APPENDIX 4.4

MANITOBA HYDRO
2010/11 & 2011/12 GENERAL RATE APPLICATION

OPERATING, MAINTENANCE & ADMINISTRATIVE EXPENSE

1.0 OVERVIEW

The purpose of this appendix is to provide an overview of Manitoba Hydro's OM&A actual and forecast costs. This appendix also provides details of cost changes experienced and forecasted for each of Manitoba Hydro's Business Unit.

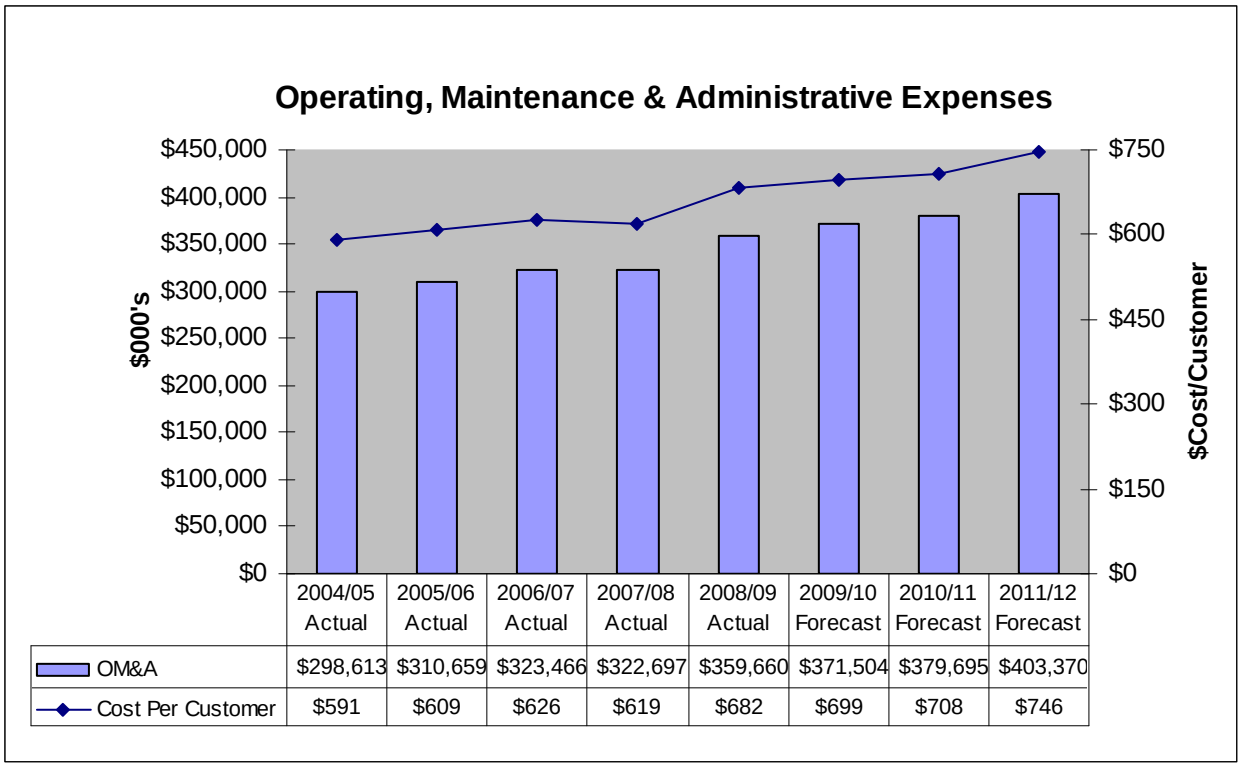
2.0 OM&A CORPORATE OVERVIEW

Operating, Maintenance & Administrative (OM&A) costs are recognized in accordance with Generally Accepted Accounting Principles and apportioned to gas & electric utility operations through an integrated cost allocation methodology which has been reviewed and accepted by the Manitoba Public Utilities Board.

The labour force responsible for operating and maintaining Manitoba Hydro's utility operations is in excess of 6,000 equivalent full time staff. In addition to being responsible for the operation of the utilities, approximately 40% work effort of this labour force is directed at capital construction activities. Construction costs are capitalized by applying an activity rate (which is calculated to recover the departmental costs of performing that work) to the construction hours worked and adding on an overhead component to cover a relative portion of administrative, general & support costs.

The responsibilities of operating, maintaining and administrating the utility is conducted through its Business Units. The roles and functions of each Business Unit along with an overview of the budgetary control and management reporting process is described in Tab 3 of this Application.

The following graph provides Manitoba Hydro's overall OM&A cost and cost per customer experience and forecast.



The above chart illustrates Manitoba Hydro's actual and projected OM&A expenses over the eight year period to 2011/12. Year over year increases are primarily due to domestic load growth, aging infrastructure, cost escalation and wage settlements, as well as changes to accounting standards which require more costs to be recognized as current period costs.

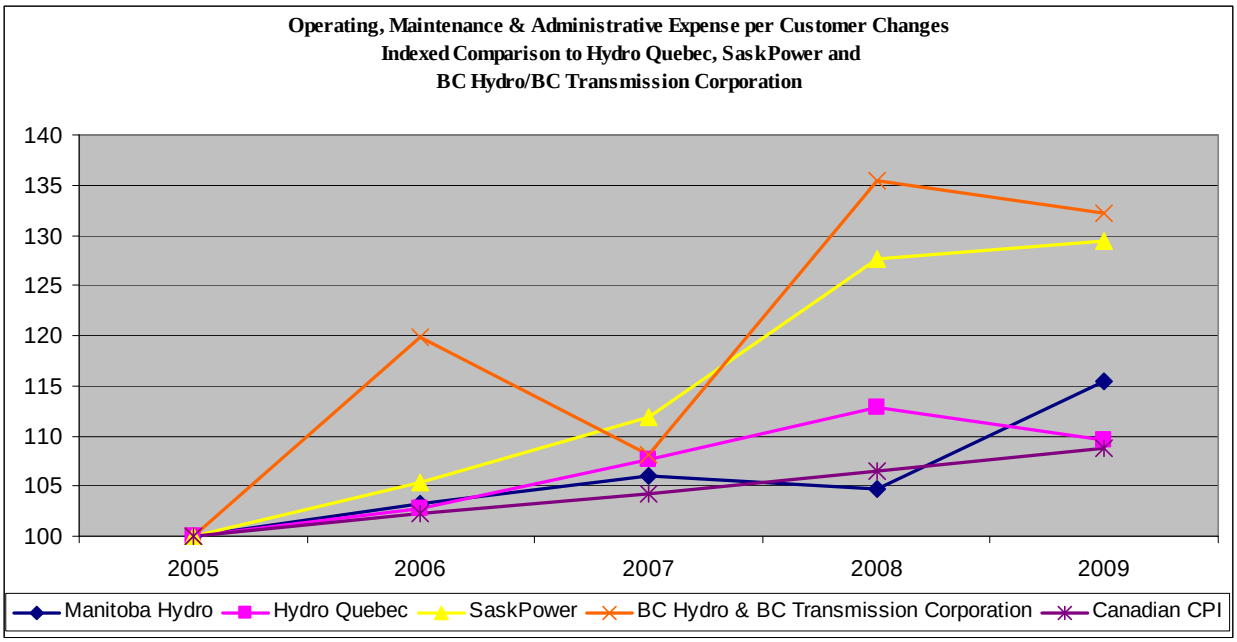
The following chart provides a high level overview of the cost changes experienced and forecasted by Manitoba Hydro for the period 2007/08 to 2011/12.

