

MANITOBA HYDRO

2012/13 & 2013/14 ELECTRIC GENERAL RATE APPLICATION

UNDERTAKING PROVIDED BY: V.WARDEN

Manitoba Hydro Undertaking # 50

Manitoba Hydro to provide an explanation regarding the "Partners Capital" line item on the WPLP Balance Sheet.

Response:

Partners Capital is the equity including retained earnings of WPLP represented by Manitoba Hydro's and NCN's contributions to capital during construction and operations, the net income and losses of WPLP, as well as distributions paid to partners. The attached table provides a continuity schedule for the WPLP Projected Partners Capital for the forecast period to 2031/32 for both IFF11-2 and IFF12.

For forecast purposes, the requirement for cash calls and declaration of dividends is assumed to be made at March 31st each fiscal year end. The cash collected or paid, as the case may be, is reflected in the subsequent fiscal year as Other Investing Activities on the projected cash flow statement.

CONTINUITY SCHEDULE FOR WPLP PROJECTED PARTNERS CAPITAL ACCOUNT
 (\$Millions)

IFF11-2:

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Partners Capital, Opening Balance	274	314	287	235	191	190	185	180	185	199	216
Construction Capital Contributions	42	16	1	0	0	0	0	0	0	0	0
Net Income / (Loss)	(3)	(42)	(54)	(44)	(25)	(15)	(5)	5	14	17	27
Partners Cash Calls	0	0	0	0	23	10	0	0	0	0	44
Distributions Declared	0	0	0	0	0	0	0	0	0	0	0
Partners Capital, Closing Balance	314	287	235	191	190	185	180	185	199	216	287

Debt Ratio 75% 78% 82% 85% 85% 85% 85% 84% 83% 81% 75%

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Partners Capital, Opening Balance	287	254	256	246	243	235	228	221	214	208
Construction Capital Contributions	0	0	0	0	0	0	0	0	0	0
Net Income / (Loss)	36	40	46	43	47	53	58	64	69	74
Partners Cash Calls	0	0	0	0	0	0	0	0	0	0
Distributions Declared	(70)	(38)	(56)	(46)	(54)	(61)	(65)	(71)	(76)	(81)
Partners Capital, Closing Balance	254	256	246	243	235	228	221	214	208	201

Debt Ratio 75% 75% 75% 75% 75% 75% 75% 75% 75% 75%

IFF12:

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Partners Capital, Opening Balance	315	301	227	208	203	198	194	188	183	180
Construction Capital Contributions	29	0	0	0	0	0	0	0	0	0
Net Income / (Loss)	(43)	(74)	(65)	(47)	(38)	(31)	(19)	(9)	(12)	(3)
Partners Cash Calls	0	0	46	43	33	27	13	3	9	0
Distributions Declared	0	0	0	0	0	0	0	0	0	0
Partners Capital, Closing Balance	301	227	208	203	198	194	188	183	180	177

Debt Ratio 78% 83% 85% 85% 85% 85% 85% 85% 85% 85%

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Partners Capital, Opening Balance	177	322	261	270	262	255	248	240	232	224
Construction Capital Contributions	0	0	0	0	0	0	0	0	0	0
Net Income / (Loss)	2	16	24	14	19	26	32	41	48	54
Partners Cash Calls	143	0	0	0	0	0	0	0	0	0
Distributions Declared	0	(77)	(14)	(22)	(26)	(33)	(39)	(50)	(56)	(62)
Partners Capital, Closing Balance	322	261	270	262	255	248	240	232	224	217

Debt Ratio 75% 75% 75% 75% 75% 75% 75% 75% 75% 75%