

MANITOBA HYDRO

2012/13 & 2013/14 ELECTRIC GENERAL RATE APPLICATION

UNDERTAKING PROVIDED BY: D. RAINKIE

Manitoba Hydro Undertaking # 78

Manitoba Hydro to provide an explanation for the difference between the average price for the 2013/14 year for IFF09 versus the expectation for IFF12.

Response:

The IFF09 domestic sales shown in CAC/MH/PRE-ASK-5 and CAC/MH I-3(a) reflect volumes and average unit revenues including domestic transmission and distribution losses. Subsequent to IFF09, average unit revenues were calculated excluding domestic transmission and distribution losses. The table from CAC/MH/PRE-ASK-5 has been restated and attached to show domestic sales volumes and average unit revenues for IFF09 excluding domestic transmission and distribution losses.

Based on the restated table attached, the increase in average domestic unit revenues in 2013/14 is mainly due to the reduction in industrial load from IFF09 to IFF12.

COMPARISON OF DOMESTIC & EXPORT VOLUME AND PRICE FORECASTS (RESTATED)

	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>
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 Unit Revenues (\$/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 Unit Revenues (\$/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	20,876	21,160	21,523	21,832	22,113	22,640	22,940	23,235
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 Unit Revenues (\$/MW.h)								
IFF09	\$55.57	\$56.37	\$57.89	\$59.76	\$61.71	\$63.65	\$65.84	\$68.08
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					