	2007/08 to 2008/09	2008/09 to 2009/10	2009/10 to 2010/11	2010/11 to 2011/12
	(in millions of $)			
Opening Year OM&A	**$ 323**	**$ 360**	**$ 372**	**$ 380**
General Escalation @ 2%	6	7	7	8
Wuskwatim Generating Station				6
Increased maintenance requirements	4			
Filling vacant positions	10			
Additional Trainees, net of capitalization	6	3	2	
Other Operating Changes, net of cost savings & change in capital activity	3	1	(1)	(10)
Subtotal, Operating costs before accounting changes	**352**	**371**	**380**	**383**
Provision for IFRS				15
CICA Accounting Changes	5	6		
Transfer of Waterways Management to Operating				5
Transfer Gillam & Frontier School Division		(5)		
Transfer of Wire & Telecom services to MHI	3			
Closing Year OM&A	**$ 360**	**$ 372**	**$ 380**	**$ 403**
Percentage change in OM&A before accounting changes	9.1%	3.1%	2.3%	0.9%
Percentage change total OM&A	11.6%	3.5%	2.3%	6.2%

This chart illustrates that, in addition to escalation, the main drivers for OM&A increases through the period relate to filling vacancies that had occurred in fiscal 2007/08, the hiring of additional trainees to address anticipated higher attrition rates, and accounting changes related to CICA changes, accounting reclassifications, and a provision for IFRS impacts in 2011/12. It also shows that the impact of other cost drivers are forecast to be offset by cost saving measures and by the impact of increased capitalization as Manitoba Hydro moves into a more capital intensive period of new asset construction and replacement of existing assets.

Comparison to other utilities

Other comparable Canadian Utilities have shown similar cost pressures. The following graphical representation provides a cost per customer trendline developed from data taken from the respective utilities' annual reports. As illustrated by this graph, Manitoba Hydro has incurred an increase in cost per customer of approximately 15% over the 5 year period, compared to approximately 10% for Canadian CPI. The comparative utilities' increases range from approximately 10% for Quebec Hydro to 30% for SaskPower and BC Hydro.



Manitoba Hydro is managing the cost pressures effectively as evidenced by its customer satisfaction performance, its safety & reliability record, its low rates, and its strong financial position. However, similar to other comparative utilities, these cost drivers are resulting in higher cost levels to operate, maintain, and manage the utility than have been experienced in the past.

Cost Drivers

Many of the cost drivers were reviewed at Hydro's last General Rate Application. Some of the drivers, such as the extreme fuel and commodity costs have abated somewhat since that time, but these costs are still high relative to historical cost levels and may put further pressure on costs as the economy recovers. Others, such as the requirement to attract, develop, and retain skilled employees have become more pronounced since the last GRA and are requiring greater focus and action to ensure that the Corporation maintains safe and reliable operations. The following sections briefly describe the major cost drivers that are impacting Manitoba Hydro's OM&A costs.

<u>Vacancy Rates, Turnover, Retirement and External Losses</u>

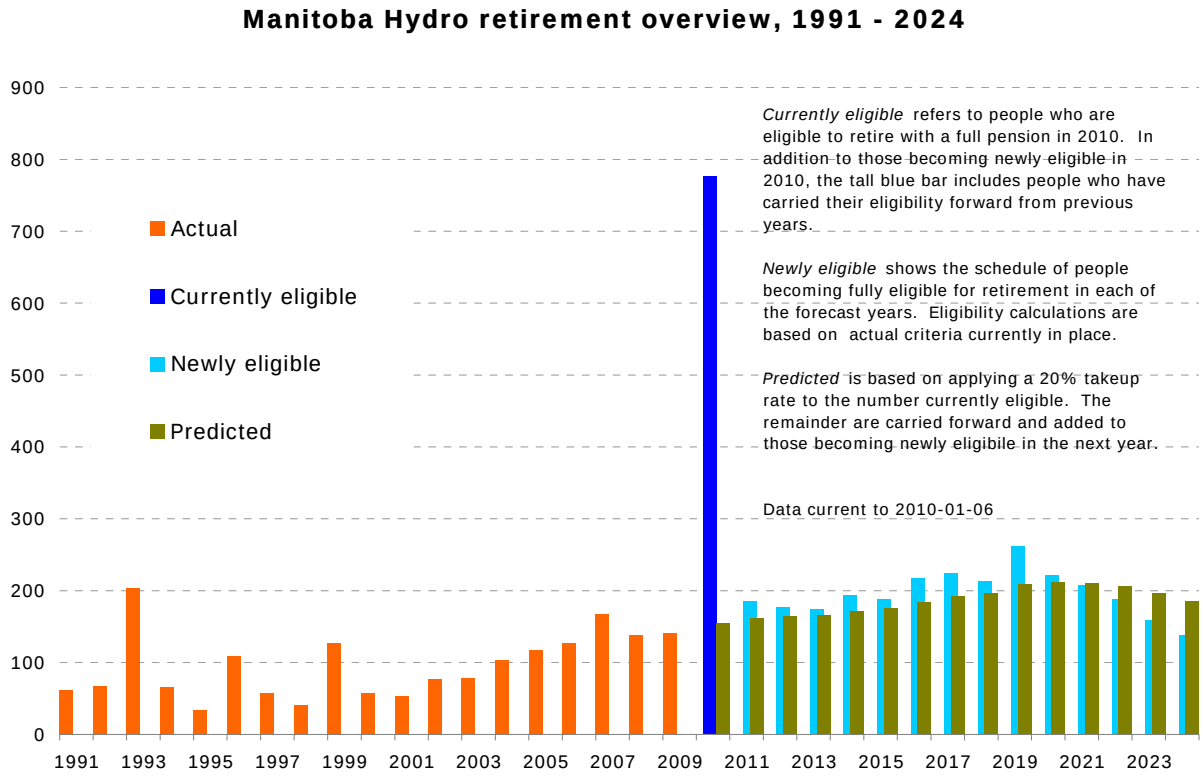
The most significant factor which has resulted in the OM&A cost increases throughout the referenced period relates to staff attrition and the corresponding requirement to hire and train employees to meet the Corporation's operating and capital requirements. At the

same time as this attrition is being experienced, the operating and capital demands of the utility are expanding as a result of load growth, capital expansion, new facilities, and enhanced safety, regulatory, and environmental requirements.

The shortage of skilled workers was referenced at the last General Rate Application as a cause for the substantial OM&A under expenditure experienced for fiscal 2007/08. As well, the demand for skilled workers has been referenced by other utilities across Canada as a major issue.

Fully skilled and qualified workers are generally unavailable to be hired. Manitoba Hydro provides an intensive training program for its electrical workers to ensure that they have the skills and competencies required to perform necessary functions in a safe and efficient manner. For example, the Power Electrician training program is 4 years in duration and consists of 4 levels of Technical College at 10 weeks per level, as well as 4 levels of competency training of 3 - 4 weeks each. Given this substantial lead time, candidates must be recruited, hired and trained well in advance of the anticipated need.

Although losses to other utilities remains a factor, the main cause of staff attrition is that of an aging workforce and corresponding retirements. The Manitoba Hydro work force is aging. The following graph provides an overview of the retirement statistics for Manitoba Hydro from 1991 to 2024.



This graph illustrates that approximately 25% of Manitoba Hydro current work force will be eligible to retire in the next five years and that retirements are expected to increase over the next 10 year period.

Aging Infrastructure and Systems

Manitoba Hydro's assets are aging. Based on the information compiled during the last depreciation study (March 31, 2005), the average age of the Winnipeg River generating stations is 50-75 years and the average age of the northern generating stations is approximately 30 years. The majority of transmission and distribution assets are beyond the halfway point of their useful lives and those related to the former Winnipeg Hydro system are older.

Intuitively, as the asset infrastructure ages, there will be a potential decrease in reliability and corresponding increase in maintenance and replacement requirements. Additionally, technological obsolescence of aging assets contributes further to replacement requirements.

Environmental and Regulatory

Manitoba Hydro strives to protect the environment in all of its Corporate activities. To the extent that the environment is impacted, mitigation measures are taken.

Environmental and regulatory requirements also continue to increase. Environmental legislation is evolving and changing at a rapid pace and ensuring that Manitoba Hydro is compliant with these legal and regulatory requirements requires a significant effort not only to keep abreast of these changing requirements, but to conduct the necessary site visits, inspections, and remediation to ensure compliance.

Manitoba Hydro also has a legal obligation to comply with North American Electric Reliability Corporations (NERC) standards. These standards are developed to ensure the reliability of the bulk power systems in North American. Complying with these standards impacts operating costs through participation in compliance enforcement activities including programs for testing real and reactive capabilities, physical and cyber security upgrades and redundant backup systems to ensure reliability performance of generating assets.

