydraulic Generating Station - Composite		1.42%	Depreciation Expense	85.6	85.6	85.6	85.6	85.6	85.6	85.6	85.6	85.6	85.6
	High level componentization			Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	6,018.9	6,018.9	6,018.9	6,018.9	6,018.9	6,018.9	6,018.9	6,018.9	6,018.9	6,018.9
1199F	Provincial Roads		2.10%	Depreciation Expense	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
Transmission														
TRNS	Transmission Composite		1.38%	Depreciation Expense	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
	High level componentization			Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	97.0	97.0	97.0	97.0	97.0	97.0	97.0	97.0	97.0	97.0
Substations														
SSTN-AC	AC Substation - Composite		2.53%	Depreciation Expense	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
	High level componentization			Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	45.2	45.2	45.2	45.2	45.2	45.2	45.2	45.2	45.2	45.2
SSTN-HVDC	HVDC Substation - Composite		3.21%	Depreciation Expense	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
	High level componentization			Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0
Total - Keeyask														
				Depreciation Expense	89.6	89.6	89.6	89.6	89.6	89.6	89.6	89.6	89.6	89.6
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	6,220.1	6,220.1	6,220.1	6,220.1	6,220.1	6,220.1	6,220.1	6,220.1	6,220.1	6,220.1

($ Million's)

Asset Account	Description	Depreciation Rate - CGAAP 2013-2014	Depreciation Rate - IFRS 2015-2032		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Conawapa														
Hydraulic Generation														
HGEN-NEW	Hydraulic Generating Station Composite - New Generation		1.42%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	-	-	-	-	-	-	-	-	-	-
1199F	Provincial Roads		2.10%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	-	-	-	-	-	-	-	-	-	-
Transmission														
TRNS	Transmission Composite		1.38%	Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	-	-	-	-	-	-	-	-	-	-
Total - Conawapa														
				Depreciation Expense	-	-	-	-	-	-	-	-	-	-
				Amount Placed In-Service	-	-	-	-	-	-	-	-	-	-
				Gross Plant Balance	-	-	-	-	-	-	-	-	-	-

($ Million's)

Asset Account	Description	Depreciation Rate - CGAAP 2013-2014	Depreciation Rate - IFRS 2015-2032		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Conawapa														
Hydraulic Generation														
HGEN-NEW	Hydraulic Generating Station Composite - New Generation		1.42%	Depreciation Expense	-	-	-	31.1	96.8	142.2	143.4	143.4	143.4	143.4
				Amount Placed In-Service	-	-	-	5,050.8	4,040.7	1,010.1	-	-	-	-
				Gross Plant Balance	-	-	-	5,050.8	9,091.5	10,101.6	10,101.6	10,101.6	10,101.6	10,101.6
1199F	Provincial Roads		2.10%	Depreciation Expense	-	-	-	0.3	1.1	1.6	1.6	1.6	1.6	1.6
				Amount Placed In-Service	-	-	-	38.1	30.5	7.6	-	-	-	-
				Gross Plant Balance	-	-	-	38.1	68.6	76.2	76.2	76.2	76.2	76.2
Transmission														
TRNS	Transmission Composite		1.38%	Depreciation Expense	-	-	-	-	0.1	0.2	0.2	0.2	0.2	0.2
				Amount Placed In-Service	-	-	-	7.3	5.8	1.5	-	-	-	-
				Gross Plant Balance	-	-	-	7.3	13.1	14.6	14.6	14.6	14.6	14.6
Total - Conawapa														
				Depreciation Expense	-	-	-	31.4	98.0	144.0	145.2	145.2	145.2	145.2
				Amount Placed In-Service	-	-	-	5,096.2	4,077.0	1,019.2	-	-	-	-
				Gross Plant Balance	-	-	-	5,096.2	9,173.2	10,192.4	10,192.4	10,192.4	10,192.4	10,192.4

MANITOBA HYDRO

2012/13 & 2013/14 ELECTRIC GENERAL RATE APPLICATION

MANITOBA INDUSTRIAL POWER USERS GROUP ("MIPUG") PRE-ASK QUESTIONS OF MANITOBA HYDRO

MIPUG/MH/PRE-ASK-11

Question: Net Salvage

a) Please indicate if the Net Salvage component of Hydro's accumulated depreciation is separately identified in Hydro's internal accounts from the accumulated depreciation of assets. If so please provide the balance in the net salvage component by asset class account;
b) Please provide a summary of the charges related to Net Salvage charged to the accumulated depreciation account, by year, for the most recent years of actuals (3-5 years);
c) Please provide a copy of Hydro's current policy for charging amounts related to net salvage to the accumulated depreciation provision; and
d) Please identify how the value of such net salvage charges are determined, and what process is used for due diligence on the amounts proposed to be charged (as opposed to being added to property, plant and equipment).

