

MANITOBA HYDRO

2012/13 & 2013/14 ELECTRIC GENERAL RATE APPLICATION

UNDERTAKING PROVIDED BY: M. SCHULZ

Manitoba Hydro Undertaking #45

Manitoba Hydro to advise the PUB as to the additional "Other Amortization" expenses in the two test years between IFF11-2 and IFF12.

Response:

Other Amortization increased from IFF11-2 to IFF12 primarily due to the change in the present value of mitigation settlements arising from:

- Revaluations performed on existing agreements to account for changes to cash flows (increases of \$1.3 million and \$0.4 million for 2012/13 and 2013/14 respectively); and
- New agreements and estimated liabilities (increases of \$1.8 million and \$4.6 million for 2012/13 and 2013/14 respectively).

Manitoba Hydro's obligations are reviewed annually and adjusted as required.