In addition, Manitoba Hydro plays an active role with respect to Federal Government and relevant states' energy policy making. This requires ongoing efforts to ensure that policy makers are familiar with all relevant issues. This is an ongoing operational requirement to ensure legislation is not enacted that may unnecessarily impose higher costs for Manitoba Hydro to operate its facilities. As well, significant time continues to be dedicated to Greenhouse Gas Emission and Climate Change policies.

Domestic Load Growth Requirements

Manitoba's population has grown from approximately 1 million residents in 1971 to 1.2 million residents in 2008 and, according to the Manitoba Bureau of Statistics, it is expected to grow by 10.6% from 2008 to 2018. The increase in population along with an increase in demand for electricity results in the requirement to expand transmission and distribution systems and to provide additional power sources. Correspondingly, OM&A requirements also increase to operate and maintain these facilities.

Generally, the growth in OM&A related to this factor is gradual over time due to the offsets provided by lower maintenance requirements of new assets and to ongoing

efficiency initiatives & productivity improvements. However, when significant new facilities are placed into service, such as the Wuskwatim Generating Station, the related resourcing requirements can and do result in a substantial ongoing increase to OM&A expense.

Cost Escalation & Wage Settlement

At the time of the last GRA, substantial pressures were being experienced on all input costs, including commodities, fuel, contractor charges, and wages. Although these pressures have subsided somewhat, many cost levels remain at higher than historical levels and are subject to continual volatility as the economic situation changes. According to Statistics Canada, Manitoba experienced a 12 month CPI increased of 0.8% to November 2009. As a consumer price index, CPI attempts to measure goods and services that are purchased by consumers and not those of Manitoba Hydro. Manitoba Hydro's largest cost factors relate to wages, benefits, fuel, materials, and contractor services.

The following table, taken from Statistics Canada, provides an overview of relevant input cost indices for Manitoba Hydro:

Commodity	Cost Change (January 2005 to October 2009)
Mineral Fuels	25%
Ferrous Metals	-4%
Non-Ferrous Metals	62%
Wire and Cables >1000v	52%
Power Distribution Transformers	46%

As Manitoba Hydro performs the majority of its capital and operating work with internal resources, wages and benefits are the largest cost component of its operating costs from a cost element perspective. In spite of the economic downturn, Canadian Utilities generally and Manitoba Hydro specifically are continuing to experience wage pressures. According to Statistics Canada, the industrial aggregate of weekly earnings in Cananda increased by 1.6% from October 2008 to October 2009. However, during this same period, the utilities sector showed an increase of 10.9%. As well, from a provincial perspective, Manitoba was second only to Prince Edward Island, showing an average wage increase of 4.7% for that period.

Given Manitoba Hydro's moderate wage increase experience, these competitive factors placed wage pressures on Manitoba Hydro during recent contract renewal negotiations with its unions, with the resulting wage settlements:

Year 1 (2009)	2.9% Wage increase effective January 1st, 2009
Year 2 (2010)	0.75% Benefit increase effective January 1st, 2010
	1.0% Wage increase effective December 31st, 2010
Year 3 (2011)	2.5% Wage increase effective January 1st, 2011 + 0.5% IBEW special adjustments for eligible field classifications.
Year 4 (2012)	2.5% Wage increase effective January 1st, 2012, except for IBEW as their contract expires December 31st, 2011.

Manitoba Hydro's average salary per EFT experience and forecast is provided in the following table:

	Actuals 2007/08	Actuals 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12
Wages & Salaries	$ 359,249	$ 380,031	$ 411,832	$ 415,215	$ 424,765
EFT (ST)	5,766	5,971	6,293	6,337	6,337
Average Salary per EFT	62.305	63.646	65.443	65.522	67.029
Year over Year % Change		2.2%	2.8%	0.1%	2.3%

Pensions

As a result of investment losses occurring in 2008 and 2009, past service pension costs are also placing pressure on operating expenses. For the fiscal years ending March 31st, 2008 and 2009, investment funds showed a loss of $131 million on the MH Pension Fund and a loss of $14 million on the curtailed Centra Gas plans. Current pension accounting requires that these losses be introduced into pension expense calculations over the following 6 years and then amortized over the estimated remaining service lives of employees (approximately 14 years). Although the investments have rebounded somewhat during 2009, the prior losses are being recognized during the forecast period.

Impacts of Accounting Changes & Reclassifications

The Corporation is required to modify its accounting practices to conform to changing CICA Accounting Standards. These changes have resulted in a required reduction to

overhead capitalized on stores materials of $5 million commencing 2008/09, and a provision for further accounting changes relating to reduced capitalization of intangible asset costs and overhead of $6 million commencing in 2009/10.

Manitoba Hydro will be required to adopt IFRS in place of Canadian generally accepted accounting principles (GAAP) for financial reporting purposes for its 2011/12 fiscal year (including comparative information for 2010/11). Given that there are currently substantial uncertainties relating to the incorporation of rate-regulated accounting within IFRS, Manitoba Hydro has retained its general provision of $15 million annually commencing in 2011/12 pertaining to anticipated impacts of the transition to IFRS. In the last IFF, this provision was included in the depreciation and amortization classification but has now been transferred to the OM&A classification.

In accordance with PUB Directive 5 from Order 150/08, Manitoba Hydro will provide an update report on IFRS in February 2010.

In addition, several accounting reclassifications, including the transfer of WIRE and Telecom Services to MHI, the transfer of Waterways Management program from capital to operating, and the reclassification of the payments to the Town of Gillam and the Frontier School Division to Capital & Other Taxes, have impacted OM&A costs.

Cost Saving Measures

Manitoba Hydro is pursuing cost savings measures to provide some offset to these cost pressures, including the following measures referenced in IFF09:

- Restrictions on all out-of-province travel
- Implementation of Mobile Workforce Management
- Expansion of customer self service initiatives
- Selective reduction of staff positions through attrition
- Rationalization of vehicle fleet and equipment
- Reductions to the numbers of summer student hires
- Reductions to memberships in external associations and organizations
- Extensions to lives of computers and other computing equipment
- Reductions to sponsorships, donations and grants
- Reductions to staffing at selective generating stations during off peak hours

Other cost saving measures include:

Productivity Improvements

Manitoba Hydro participates in industry wide workshops and discussions that provide knowledge and understanding with regards to best practices. This knowledge is translated into process improvement and productivity savings. To strengthen the focus on process improvement, the target setting process contemplates that productivity savings in the order of 1/2% to 1% annually will be achieved by each business unit.

Facilities Centralization

Total cost savings related to centralization of staff in the new building and at 820 Taylor will be achieved in the following areas:

- Reduction in facility lease costs, property and business taxes, common area maintenance and the avoidance of cost escalation as a result of terminating existing leases.
- Reduction of the requirement to lease additional facilities due to staffing increases that have occurred and will continue to occur as a result of expanding business requirements.
- Significant energy efficiency savings in the new building.
- Enhancement of collaborative work environment with the consolidation of staff in fewer locations resulting in productivity savings, higher quality outputs and improved customer service.
- Productivity improvements achieved through enhanced technology and work processes and a healthier work environment.
- Time savings and cost reductions associated with substantially less inter-office travel.
- Reduction in costs associated with staff moves due to common locations and office standardization.

Leveraging Technology as a Cost Saving Measure

Manitoba Hydro is embarking on numerous information technology (IT) projects to streamline processes, improve customer service and enhance productivity. The following section provides an overview of a few of the significant IT projects.

Mobile Workforce Management (MWM)

Mobile Workforce Management (MWM) is a planning and dispatching system. The purpose is to provide Manitoba Hydro with the tools to efficiently manage the Customer Service Operations fieldwork activities, regardless of the type of work and original source.

Enterprise Asset Management (EAM)

The Enterprise Asset Management system (EAM) will replace the computerized maintenance management system known as AMPS (Applied Maintenance Planning System). AMPS is the system used by Power Supply Business Unit (Generating and Converter Stations) and Transmission Business Unit (Communication and System Support) to manage maintenance and operations work, materials, and tools. AMPS was initially placed in service in the early 1990's and has approximately 1200 users. The EAM is intended to provide functionality to enable a shift from a maintenance strategy to an overall asset management methodology.