Response:

a) & b) Although some of the charges pertaining to Net Salvage are specifically identified and tracked in Manitoba Hydro's records, the portion of the annual depreciation accrual pertaining to Net Salvage is not separately identifiable, and as such, it is not possible to provide a balance for the net salvage component by asset account.

The following table provides a summary of the net salvage transactions that are identified separately within Manitoba Hydro's accounting records for the 2008 – 2012 fiscal years:

($ millions)	**2008**	**2009**	**2010**	**2011**	**2012**
Cost of Removal	$ 11.7	$ 12.6	$ 13.5	$ 22.5	$ 14.7
Salvage Credits	(15.9)	(7.5)	(8.1)	(11.6)	(8.4)

c) Manitoba Hydro's accounting policy with respect to treatment of net salvage is described in Note 1 b) to the Consolidated Annual Financial Statements, (Appendix 5.8 – Manitoba Hydro-Electric Board Annual Report Year Ended March 31, 2012, page 63), as follows:

> "Provision for removal costs of major property, plant and equipment is charged to depreciation expense on a straight-line basis over the remaining service lives of the related assets. Retirements of these assets, including costs of removal, are charged to accumulated depreciation with no gains or losses reflected in operations."

d) Current Process: Actual annual charges for cost of removal and for salvage credits are recorded separately within each capital project, and flow to accumulated depreciation accounts when the project is placed in-service. Staff working on a capital project charge their time to different capital activities for addition vs. removal activities. Salvaged materials are tagged with the relevant capital work order, and are returned to Central Stores to determine whether the materials are reusable. Stores credits for salvaged materials and proceeds received for the sale of project specific salvaged materials are recorded in the capital project. These charges and credits are reviewed for accuracy and completeness by project administrative staff. Where materials returned to Central Stores are later determined not to be reusable, the items are sold as scrap, and the amount of the salvage credit previously awarded is adjusted in the accumulated depreciation accounts. The charges to the accumulated depreciation accounts are further reviewed for reasonability during financial accounting processes relating to general ledger account reconciliation and asset retirement processing.

Future Process: With the implementation of IFRS, cost of removal charges will no longer flow to accumulated depreciation. The costs will be categorized based on the nature of work performed in the source capital projects as pertaining to either the replacement or final removal of an existing asset. Cost of removal postings incurred in relation to the replacement of existing assets will be recorded as a cost of the replacement assets. Cost of removal postings pertaining to a final asset removal will be charged as a period cost, unless an asset retirement obligation has been established for that asset, in which case, the cost of removal serves to draw down that obligation.

As the majority of Manitoba Hydro's capital program involves the purchase and/or construction of new or replacement assets, it is expected that annual period charges for cost of removal will be relatively minor.

Salvage credits will continue to be flow to accumulated depreciation, where they will be factored into annual calculations to determine the amount of gain or loss to be recognized on the disposition of assets during the year.

MANITOBA HYDRO

2012/13 & 2013/14 ELECTRIC GENERAL RATE APPLICATION

MANITOBA INDUSTRIAL POWER USERS GROUP ("MIPUG") PRE-ASK QUESTIONS OF MANITOBA HYDRO

MIPUG/MH/PRE-ASK-12

Question:

Please update the table in Appendix 5.6 at page 7 to 2014/15.

Response:

The following table provides a summary of Manitoba Hydro's actual and forecast costs over a 6 year period.

