MANITOBA HYDRO

2012/13 & 2013/14 ELECTRIC GENERAL RATE APPLICATION

UNDERTAKING PROVIDED BY: V. WARDEN

Manitoba Hydro Undertaking #16

Manitoba Hydro to provide the approximate quantification of lost revenue that occurred as a result of the wind event in 1996 which took out Bipoles I and II and the transmission line incident that occurred in January 2011. Manitoba Hydro to also provide the capital costs required to restore those facilities.

Response:

The financial impact on net income of the 1996 storm damage to the Corporation's HVCD transmission system is estimated at \$7.5 million. This unfavorable impact is comprised of lost extraprovincial sales, additional power purchases and thermal generation costs to meet customer demands, additional operating expenditures, offset by lower water rental costs. In addition, capital expenditures of \$3.6 million were required to place the HVDC system back into service.

The financial impact on net income of the incident that occurred in January 2011 that resulted in a temporary de-rate to the HVDC system is estimated at \$4.9 million. This unfavorable impact is comprised of lost extraprovincial sales, additional power purchases and thermal generation costs to meet customer demands, and additional operating expenditures. In addition, capital expenditures of \$1.7 million were required to restore the reliability of the transmission towers and remove the de-rate to the HVDC system.