Advanced Metering Infrastructure Initiative (AMI)

Advanced Metering Infrastructure Initiative (AMI) is a system for measuring, collecting, analyzing, and managing energy usage. AMI includes "smart" electric and natural gas meters, a two-way communication network e.g. cell telephone, and centralized software and storage. It can also include advanced tools for demand response solutions e.g. thermostats and load control units, and customer awareness of energy use e.g. in home displays and web presentment.

Common Sales Interface (CSI)

The Common Sales Interface (CSI) system provides management of Electrical service, Permit, and Structure move requests from Manitoba Hydro's customers. The system regulates and ensures the consistent application of corporate policy for pricing these services across the Province. The application is used by over 600 employees from various divisions and locations across the Corporation. The CSI system will provide a standardized automated interface for related functions, thus improving efficiency as well as providing quicker response times to customers.

Transmission Operations Data System (TODS)

The Transmission Operations Data System (TODS) project solution will implement several technologies to gather the Energy Management System/System Control and Data

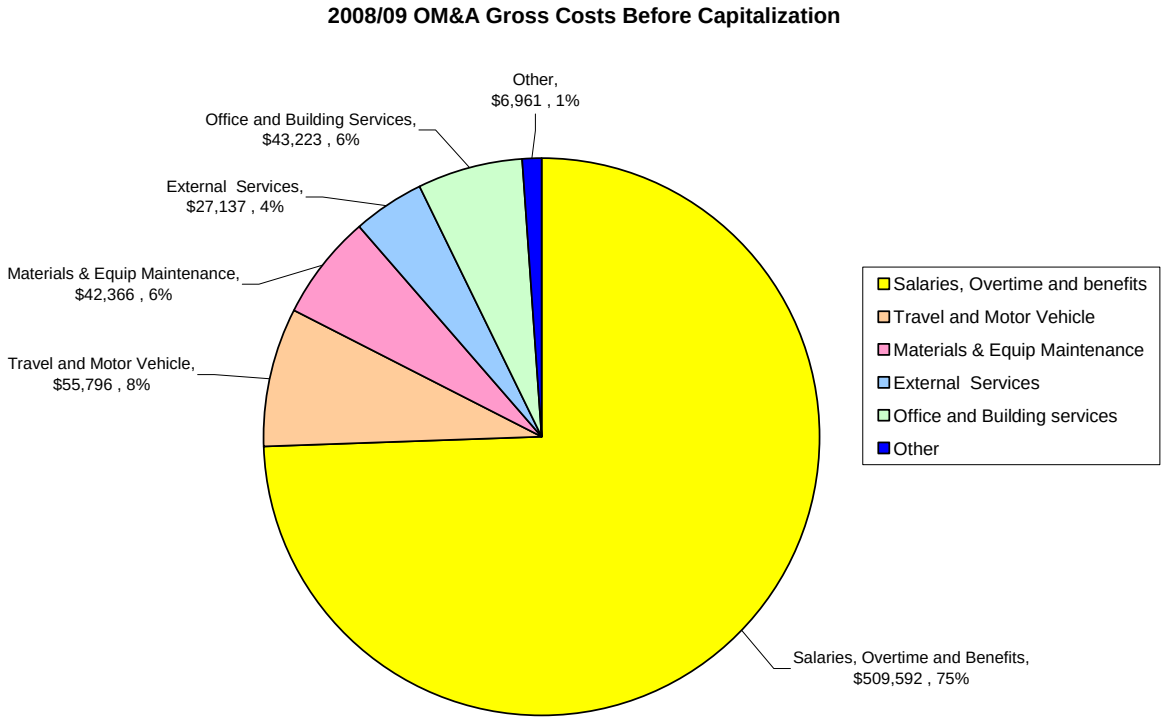
Acquisition (EMS/SCADA) data and other required transmission operational data into a central data repository. The TODS Project will also develop comprehensive and flexible reporting tools which will allow staff to focus on analysis of data rather than data collection and provide a consistent and reliable source of transmission operations data.

Transmission Geospatial Information System (TGIS)

The Transmission Geospatial Information System (TGIS) Project will leverage Manitoba Hydro's existing investment in GIS technology to integrate information on Manitoba Hydro's electric transmission assets and property interests into a geospatial database. The project will also equip transmission maintenance and inspection staff with a mobile computing environment to increase their productivity and improve their access to relevant information while working in the field.

3.0 COST ELEMENT OVERVIEW

The following chart provides a graphical depiction of the major cost element components of OM&A expenditures for 2008/09 actuals.



The following table provides an outline of Manitoba Hydro's actual and forecast cost trends over the 5 year period, along with explanations for those cost elements that have significantly increased or decreased.

MANITOBA HYDRO **Schedule 4.5.2**
OPERATING, MAINTENANCE AND ADMINISTRATIVE COSTS BY COST ELEMENT **(000's)**

	2007/08 Actual	2008/09 Actual	2009/10 Forecast	2010/11 Forecast	2011/12 Forecast	Average Annual Compounded Growth % Inc/(Dec)	Notes
Wages, Salaries	$ 359,249	$ 380,031	$ 411,832	$ 415,215	$ 424,765	4.3	1
Overtime	41,781	45,890	47,248	48,061	49,166	4.2	2
Employee Benefits	76,807	83,671	85,872	93,035	95,175	5.5	3
Employee Safety & Training	3,646	4,145	4,357	4,747	4,856	7.4	4
Travel	28,331	31,671	31,960	32,963	33,721	4.5	5
Motor Vehicle	22,423	24,125	22,967	23,114	23,646	1.3	
Materials & Tools	27,824	29,338	25,762	26,178	26,780	(1.0)	
Consulting & Professional Fees	7,503	9,137	10,593	10,904	11,155	10.4	6
Construction & Maintenance Services	15,938	18,000	21,489	21,785	22,286	8.7	7
Building & Property Services	25,740	28,685	20,506	20,671	21,146	(4.8)	8
Equipment Maintenance & Rentals	11,719	13,028	13,794	13,858	14,177	4.9	9
Consumer Services	4,651	5,230	5,572	5,683	5,814	5.7	10
Computer Services	1,131	858	682	696	712	(10.9)	
Collection Costs	5,256	5,019	4,430	4,542	4,646	(3.0)	11
Customer & Public Relations	6,665	6,355	5,870	6,014	6,152	(2.0)	
Sponsored Memberships	1,192	1,464	1,242	1,267	1,296	2.1	
Office & Administration	14,427	14,538	15,326	15,703	15,857	2.4	
Communication Systems	1,353	1,449	1,572	1,603	1,640	4.9	
Research & Development Costs	2,979	3,059	4,029	4,110	4,205	9.0	12
Miscellaneous Expense	3,292	901	1,066	1,087	1,112	(23.8)	13
Contingency Planning	-	-	3,994	3,361	2,491		
Operating Expense Recovery	(23,314)	(21,519)	(16,462)	(16,497)	(16,670)	(8.0)	14
Total Costs	638,594	685,075	723,701	738,099	754,128	4.2	
Capital Order Activities	(192,338)	(205,175)	(231,073)	(235,040)	(239,741)	5.7	15
CICA Accounting Changes*	-	5,000	7,000	7,000	7,000	N/A	
Provision for IFRS	-	-	-	-	15,000	N/A	
Capitalized Overhead	(67,289)	(66,198)	(67,964)	(69,021)	(70,447)	1.2	
Operating and Administration Charged to Centra	(56,270)	(59,042)	(60,160)	(61,343)	(62,570)	2.7	
OM&A Attributable to Electric Operations	**$ 322,697**	**$ 359,660**	**$ 371,504**	**$ 379,695**	**$ 403,370**	5.7	

* Other CICA accounting changes totalling $4 million (beginning in 2009/10) are embedded within the Total Costs

It should be noted that the average annual increases in the above table are higher than normal because the base year, 2007/08, was abnormally low compared to the previous year. Had 2006/07 been used as the base year, the total average annual increase would have been 4.5%. Had 2008/09 been used as the base year, the total average annual increase would have been 3.9%.