MANITOBA HYDRO
OPERATING, MAINTENANCE AND ADMINISTRATIVE COSTS BY COST ELEMENT

(In thousands of $)	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Forecast	2013/14 Forecast	2014/15 Forecast	Average Annual % Inc/(Dec)
Wages, Salaries	$ 407,988	$ 425,158	$451 925	$476 570	$486 101	$ 495,823	4.0%
Overtime	50,307	50,704	54,987	56,005	57,126	58,268	3.0%
Employee Benefits	83,013	95,376	104,444	125,549	130,535	139,206	11.0%
Employee Safety & Training	4,284	3,863	3,909	4,914	5,013	5,113	4.2%
Travel	32,435	32,594	31,266	32,405	33,053	33,714	0.8%
Motor Vehicle	24,281	24,436	28,676	27,452	28,001	28,561	3.5%
Materials & Tools	26,897	28,105	26,663	27,173	27,716	28,271	1.1%
Consulting & Professional Fees	14,814	11,157	10,250	11,639	11,872	12,109	-3.1%
Construction & Maintenance Services	20,109	22,657	21,228	18,706	19,080	19,461	-0.3%
Building & Property Services	22,931	21,944	21,386	22,399	22,847	23,304	0.4%
Equipment Maintenance & Rentals	14,379	14,165	13,388	14,476	14,766	15,061	1.0%
Consumer Services	5,798	5,086	5,365	5,284	5,389	5,497	-0.9%
Collection Costs	4,599	4,497	4,034	4,347	4,434	4,523	-0.2%
Customer & Public Relations	8,155	7,905	8,093	6,849	6,986	7,126	-2.4%
Sponsored Memberships	1,325	1,917	1,608	1,081	1,103	1,125	-0.1%
Office & Administration	15,320	14,316	14,277	15,263	15,569	15,880	0.8%
Computer Services	983	1,003	861	909	927	946	-0.5%
Communication Systems	1,772	1,678	1,683	1,683	1,717	1,751	-0.2%
Research & Development Costs	3,952	3,651	2,796	3,509	3,579	3,651	-0.3%
Miscellaneous Expense	1,190	1,264	2,032	1,213	1,237	1,262	6.1%
Contingency Planning	-	-	-	(883)	(1,019)	1,783	
Operating Expense Recovery	(21,580)	(23,004)	(21,716)	(9,787)	(9,983)	(10,183)	-10.0%
Total Costs	722,951	748,471	787,155	846,758	866,049	892,253	4.3%
Capital Order Activities	(224,298)	(243,545)	(268,651)	(245,865)	(250,782)	(255,798)	2.9%
Capitalized Overhead	(60,151)	(47,336)	(53,084)	(78,284)	(81,021)	(84,535)	9.2%
Operating and Administration Charged to Centra	(60,951)	(60,644)	(62,117)	(67,300)	(68,800)	(70,176)	2.9%
Subsidiaries	2,146	6,121	7,414	6,491	6,946	7,388	
IFRS Changes					-	61,437	
Change in Wuskwatim	-	-	-	-	5,208	369	
OM&A Attributable to Electric Operations per Annual Report	**$ 379,697**	**$ 403,067**	**$ 410,717**	**$ 461,800**	**$ 477,600**	**$ 550,938**	
Less:							
Subsidiaries	2,146	6,121	7,414	6,491	6,946	7,388	
Accounting Changes	11,240	30,910	34,973	75,411	78,318	143,211	
Wuskwatim				5,589	10,797	11,166	
OM&A Attributable to Electric Operations after adjusting for subsidiaries, accounting changes and Wuskwatim	**$ 366,311**	**$ 366,036**	**$ 368,330**	**$ 374,309**	**$ 381,539**	**$ 389,173**	

MANITOBA HYDRO

2012/13 & 2013/14 ELECTRIC GENERAL RATE APPLICATION

CONSUMERS ASSOCIATION OF CANADA ("CAC") PRE-ASK QUESTIONS OF MANITOBA HYDRO

CAC/MH/PRE-ASK-2

Please confirm that the calculations comparing the result of IFF 12 and IFF 11-2 are accurate. If the calculations cannot be confirmed, please provide revised calculations.

				COMPARISON OF IFF RESULTS					
					($M)				
		IFF11-2					IFF12		
Ending March->	2012	2013	2014	Total		2012	2013	2014	Total
						(actual)			
Revenue									
Gen Cons	1186	1335	1400	3921		1191	1331	1409	3931
Exports	363	341	363	1067		363	357	344	1064
Other	7	16	16	39		6	14	15	35
Total	1556	1693	1778	5027		1560	1702	1768	5030
Expenses									
OM&A	398	447	532	1377		403	455	471	1329
Finance	385	440	452	1277		385	452	444	1281
Depr	353	401	354	1108		353	399	430	1182
Water Rentals	119	106	112	337		119	117	116	352
Fuel & PP	146	182	158	486		146	143	166	455
Taxes	82	87	92	261		83	88	96	267
Corp Alloc	9	9	8	26		9	9	9	27
Total	1492	1672	1709	4873		1498	1664	1732	4894
N-C Interest		-1	-1	-2			14	24	38
Net Income	64	20	68	152		62	53	60	175

Answer:

The attached schedule provides minor revisions due to rounding (in bold blue font).

COMPARISON OF RESULTS
($Millions)

For the year ended March 31	IFF11-2 2012	IFF11-2 2013	IFF11-2 2014	IFF11-2 Total	IFF12 2012 (actual)	IFF12 2013	IFF12 2014	IFF12 Total
REVENUES								
General Consumers	1,186	1,290	1,294	3,770	1,191	1,331	1,361	3,883
Additional General Consumers	0	45	106	151	0	0	48	48
Extraprovincial	363	341	363	1,067	363	357	344	**1,065**
Other	7	16	16	39	6	14	15	35
	1,556	1,693	1,778	5,027	1,560	1,702	1,768	5,030
EXPENSES								
Operating and Administrative	398	447	532	1,377	403	455	471	1,329
Finance Expense	385	440	452	1,277	385	452	444	**1,282**
Depreciation and Amortization	353	401	354	1,108	353	399	430	**1,183**
Water Rentals and Assessments	119	106	112	**338**	119	117	116	352
Fuel and Power Purchased	146	182	158	486	146	143	166	455
Capital and Other Taxes	82	87	92	261	83	88	96	**266**
Corporate Allocation	9	9	8	26	9	9	9	27
	1,492	1,672	1,709	4,873	1,498	1,664	1,732	4,894
Net Income before Non-Controlling Interest	64	21	69	154	61	39	36	136
Non-controlling Interest	-	(1)	(1)	(2)	-	14	24	**39**
Net Income	64	20	68	152	**61**	53	60	175