Cost Change Explanations

1) Wages & Salaries increased by 4.3% as a result of wage escalation and additional EFTs. EFT additions were primarily related to new trainees (Power Electrician and Power Supply Worker programs) to address current and expected attrition levels, as well as positions to support new generation capital projects including Wuskwatim, Keeyask, Bipole III, and other new required positions. As well the EFTs increased as a result of filling the substantial number of vacancies that existed in the 2007/08 base year.

2) Overtime increased by 4.2% as a result of system emergencies, protection of in-service dates for major generation and transmission projects, as well as increase costs due to impact of wage escalation.

3) Employee Benefits increased by 5.5% due to the increased EFTs and wages as well as benefit enhancements provided in the contract settlements, and due to pension cost increases as a result of pension fund performance.

4) Employee Training & Safety increased by 7.4% primarily as a result of increased trainee levels.

5) Travel increased by 4.5% due to a greater number of projects in the Interlake and Northern regions including new generation projects, additional trainees, as well as staff temporarily working outside of their headquarter zones.

6) Consulting & Professional Fees increased by 10.4% due to several new initiatives including IFRS project, corporate risk management, environmental management system and business development. In addition, Canadian accounting changes required certain consulting costs, which were previously capitalized to be reclassified as operating.

7) Construction & Maintenance Services increased by 8.7% primarily as a result of aging infrastructure requiring special maintenance, additional heavy equipment costs, obligations related to the Cedar Lake project agreement including shoreline clean-up and increased security for NERC compliance.

8) Building & Property Services decreased by 4.8% due to the reclassification of payments made to the Town of Gillam & the Frontier School Division from OM&A to Capital & Other Taxes.

9) Equipment Maintenance & Rentals increased by 4.9% due to computer hardware and software maintenance for a growing number of IT systems; increased IT system fees to support export market requirements; as well as a reclassification of IT costs from computer services in 2008/09.

10) Consumer Services increased by 5.7% primarily due to contracting out line locates within the City of Winnipeg to Manitoba Hydro Utility Services (MHUS).

11) Collection Costs decreased by 3.0% due to anticipated reduced write-offs as a result of enhanced arrears management.

12) Research & Development Costs increased by 9.0% due to increased funding of research activities.

13) Miscellaneous Expense decreased by 23.8% due to the transfer of expenditures from Wire Services & Commercial Telecom to Manitoba Hydro International at the end of 2007/08.

14) Operating Expense Recovery decreased by 8.0% due to the transfer of revenues from Wire Services & Commercial Telecom to Manitoba Hydro International at the end of 2007/08, and anticipated lower business initiative revenue due to completion of several significant initiatives in 2008/09.

15) Capital Order Activities increased by 5.7% due to growth in capital programs primarily due to new generation (Wuskwatim, Keeyask, Bipole III, Riel Station etc.), an increase in customer driven projects, and wage escalation.

4.0 DETAILED BUSINESS UNIT OM&A COSTS

The following table provides the Business Unit OM&A breakdown. A division breakdown can be found in schedule 4.5.3, at the end of this section.

(000's)	2007/08 Actual	2008/09 Actual	2009/10 Forecast	2010/11 Forecast	2011/12 Forecast
President & CEO	$ 20,977	$ 22,155	$ 24,475	$ 25,429	$ 26,014
Corporate Relations	5,245	5,520	5,100	5,200	5,320
Corporate Planning & Strategic Analysis	1,986	2,075	3,700	6,300	6,445
Finance & Administration	99,133	103,320	108,755	109,967	112,496
Power Supply	127,610	142,183	145,000	148,100	151,506
Transmission	83,171	91,088	91,100	92,400	94,525
Customer Services & Distribution	98,373	103,762	107,300	109,000	111,507
Customer Care & Marketing	38,859	39,343	42,000	43,000	43,989
Business Unit Total	**475,354**	**509,446**	**527,430**	**539,396**	**551,802**

President & CEO Overview

(in millions of $)

	2007/08 Actual	2008/09 Actual	2009/10 Forecast	2010/11 Forecast	2011/12 Forecast
OM&A	$ 21.0	$ 22.2	$ 24.5	$ 25.4	$ 26.0
$ Change	$ (0.6)	$ 1.2	$ 2.3	$ 0.9	$ 0.6
% Change	-2.7%	5.7%	10.4%	3.7%	2.3%

	2007/08 Actual	2008/09 Actual	2009/10 Forecast	2010/11 Forecast	2011/12 Forecast
EFTs	87	87	97	99	99
# Change	3	-	10	2	-
% Change	3.8%	-	11.5%	2.1%	-

2007/08 Actuals vs 2008/09 Actuals

- Increased amount of insurance claims ($1.1) in 2008/09 related to known liabilities;
- Increased membership fees ($0.4) reflecting a transfer of costs from the Business Units to the President & CEO; and
- Increased consulting services and professional fees ($0.3) related to alternative HVDC Transmission project and marketing initiatives targeting export customers.

These increases were partially offset by:

- Lower level of corporate donations ($0.6).

Other minor variances make up the balance of the increase.

2008/09 Actuals vs 2009/10 Forecast

- Corporate contingency ($1.8);
- Increased salaries & benefits ($1.2) in 2009/10 primary related to the expected filling of vacant position (11 EFTs) and recent contract settlement. Increased staffing levels are required in the following functional areas:
    - Audit 3 EFTs
    - Executive Support 3 EFTs
    - Legal 2 EFTs
    - Public Affairs 3 EFTs;
- Higher research and development costs ($0.9) due to increased funding of research activities.

These increases in forecast were partially offset by the elimination of non-recurring variances which occurred in 2008/09:

- Higher than average insurance claims in 2008/09 ($0.8);
- Higher than average actual expenditures for donations & grants ($0.6);
- Higher consulting & professional fees ($0.4) in 2008/09 due to the hiring of a Risk Management consultant; and
- Increased spending on corporate memberships ($0.3).

Other minor variances make up the balance of the dollar and EFT increase.

2009/10 Forecast vs 2010/11 Forecast

- Increased Corporate Contingency ($0.4);
- Increased salaries and benefits ($0.2) resulting from the transfer of two positions from the Finance and Administration Business Unit.

The balance of the increase relates to escalation.

2010/11 Forecast vs 2011/12 Forecast

- The increase from 2010/11 forecast to 2011/12 forecast is primarily due to escalation.

Corporate Relations Overview

(in millions of $)

	2007/08 Actual	2008/09 Actual	2009/10 Forecast	2010/11 Forecast	2011/12 Forecast
OM&A	$ 5.2	$ 5.5	$ 5.1	$ 5.2	$ 5.3
$ Change	$ 0.0	$ 0.3	$ (0.4)	$ 0.1	$ 0.1
% Change	0.5%	5.8%	-7.3%	2.0%	2.3%

	2007/08 Actual	2008/09 Actual	2009/10 Forecast	2010/11 Forecast	2011/12 Forecast
EFTs	69	75	69	69	69
# Change	2	6	(6)	-	-
% Change	2.3%	8.7%	-8.0%	-	-

2007/08 Actuals vs 2008/09 Actuals

- Increased construction services ($0.5) for shoreline clean-up attributable to a signed agreement for additional Cedar Lake project funding with the Chemawawin Cree Nation;
- Increased salaries & benefits ($0.4) driven by staffing increases (5 EFT's) - 10 utility workers in Cross Lake replaced work previously performed by external contractors; and
- Increased consulting costs ($0.2) for mitigation purposes.

These increases were partially offset by:

- Higher capital credits ($0.9) as a result of:
    - Work in Cross Lake by internal resources previously performed by external contractors,
    - Shoreline protection work at Norway House, and
    - Settlement negotiations with Grand Rapids Trappers Association.

Other minor variances make up the balance of the dollar and EFT increase.

2008/09 Actuals vs 2009/10 Forecast

- Higher capital credits ($0.8) related to Waterways Management including increased hours for seasonal boat patrol;

- Decreased salaries and benefits ($0.4) primarily resulting from the corporate reorganization - 4 EFTs moved to the new business unit (Corporate Planning and Strategic Analysis).

These decreases were offset by:

- Increased construction & maintenance services ($0.4) resulting from an obligation related to the Cedar Lake Project agreement;
- Increase in materials expense ($0.2) related to fulfilling comprehensive agreements for items such as safe ice trails and personal property damages; and
- Increase in customer & public relations costs ($0.2) associated with promotional items for Keewatinohk Sipia Partnership Fund and other Community Relations programs.

2009/10 Forecast vs 2010/11 Forecast

- The increase from 2009/10 forecast to 2010/11 forecast is primarily due to escalation.

2010/11 Forecast vs 2011/12 Forecast

- The increase from 2010/11 forecast to 2011/12 forecast is primarily due to escalation.

Corporate Planning and Strategic Analysis Overview

(in millions of $)

	2007/08 Actual	2008/09 Actual	2009/10 Forecast	2010/11 Forecast	2011/12 Forecast
OM&A	$ 2.0	$ 2.1	$ 3.7	$ 6.3	$ 6.4
$ Change	$ 0.1	$ 0.1	$ 1.6	$ 2.6	$ 0.1
% Change	6.4%	5.0%	76.2%	70.3%	2.3%

	2007/08 Actual	2008/09 Actual	2009/10 Forecast	2010/11 Forecast	2011/12 Forecast
EFTs	19	20	23	38	38
# Change	(1)	1	3	15	-
% Change	-5.4%	5.3%	15.0%	65.2%	-

2007/08 Actuals vs 2008/09 Actuals

- No significant change.

2008/09 Actuals vs 2009/10 Forecast

- Increased salaries & benefits ($0.5) due to recent contract settlement and 3 additional EFT's (11 staff hired intermittently throughout the year) for new business unit to provide expertise in evaluating significant strategic issues and proposals from a corporate perspective;
- Less capital credits ($0.5) associated with the new Head Office project as building nears completion;
- Additional consulting & professional fees ($0.4) related to environmental management system, business development costs, and corporate strategic planning.

Other minor variances make up the balance of the dollar and EFT increase.

2009/10 Forecast vs 2010/11 Forecast

- Increased salaries & benefits ($2.0) due to the addition of 15 EFT's (10 staff hired intermittently through out the year plus 8 staff from prior year now full time) who will provide further expertise in evaluating significant strategic issues and proposals from a corporate perspective; and
- Increased consulting, training and travel costs ($0.3) to support additional strategic and environmental programs.

Other minor variances make up the balance of the dollar and EFT increase.

2010/11 Forecast vs 2011/12 Forecast

- The increase from 2010/11 forecast to 2011/12 forecast is primarily due to escalation.

Finance and Administration Overview

(in millions of $)

	2007/08 Actual	2008/09 Actual	2009/10 Forecast	2010/11 Forecast	2011/12 Forecast
OM&A	$ 99.1	$ 103.3	$ 108.8	$ 110.0	$ 112.5
$ Change	$ 0.8	$ 4.2	$ 5.5	$ 1.2	$ 2.5
% Change	0.8%	4.2%	5.3%	1.1%	2.3%

	2007/08 Actual	2008/09 Actual	2009/10 Forecast	2010/11 Forecast	2011/12 Forecast
EFTs	986	999	1,042	1,043	1,043
# Change	(13)	13	43	1	-
% Change	-1.3%	1.3%	4.3%	0.1%	-

2007/08 Actuals vs 2008/09 Actuals

- Increased salaries and benefits ($2.9) driven by staffing increases (13 EFTs), reclassification of positions and wage escalation. Increased staff levels are the result of:
  - Filling of vacant positions (11 EFTs) in the following functional areas - employee training, recruitment and building operations,
  - EFTs added (2 EFTs) to support projects such as the new Head Office building;
- Increased building and property costs ($0.9) primarily due to:
  - Building maintenance costs for Manitoba Hydro Place and other lease locations including 693 Taylor, 444 St. Mary etc. as a result of extended occupancy due to delays in downtown move schedule,
  - Leased costs for parking facilities in the downtown area;
- Increased equipment maintenance costs ($0.6) mainly attributable to:
  - Computer hardware maintenance credit received in 2008 and not in 2009,
  - Maintenance fees associated with the purchase of Windows Server Software, and
  - Increase in fees for the LDAP (lightweight directory access protocol) software maintenance;
- Increased consulting and professional fees ($0.3) mainly due to the commencement of the International Financial Reporting Standards project and the hiring of a consultant to assess corporate risk management practices;

- Increased travel expenses ($0.3) in northern and rural areas mainly due to employee training and requirements to maintain workload due to vacancies;
- Increased motor vehicle expense ($0.3) related to higher fuel costs.

These increases were partially offset by:

- Higher trades training cost recoveries ($1.3) due to an increase in the number of trainees

Other minor variances make up the increase.

2008/09 Actuals vs 2009/10 Forecast

- Increased salaries and benefits ($6.1) driven by recent contract settlement and staffing increases as a result of the anticipated filling of vacant positions within the business unit. Increased staff levels are required in the following key functional areas:
  - Facilities 12 EFTs
  - Purchasing and Property Management 9 EFTs
  - Corporate Services (e.g. Fleet, Materials Management) 12 EFTs
  - Financial Services 11 EFTs;
- Increased consulting and professional fees ($1.0) mainly attributable to:
  - Assessment of corporate risk management practices,
  - Regulatory processes, and
  - Requirement to implement International Financial Reporting Standards;
- Increased office and administration costs ($0.3) primarily related to:
  - Increased telecommunications costs including transfer of telecom charges for load research from Customer Care & Marketing;
- Increased equipment maintenance ($0.2) is mainly due to computer hardware and software maintenance for a growing number of complex systems such as GIS (Geographic Information Systems) and Document Management.

These increases were partially offset by:

- Decreased building and property costs ($2.0) due to lower leasehold rentals since many building properties are no longer required given the significant number of employees moving to Manitoba Hydro Place;
- Increased capital credits ($0.5) due to higher activity rates driven by wage escalation;

Other minor variances make up the balance of the dollar and EFT increase.

2009/10 Forecast vs 2010/11 Forecast

- The increase from 2009/10 forecast to 2010/11 forecast is primarily due to escalation.

2010/11 Forecast vs 2011/12 Forecast

- The increase from 2010/11 forecast to 2011/12 forecast is primarily due to escalation.

Power Supply Overview

(in millions of $)

	2007/08 Actual	2008/09 Actual	2009/10 Forecast	2010/11 Forecast	2011/12 Forecast
OM&A	$ 127.6	$ 142.2	$ 145.0	$ 148.1	$ 151.5
$ Change	$ 4.3	$ 14.6	$ 2.8	$ 3.1	$ 3.4
% Change	3.4%	11.4%	2.0%	2.1%	2.3%

	2007/08 Actual	2008/09 Actual	2009/10 Forecast	2010/11 Forecast	2011/12 Forecast
EFTs	1,470	1,576	1,757	1,785	1,785
# Change	65	106	181	28	-
% Change	4.7%	7.2%	11.5%	1.6%	-

2007/08 Actuals vs 2008/09 Actuals

- Increased salaries and benefits ($9.2) driven by wage escalation and staffing increases. Increased staff levels resulted from:
  - Higher trainee levels required to address existing staff shortages and future anticipated attrition levels (38 EFTs),
  - New positions to support Wuskwatim and other New Generation projects, including Keeyask, Conawapa, Bi-Pole III and Pointe du Bois (24 EFTs),
  - Successful filling of numerous vacancies in operational divisions (17 EFTs), and
  - Filling new and existing vacant positions (7 EFTs) primarily to support the project management function of capital programs;
- Increased materials and construction & maintenance services costs ($2.9) attributable to:
  - An increased maintenance focus in the operating divisions associated with our aging infrastructure, and
  - Ongoing costs related to the August ‘07 storm damage at Dorsey;
- Increased overtime and benefits ($2.6) driven by wage escalation and additional requirements (16 EFTs) primarily associated with:
  - Guaranteed overtime associated with backfilling vacancies at northern stations and focus on minimizing outage timeframes to increase generation availability (7 EFTs),
  - Increased site staffing levels for Wuskwatim & other major generation projects; (4 EFTs), and

- Additional overtime requirements to support system emergencies, Kelsey Re-runnering and new generation projects (2 EFTs);

- Increased travel expense ($2.1) related to:
  - Travel, accommodations and meals for 38 additional trainees while attending schools,
  - Northern benefit costs associated with backfilling vacancies at northern stations, and
  - Coordination and oversight for engineering groups to support various maintenance projects;
- Increased lease and fuel rates for all divisions, in addition to large equipment repair costs, primarily at Kelsey GS ($.9).