MANITOBA HYDRO

2012/13 & 2013/14 ELECTRIC GENERAL RATE APPLICATION

CONSUMERS ASSOCIATION OF CANADA ("CAC") PRE-ASK QUESTIONS OF MANITOBA HYDRO

CAC/MH/PRE-ASK-3

Please confirm the calculations presented in Pre-Ask 3 are accurate. If the calculations cannot be confirmed, please provide revised calculations.

MANITOBA HYDRO
MONTHLY RESIDENTIAL BILL
(Based on 800 kWh)

Date	Basic Charge	Energy Charge	Total Bill	Cum. Increase	Inflation Index
01-Apr-09	$ 6.85	$ 50.00	$ 56.85		
01-Apr-10	$ 6.85	$ 51.04	$ 57.89	102%	101%
01-Apr-11	$ 6.85	$ 52.96	$ 59.81	105%	104%
01-Apr-12	$ 6.85	$ 54.16	$ 61.01	107%	106%
01-Sep-12	$ 6.85	$ 55.52	$ 62.37	110%	-
01-Apr-13	$ 6.85	$ 57.62	$ 64.47	113%	107%

Sources: 2009-2012 Rates - CAC/MH I-80 a)
2013 Rates - Appendix 10.13
Inflation - September 1, 2012 Interim Rate Application, Attachment 4 - PUB/MH I-2 a)

	MANITOBA HYDRO				
	MONTHLY RESIDENTIAL BILL				
	(Based on 2000 kWh)				
	Basic	Energy	Total	Cum.	Inflation
Date	Charge	Charge	Bill	Increase	Index
01-Apr-09	$ 6.85	$125.55	$132.40		
01-Apr-10	$ 6.85	$129.69	$136.54	103%	101%
01-Apr-11	$ 6.85	$132.40	$139.25	105%	104%
01-Apr-12	$ 6.85	$135.40	$142.25	107%	106%
01-Sep-12	$ 6.85	$138.80	$145.65	110%	-
01-Apr-13	$ 6.85	$144.04	$150.89	114%	107%

Sources: 2009-2012 Rates - CAC/MH I-80 a)
2013 Rates - Appendix 10.13
Inflation - September 1, 2012 Interim Rate Application, Attachment 4 - PUB/MH I-2 a)

Response:

Manitoba Hydro confirms that the calculations are correct, with the exception of the Inflation Index for April 1, 2013, which should be 108% rather than 107%.

MANITOBA HYDRO

2012/13 & 2013/14 ELECTRIC GENERAL RATE APPLICATION

CONSUMERS ASSOCIATION OF CANADA ("CAC") PRE-ASK QUESTIONS OF MANITOBA HYDRO

CAC/MH/PRE-ASK-4

Please confirm the calculations presented in Pre-Ask 4 are accurate. If the calculations cannot be confirmed, please provide revised calculations.

OUTLOOK FOR MANTOBA HYDRO'S
RESIDENTIAL MONTHLY BILL
(800 kWh - 3.95% increases post 2013/14)

	Monthly Bill	Cumulative Increase: Bill	Cumulative Increase: Inflation
2013/14	$ 64.47	100%	100%
2020/21	$ 83.65	130%	114%

Sources: 2013 Rates - Appendix 10.13
2020/21 Rates - PUB/MH II-83 b) - adjusted to reflect 3.95% annual rate increases after 2013/14
Inflation - Septmber 2, 2012 Interim Rate Application, Att #4, page 9

OUTLOOK FOR MANTOBA HYDRO'S
RESIDENTIAL MONTHLY BILL
(2000 kWh - 3.95% increases post 2013/14)

	Monthly Bill	Cumulative Increase: Bill	Cumulative Increase: Inflation
2013/14	$150.89	100%	100%
2020/21	$198.85	132%	114%

Sources: 2013 Rates - Appendix 10.13
2020/21 Rates - PUB/MH II-83 b) - adjusted to reflect 3.95% annual rate increases after 2013/14
Inflation - Septmber 2, 2012 Interim Rate Application, Att #4, page 9

Response:

While the calculations provided in CAC/MH/PRE-ASK 4 appear to be reasonably accurate, Manitoba Hydro asserts that such calculations may be misleading. The projected rate increases in IFF12 are indicative only and are based on a number of assumptions which are subject to change. The IFF will be updated on an annual basis to reflect changes in assumptions. Manitoba Hydro's future rate applications will be based on the best information available at the date of filing. At this time, Manitoba Hydro is applying for a 3.5% rate increase to be effective April 1, 2013.

MANITOBA HYDRO

2012/13 & 2013/14 ELECTRIC GENERAL RATE APPLICATION

CONSUMERS ASSOCIATION OF CANADA ("CAC") PRE-ASK QUESTIONS OF MANITOBA HYDRO

CAC/MH/PRE-ASK-5

Please confirm the calculations presented in Pre-Ask 5 are accurate. If the calculations cannot be confirmed, please provide revised calculations.

COMPARISON OF EXPORT VOLUME AND PRICE FORECASTS

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Hydraulic Generation								
- Volumes (GWh)								
IFF09	33,124	30,525	30,067	30,789	30,989	30,913	30,929	31,078
IFF10-2		34,066	31,360	30,632	30,801	30,747	30,755	30,772
IFF11-2			33,158	29,268	30,744	30,712	30,693	30,699
IFF12				32,904	32,232	30,838	30,823	30,808
Actual	33,818	34,036	33,158					
US Exports								
- Volumes (GWh)								
IFF09	8,668	6,896	7,211	7,477	7,357	6,796	6,590	6,500
IFF10-2		10,417	8,747	7,085	8,859	6,579	6,302	6,002
IFF11-2			9,440	6,337	6,357	6,378	6,257	6,048
IFF12				8,890	8,183	6,521	6,263	6,063
Actual	10,487	9,439	9,358					
- Average Price $/MWh)								
IFF09	$ 35.75	$ 41.00	$ 64.80	$ 65.91	$ 70.60	$ 72.48	$ 90.54	$ 91.72
IFF10-2		$ 32.47	$ 41.62	$ 58.62	$ 61.87	$ 66.48	$ 81.75	$ 87.18
IFF11-2			$ 28.63	$ 34.89	$ 42.40	$ 50.17	$ 61.83	$ 68.70
IFF12				$ 30.83	$ 33.37	$ 42.05	$ 49.06	$ 53.27
Actual	$ 32.95	$ 33.71	$ 31.23					
Canadian Exports								
- Volumes (GWh)								
IFF09	481	426	630	673	663	633	591	582
IFF10-2		453	409	754	712	702	674	657
IFF11-2			804	915	589	577	603	595
IFF12				756	830	646	633	633
Actual	373	905	886					
- Average Price $/MWh)								
IFF09	$ 45.01	$ 41.38	$ 78.73	$ 77.94	$ 84.27	$ 89.79	$ 94.58	$ 99.16
IFF10-2		$ 35.13	$ 38.20	$ 58.90	$ 63.11	$ 69.44	$ 75.42	$ 79.11
IFF11-2			$37.34	$ 36.85	$ 43.66	$ 53.39	$ 62.03	$ 69.62
IFF12				$ 38.95	$ 28.32	$ 39.93	$ 45.49	$ 50.98
Actual	$ 33.99	$ 27.78	$ 29.65					
Source:	CAC/MH I-3							
	Exhibit 17							

COMPARISON OF DOMESTIC & EXPORT VOLUME AND PRICE FORECASTS

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Hydraulic Generation								
- Volumes (GWh)								
IFF09	33,124	30,525	30,067	30,789	30,989	30,913	30,929	31,078
IFF10-2		34,066	31,360	30,632	30,801	30,747	30,755	30,772
IFF11-2			33,158	29,268	30,744	30,712	30,693	30,699
IFF12				32,904	32,232	30,838	30,823	30,808
Actual	33,818	34,036	33,158					
US Exports								
- Volumes (GWh)								
IFF09	8,668	6,896	7,211	7,477	7,357	6,796	6,590	6,500
IFF10-2		10,417	8,747	7,085	8,859	6,579	6,302	6,002
IFF11-2			9,440	6,337	6,357	6,378	6,257	6,048
IFF12				8,890	8,183	6,521	6,263	6,063
Actual	10,487	9,439	9,358					
- Average Price $/MWh)								
IFF09	$ 35.75	$ 41.00	$ 64.80	$ 65.91	$ 70.60	$ 72.48	$ 90.54	$ 91.72
IFF10-2		$ 32.47	$ 41.62	$ 58.62	$ 61.87	$ 66.48	$ 81.75	$ 87.18
IFF11-2			$ 28.63	$ 34.89	$ 42.40	$ 50.17	$ 61.83	$ 68.70
IFF12				$ 30.83	$ 33.37	$ 42.05	$ 49.06	$ 53.27
Actual	$ 32.95	$ 33.71	$ 31.23					
Domestic Sales								
- Volumes (GWh)								
IFF09	23,968	24,346	24,728	25,075	25,413	26,030	26,439	26,790
IFF10-2		21,049	21,406	21,663	22,106	22,339	22,633	22,970
IFF11-2			21147	21,749	22,261	22,488	22,523	22,796
IFF12				21,748	22,330	22,547	22,781	22,987
Actual	20,486	20,786	20,770					
- Average Price $/MWh)								
IFF09	$ 48.40	$ 48.99	$ 50.39	$ 52.03	$ 53.69	$ 55.36	$ 57.13	$ 59.05
IFF10-2		$ 56.74	$ 59.06	$ 61.02	$ 62.85	$ 64.93	$ 67.07	$ 69.27
IFF11-2			$ 56.10	$ 61.41	$ 62.85	$ 65.04	$ 67.55	$ 69.95
IFF12				$ 60.74	$ 63.08	$ 65.55	$ 68.23	$ 70.99
Actual	$ 55.89	$ 57.75	$ 57.35					
Source:	CAC/MH I-3							
	Exhibit 17							