These increases were partially offset by:

- Higher capital credits ($4.1) associated with:
  - Higher volume of capital activity related primarily to major capital projects such as Wuskwatim, Conawapa, Keeyask and Point du Bois.
  - Increased activity rates driven by wage escalation,

Other minor variances make up the balance of the dollar and EFT increase.

2008/09 Actuals vs 2009/10 Forecast

- Increased salaries, overtime, benefits and capital credits ($6.7) primarily related to:
  - New positions to support Wuskwatim and other New Generation projects, including Keeyask, Conawapa, Bi-Pole III and Pointe du Bois (73 EFTs),
  - Successful filling of numerous vacancies (43 EFTs) at northern stations,
  - Higher Trainee levels required to address existing staff shortages and future anticipated attrition levels (33 EFTs),
  - Filling new and existing vacant positions (30 EFTs) primarily to support the project management function of capital programs,
  - New positions required for Ice/Safety Management at Winnipeg River (3 EFTs), and
  - Impact related to recent contract settlement;
- Increased Construction & Maintenance Services and Equipment Rentals ($1.6) resulting from:
  - Aging infrastructure maintenance requirements,
  - Increasing security requirements to meet NERC compliance, and

- Increased IT system fees primarily to support export market requirements.

- Increased consulting & professional fees ($.7) primarily attributable to CICA accounting changes, resulting in a transfer of consulting costs from capital to operating for various alternative energy studies;

Partially offset by:

- Decreased building and property costs primarily due to the transfer of the Town of Gillam and Frontier School Division expenditures to Capital and Other Taxes ($5.5); and
- Additional motor vehicle costs ($.4) in 2008/09 as a result of major equipment breakdowns, primarily in the North.

Other minor variances make up the balance of the dollar and EFT increase.

2009/10 Forecast vs 2010/11 Forecast

- Increase in salaries & benefits, overtime, training, travel and capital credits ($1.7) due to additional trainees (22 EFTs) to address future anticipated attrition levels.

The balance of the increase is primarily due to escalation.

2010/11 Forecast vs 2011/12 Forecast

- The increase from 2010/11 forecast to 2011/12 forecast is primarily due to escalation.

Transmission Overview

(in millions of $)

	2007/08 Actual	2008/09 Actual	2009/10 Forecast	2010/11 Forecast	2011/12 Forecast
OM&A	$ 83.2	$ 91.1	$ 91.1	$ 92.4	$ 94.5
$ Change	$ (0.3)	$ 7.9	$ -	$ 1.3	$ 2.1
% Change	-0.4%	9.5%	-	1.4%	2.3%

	2007/08 Actual	2008/09 Actual	2009/10 Forecast	2010/11 Forecast	2011/12 Forecast
EFTs	1,256	1,298	1,355	1,358	1,358
# Change	22	42	57	3	-
% Change	1.8%	3.3%	4.4%	0.2%	-

2007/08 Actuals vs 2008/09 Actuals

- Increased salaries and benefits ($5.2) driven by wage escalation and staffing increases. Increased staffing levels resulted from:
  - Higher trainee levels (power electricians) required to address existing staff shortages and future anticipated attrition levels (24 EFTs)
  - New positions to support major capital projects including Riel Station (8 EFTs),
  - Filling of vacant positions for various engineering functions (7 EFTs);
- Decrease in operating expense recoveries and other costs ($3.1) as a result of the transfer of Wire Services and Telecom net revenue to Manitoba Hydro International at end of 2007/08;
- Increased overtime ($0.8) primarily due to late spring start on the Wuskwatim and Frobisher projects and restoration efforts as a result of storms and forest fires (3 EFTs);
- Increased travel expenses ($0.8) due to term positions traveling to the Wuskwatim project and a greater number of rural projects in the Interlake & Northern regions;
- Increased training costs ($0.7) to support higher levels of trainees; and
- Increased motor vehicle expenses ($0.5) due to higher lease rates and escalating fuel prices.

These increases were partially offset by:

- Higher capital credits ($3.0) due to a higher volume of capital activity related primarily to major capital projects such as Wuskwatim, Frobisher, Pointe Du Bois

Other minor variances make up the balance of the increase.

2008/09 Actuals vs 2009/10 Forecast

- Increased salaries and benefits ($5.8) driven by recent contract settlement and staffing increases. Increased staffing levels resulted from:
  - New positions (30 EFTs) to support major capital projects including Bipole III, Wuskwatim and Riel Station,
  - Filling of vacant positions (17 EFTs) for various engineering functions.
  - Higher trainee levels (11 EFTs) required to address existing staff shortages and future anticipated attrition levels.

These increases were partially offset by:

- Increased capital credits ($5.9) to maintain in-service dates for transmission major and new generation projects including Wuskwatim, Herblet Lake, Riel Station, etc.

Other minor variances make up the balance of the dollar and EFT increase.

2009/10 Forecast vs 2010/11 Forecast

- The increase from 2009/10 forecast to 2010/11 forecast is primarily due to escalation.

2010/11 Forecast vs 2011/12 Forecast

- The increase from 2010/11 forecast to 2011/12 forecast is primarily due to escalation.

Customer Service and Distribution Overview

(in millions of $)

	2007/08 Actual	2008/09 Actual	2009/10 Forecast	2010/11 Forecast	2011/12 Forecast
OM&A	$ 98.4	$ 103.8	$ 107.3	$ 109.0	$ 111.5
$ Change	$ 6.3	$ 5.4	$ 3.5	$ 1.7	$ 2.5
% Change	6.8%	5.5%	3.4%	1.6%	2.3%

	2007/08 Actual	2008/09 Actual	2009/10 Forecast	2010/11 Forecast	2011/12 Forecast
EFTs	1,640	1,671	1,708	1,711	1,711
# Change	24	31	37	3	-
% Change	1.5%	1.9%	2.2%	0.2%	-

2007/08 Actuals vs 2008/09 Actuals

- Increased salaries and benefits ($4.8) driven by wage escalation and staffing increases. Increased staff levels resulted from:
  - Additional trainee positions required to address existing staff shortages and future anticipated attrition levels (14 EFTs),
  - Additional term hires to address customer driven work (14 EFTs);
- Increased motor vehicles costs ($2.2) attributable to:
  - Escalating fuel prices, and
  - Increased vehicle lease rates;
- Increased travel expense ($0.8) for:
  - Additional trainees,
  - Staff to temporarily work outside of their headquarter zone, and
  - Greater number of rural projects;
- Increased consumer services ($0.7), the result of contracting out the line locating work within the City of Winnipeg to Manitoba Hydro Utility Services;
- Increased construction & maintenance services ($0.5) mainly due additional heavy equipment units and the associated costs;
- Lower reconnect activity and related fees ($0.3) primarily the result of implementing the Electric Load Restrictor program;
- Increased consulting costs ($0.3) primarily due to the Rural Reorganization initiative and the Distribution Road Map project; and
- Increased overtime and benefits ($0.3) attributable to wage escalation.

These increases were partially offset by:

- Higher capital credits ($4.8) associated with:
  - An increase in customer driven projects,
  - Increased activity rates driven by wage escalation.

Other minor variances make up the balance of the dollar and EFT increase.

2008/09 Actuals vs 2009/10 Forecast

- Higher salaries and benefits ($7.5) mainly due to increased staff levels and recent contract settlements. Increased staff levels resulted from:
  - Filling of vacancies (32 EFTs) primarily in support of engineering and customer service functions,
  - New positions (6 EFTs) for northern collection activities and administrative support for new business unit.
- Higher construction & maintenance services ($2.0) driven by additional heavy equipment units and the associated costs.