Response:

The schedule below is restated for corrections (in bold blue font).

COMPARISON OF DOMESTIC & EXPORT VOLUME AND PRICE FORECASTS

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Hydraulic Generation								
- Volumes (GW.h)								
IFF09	33,124	30,525	30,067	30,789	30,989	30,913	30,929	31,078
IFF10-2		34,066	31,360	30,632	30,801	30,747	30,755	30,772
IFF11-2			33,158	29,268	30,744	30,712	30,693	30,699
IFF12				32,904	32,232	30,838	30,823	30,808
Actual	33,818	34,036	33,158					
US Exports								
- Volumes (GW.h)								
IFF09	8,668	**6,696**	7,211	7,477	7,357	6,796	6,590	6,500
IFF10-2		10,417	8,747	7,085	**6,859**	6,579	6,302	6,002
IFF11-2			9,440	6,337	6,537	6,378	6,257	6,048
IFF12				**8,690**	8,183	6,521	6,263	6,063
Actual	10,487	9,439	9,358					
- Average Price ($/MW.h)								
IFF09	$35.75	$41.00	$64.80	$65.91	$70.60	$72.48	$90.54	$91.72
IFF10-2		$32.47	$41.62	$58.62	$61.87	$66.48	$81.75	$87.18
IFF11-2			$28.63	$34.89	$42.40	$50.17	$61.83	$68.70
IFF12				$30.83	$33.37	$42.05	$49.06	$53.27
Actual	$32.95	$33.71	$31.23					
Canadian Exports								
- Volumes (GW.h)								
IFF09	481	426	630	673	663	633	591	582
IFF10-2		453	409	754	712	702	674	657
IFF11-2			804	915	589	577	603	595
IFF12				756	830	646	633	633
Actual	373	905	886					
- Average Price ($/MW.h)								
IFF09	$45.01	$41.38	$78.73	$77.94	$84.27	$89.79	**$94.59**	$99.16
IFF10-2		$35.13	**$36.20**	$58.90	$63.11	$69.44	$75.42	$79.11
IFF11-2			$37.34	$36.85	$43.66	$53.39	$62.03	$69.62
IFF12				$38.95	$28.32	$39.93	$45.49	$50.98
Actual	$33.99	**$27.76**	$29.65					
Domestic Sales								
- Volumes (GW.h)								
IFF09	23,968	24,346	24,728	25,075	25,413	26,030	26,439	26,790
IFF10-2		21,049	21,406	21,663	22,106	22,339	22,633	22,970
IFF11-2			21,147	21,749	22,261	22,488	22,523	22,796
IFF12				21,748	22,330	22,547	22,781	22,987
Actual	20,486	20,786	20,770					
- Average Price ($/MW.h)								
IFF09	$48.40	$48.99	$50.39	$52.03	$53.69	$55.36	$57.13	$59.05
IFF10-2		$56.74	$59.06	$61.02	$62.85	$64.93	$67.07	$69.27
IFF11-2			$56.10	$61.41	$62.85	$65.04	$67.55	$69.95
IFF12				$60.74	$63.08	$65.55	$68.23	$70.99
Actual	$55.89	$57.75	$57.35					

MANITOBA HYDRO

2012/13 & 2013/14 ELECTRIC GENERAL RATE APPLICATION

CONSUMERS ASSOCIATION OF CANADA ("CAC") PRE-ASK QUESTIONS OF MANITOBA HYDRO

CAC/MH/PRE-ASK-6

Please confirm the calculations presented in Pre-Ask 6 are accurate. If the calculations cannot be confirmed, please provide revised calculations.

	TYPICAL RESIDENTIALELECTRICITY BILLS		
	LOW-COST NORTH AMERICAN CITIES		
	Usage Per Month (kWh)		
City	**625**	**1,000**	**2,000**
Winnipeg	$49.16	$74.55	$142.25
Montreal	$45.44	$67.58	$142.68
Vancouver	$49.43	$87.77	$194.77
Seattle	$45.00	$81.72	$179.60
Miami	$59.37	$91.48	$196.95
Houston	$71.42	$92.81	$176.15
Source:	Hydro Quebec - 2012 Comparison of Electricity Prices in Major North American Cities		
	All bills are excluding taxes and quoted in Canadian $		

Response:

Manitoba Hydro confirms that the figures shown above are correct as reported in the Hydro Quebec survey. Manitoba Hydro can confirm the figures for Winnipeg are accurate; however, it cannot confirm the calculations for the other cities, as Manitoba Hydro does not have access to the calculations obtained by Hydro Quebec in the preparation of the referenced report.

MANITOBA HYDRO

2012/13 & 2013/14 ELECTRIC GENERAL RATE APPLICATION

CONSUMERS ASSOCIATION OF CANADA ("CAC") PRE-ASK QUESTIONS OF MANITOBA HYDRO

CAC/MH/PRE-ASK-7

Please confirm the calculations presented in Pre-Ask 7 are accurate. If the calculations cannot be confirmed, please provide revised calculations.

OUTLOOK FOR MANTOBA HYDRO'S
RESIDENTIAL MONTHLY BILL
(800 kWh - 3.95% increases post 2013/14 per IFF12)

	Monthly	Cumulative Increase	
	Bill	Bill	Inflation
2013/14	$ 64.47	100%	100%
2030/31	$121.73	189%	137%

Sources: 2013 Rates - Appendix 10.13
2030/31 Rates - approximated re PUB/MH II-83 b) to reflect 3.95% annual rate increases after 2013/14
Inflation - Septmber 2, 2012 Interim Rate Application, Att #4, page 9

OUTLOOK FOR MANTOBA HYDRO'S
RESIDENTIAL MONTHLY BILL
(2000 kWh - 3.95% increases post 2013/14 per IFF12)

	Monthly	Cumulative Increase	
	Bill	Bill	Inflation
2013/14	$150.89	100%	100%
2030/31	$294.05	195%	137%

Sources: 2013 Rates - Appendix 10.13
2030/31 Rates - approximated re PUB/MH II-83 b) to reflect 3.95% annual rate increases after 2013/14
Inflation - Septmber 2, 2012 Interim Rate Application, Att #4, page 9

Response:

Please see Manitoba Hydro's response to CAC/MH/PRE-ASK-4.

MANITOBA HYDRO

2012/13 & 2013/14 ELECTRIC GENERAL RATE APPLICATION

CONSUMERS ASSOCIATION OF CANADA ("CAC") PRE-ASK QUESTIONS OF MANITOBA HYDRO

CAC/MH/PRE-ASK-8

Question:

Please confirm the calculations presented in Pre-Ask 8 are accurate. If the calculations cannot be confirmed, please provide revised calculations.

PROJECTED OPERATING STATEMENT - WUSKWATIM PARTNERSHIP

($ Millions)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenue													
- CEC Filing													
High Export Price	77	118	129	136	140	146	152	156	160	165	170	176	180
Low Export Price	58	84	86	89	91	93	95	97	100	102	105	108	110
- IFF11-2			1	57	57	69	90	99	108	117	124	125	133
- IFF12	-	-	-	26	43	52	72	81	87	99	108	103	112
Expenses													
- CEC Filing													
High Export Price	52	78	72	72	71	71	70	69	69	68	68	67	67
Low Export Price	53	79	73	73	72	72	71	71	70	70	69	69	68
- IFF11-2	-	-	5	99	110	113	115	114	113	112	110	109	108
- IFF12	-	-	-	69	118	117	120	120	119	118	116	116	115
Net Income													
- CEC Filing													
High Export Price	25	41	57	64	69	75	82	87	91	96	102	109	113
Low Export Price	5	6	13	16	18	21	24	27	30	33	36	39	42
- IFF11-2			-3	-42	-54	-44	-25	-15	-5	5	14	17	27
- IFF12				-43	-74	-65	-47	-38	-31	-19	-9	-12	-3

Sources: CEC Filing - CEC's Wuskwatim NFAAT Review - CAC/MSOS/NFAAT/S/11 a & b
IFF11-2 - PUB/MH I-134
IFF12 - Exhibit 34

RESPONSE:

Please see the attached revised table for the corrected IFF11-2 Expenses in 2022 (in bold blue font).

PROJECTED OPERATING STATEMENT - WUSKWATIM PARTNERSHIP
($Millions)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenue													
CEC Filing													
High Export Price	77	118	129	136	140	146	152	156	160	165	170	176	180
Low Export Price	58	84	86	89	91	93	95	97	100	102	105	108	110
IFF11-2			1	57	57	69	90	99	108	117	124	125	133
IFF12				26	43	52	72	81	87	99	108	103	112
Expenses													
CEC Filing													
High Export Price	52	78	72	72	71	71	70	69	69	68	68	67	67
Low Export Price	53	79	73	73	72	72	71	71	70	70	69	69	68
IFF11-2			5	99	110	113	115	114	113	112	110	109	**106**
IFF12				69	118	117	120	120	119	118	116	116	115
Net Income/(Loss)													
CEC Filing													
High Export Price	25	41	57	64	69	75	82	87	91	96	102	109	113
Low Export Price	5	6	13	16	18	21	24	27	30	33	36	39	42
IFF11-2			(3)	(42)	(54)	(44)	(25)	(15)	(5)	5	14	17	27
IFF12				(43)	(74)	(65)	(47)	(38)	(31)	(19)	(9)	(12)	(3)

MANITOBA HYDRO

2012/13 & 2013/14 ELECTRIC GENERAL RATE APPLICATION

CONSUMERS ASSOCIATION OF CANADA ("CAC") PRE-ASK QUESTIONS OF MANITOBA HYDRO

CAC/MH/PRE-ASK-9

Please confirm the calculations presented in Pre-Ask 9 are accurate. If the calculations cannot be confirmed, please provide revised calculations.

PROGRESSION OF PROJECT COSTS IN $ M

	CEF-03	CEF-04	CEF-05	CEF-06	CEF-07	CEF-08	CEF-09	CEF-10	CEF-11	CEF-12
Wuskwatim G.S.		846	935	1,094	1,275	1,275	1,275	1,275	1,375	1,449
Wuskwatim Transmission		199	200	257	320	316	316	291	298	323
Wuskwatim Total Project	988	1,045	1,135	1,351	1,595	1,591	1,591	1,566	1,673	1,772
Herblet Lake Transmission	57	55	54	54	95	93	93	75	75	77
Bipole III	360(E)	388(E)	1,880	1,880	2,248	2,248	2,248	3,280	3,280	3,280
Riel C.S.	96	101	103	103	105	268	268	268	268	268
Kelsey G.S.	121	121	166	166	184	190	190	302	302	302
Kettle G.S.		61	61	61	61	76	76	166	166	166
Pointe du Bois Improvements and Upgrades	421	288	692	834	818	818				
Pointe du Bois Spillway							318	398	398	560
Pointe du Bois Trans.					83	86	86	86	86	86
Pointe du Bois Rebuild								1,538	1,538	1,538
Slave Falls G.S.				179	192	198	198	223	230	230
Conawapa G.S.		4,050	4,516	4,978	4,978	4,978	6,325	7,771	7,771	10,192
Keeyask G.S.						3,700	4,592	5,637	5,637	6,220
500 KV Dorsey U.S. Border						205	205	205	205	205

Sources: PUB/MH I-93 a)
CEF 12

Response:

Please see the attached schedule with a minor revision (in blue font) for rounding to the Wuskwatim Total Project amount.

Progression of Project Costs in $ M										
	CEF-03	CEF-04	CEF-05	CEF-06	CEF-07	CEF-08	CEF-09	CEF-10	CEF-11	CEF-12
Wuskwatim G.S.		846	935	1,094	1,275	1,275	1,275	1,275	1,375	1,449
Wuskwatim Transmission		199	200	257	320	316	316	291	298	323
Wuskwatim Total Project	988	1,045	1,135	1,351	1,595	1,591	1,591	1,566	1,673	1,771
Herblet Lake Transmission	57	55	54	54	95	93	93	75	75	77
Bipole III	360(E)	388(E)	1,880	1,880	2,248	2,248	2,248	3,280	3,280	3,280
Riel C.S.	96	101	103	103	105	268	268	268	268	268
Kelsey G.S.	121	121	166	166	184	190	190	302	302	302
Kettle G.S.		61	61	61	61	76	76	166	166	166
Pointe du Bois Spillway							318	398	398	560
Pointe du Bois Trans.					83	86	86	86	86	86
Pointe du Bois Rebuild	421	288	692	834	818	818		1,538	1,538	1,538
Slave Falls G.S.				179	192	198	198	223	230	230
Conawapa G.S.		4,050	4,516	4,978	4,978	4,978	6,325	7,771	7,771	10,192
Keeyask G.S.						3,700	4,592	5,637	5,637	6,220
500 KV Dorsey U.S. Border						205	205	205	205	205