These increases were partially offset by:

- Higher capital credits ($3.3) mainly due to increased activity rates and higher volume of capital activity due to filling vacancies;
- Decreased overtime costs ($1.0) primarily due to high storm restoration activities in 2008/09 not planned in 2009/10;
- Decreased motor vehicles costs ($1.0) primarily due to higher fuel prices in 08/09;
- Decreased material and tool requirements ($0.5) mainly due to high storm restoration activity and tool refurbishment in 2008/09 not planned in 2009/10.

Other minor variances make up the balance of the dollar and EFT increase.

2009/10 Forecast vs 2010/11 Forecast

- The increase from 2009/10 forecast to 2010/11 forecast is primarily due to escalation.

2010/11 Forecast vs 2011/12 Forecast

- The increase from 2010/11 forecast to 2011/12 forecast is primarily due to escalation.

Customer Care and Marketing Overview

(in millions of $)

	2007/08 Actual	2008/09 Actual	2009/10 Forecast	2010/11 Forecast	2011/12 Forecast
OM&A	$ 38.9	$ 39.3	$ 42.0	$ 43.0	$ 44.0
$ Change	$ (4.5)	$ 0.4	$ 2.7	$ 1.0	$ 1.0
% Change	-10.3%	1.0%	6.9%	2.4%	2.3%

	2007/08 Actual	2008/09 Actual	2009/10 Forecast	2010/11 Forecast	2011/12 Forecast
EFTs	545	550	561	566	566
# Change	(19)	5	11	5	-
% Change	-3.3%	0.9%	2.0%	0.9%	-

2007/08 Actuals vs 2008/09 Actuals

- Increased salaries and benefits ($1.3) attributable to increased staff levels (5 EFTs) and wage escalation. Increased staff levels are a result of:
  - New positions (3 EFTs) for the Affordable Energy Program, and
  - Filling of vacancies (2 EFTs) primarily to support energy management for industrial and commercial customers.

These increases were partially offset by:

- Decreased collections costs ($0.2) due to a reduction in account write offs and collection expenses;
- Increased revenues for permit inspection fees ($0.3) administered to residential and commercial;
- Higher capital credits due to increased capital activity on various DSM related programs as a result of higher staff levels.

Other minor variances make up the increase.

2008/09 Actuals vs 2009/10 Forecast

- Increased salaries and benefits ($2.8) related to recent contract settlement and increased staff levels (10 EFTs). Increased staff levels are a result of:
  - Filling of vacancies primarily to support energy management for industrial and commercial customers,

    - New positions for a full year in 2009/10 in the Affordable Energy Program;
- Lower net business initiative revenues anticipated in 2009/10 ($0.8) as a result of the completion of several significant initiatives in 2008/09 including Atomic Energy and Stony Mountain Penitentiary;
- Increase in travel expenses ($0.3) throughout business unit due to higher staffing levels.

These increases were offset by:

- Higher capital credits ($1.0) mainly due to increased capital activity for various DSM related programs as a result of higher staff levels;
- Decrease in collection costs ($0.5) due to anticipated reduced write-offs as a result of enhanced arrears management.

Other minor variances make up the balance of the dollar and EFT increase.

2009/10 Forecast vs 2010/11 Forecast

- Increase in salaries and benefits ($1.0) due to filling of vacant positions (5 EFTs) primarily to support energy management for residential customers.

2010/11 Forecast vs 2011/12 Forecast

- The increase from 2010/11 forecast to 2011/12 forecast is primarily due to escalation.

The following schedules provide a divisional breakdown of OM&A and EFTs.

MANITOBA HYDRO **Schedule 4.5.3**

OPERATING, MAINTENANCE AND ADMINISTRATIVE COSTS BY BUSINESS UNIT **(000's)**

	2007/08 Actual	2008/09 Actual	2009/10 Forecast	2010/11 Forecast	2011/12 Forecast
President & CEO					
General Counsel	$ 4,629	$ 5,669	$ 5,450	$ 5,545	$ 5,673
Public Affairs	2,939	3,189	3,299	3,352	3,429
Research & Development	3,548	3,396	4,310	4,395	4,496
Administration	9,861	9,901	11,416	12,137	12,416
	$ 20,977	**$ 22,155**	**$ 24,475**	**$ 25,429**	**$ 26,014**
Corporate Relations					
Aboriginal Relations	$ 4,331	$ 4,473	$ 4,372	$ 4,448	$ 4,550
Administration	914	1,047	728	752	769
	$ 5,245	**$ 5,520**	**$ 5,100**	**$ 5,200**	**$ 5,320**
Corporate Planning & Strategic Analysis					
Corporate Strategic Review	$ 582	$ 626	$ 1,064	$ 2,658	$ 2,719
Corporate Planning & Development	1,042	1,069	2,078	2,592	2,652
Administration	362	380	558	1,050	1,074
	$ 1,986	**$ 2,075**	**$ 3,700**	**$ 6,300**	**$ 6,445**
Finance & Administration					
Information Technology Services	$ 32,709	$ 33,959	$ 35,070	$ 35,500	$ 36,317
Treasury	2,001	2,067	2,090	2,100	2,148
Corporate Risk Management	460	566	820	836	855
Gas Supply	2,058	2,248	2,250	2,300	2,353
Rates & Regulatory Affairs	2,998	2,918	3,700	3,741	3,827
Corporate Controller	9,475	10,053	11,480	11,626	11,893
Human Resources	11,084	10,666	10,925	10,915	11,166
Corporate Safety & Health	3,411	3,663	3,700	3,750	3,836
Corporate Services	33,117	35,279	36,200	36,644	37,487
Administration	1,820	1,901	2,520	2,555	2,614
	$ 99,133	**$ 103,320**	**$ 108,755**	**$ 109,967**	**$ 112,496**
Power Supply					
Power Planning	$ 2,955	$ 4,015	$ 6,422	$ 6,494	$ 6,643
Power Projects Development	411	730	383	396	405
HVDC	19,128	21,659	22,856	23,096	23,627
Generation North	30,929	33,671	28,702	28,942	29,608
Generation South	46,747	50,020	51,841	52,437	53,643
Power Sales & Operations	11,625	12,578	13,153	13,290	13,596
Engineering Services	4,909	4,534	5,074	5,171	5,290
New Generation Construction	(228)	24	(249)	(249)	(255)
Administration	11,134	14,952	16,818	18,523	18,949
	$ 127,610	**$ 142,183**	**$ 145,000**	**$ 148,100**	**$ 151,506**
Transmission					
Transmission System Operations	28,453	31,408	33,054	33,545	34,317
Transmission Planning & Design	3,403	5,219	4,034	4,660	4,767
Transmission Construction & Line Maintenance	15,952	15,964	16,485	16,661	17,044
Apparatus Maintenance	33,834	36,281	35,070	35,579	36,397
Administration	1,529	2,216	2,457	1,955	2,000
	$ 83,171	**$ 91,088**	**$ 91,100**	**$ 92,400**	**$ 94,525**
Customer Services & Distribution					
Customer Service Operations - Winnipeg & North	44,893	48,121	47,988	48,808	49,931
Customer Service Operations - South	43,951	46,243	48,609	49,439	50,576
Distribution Planning & Design	8,075	8,541	8,424	8,555	8,752
Distribution Construction	910	694	930	942	964
Administration	544	163	1,349	1,256	1,285
	$ 98,373	**$ 103,762**	**$ 107,300**	**$ 109,000**	**$ 111,507**
Customer Care & Marketing					
Industrial & Commercial Solutions	$ 2,669	$ 2,077	$ 3,258	$ 3,293	$ 3,369
Consumer Marketing & Sales	8,264	8,850	10,000	10,341	10,579
Business Support Services	22,937	23,128	23,329	23,622	24,165
Administration	4,989	5,288	5,413	5,744	5,876
	$ 38,859	**$ 39,343**	**$ 42,000**	**$ 43,000**	**$ 43,989**
Motor Vehicle Chargeout	(15,394)	(16,043)	(16,154)	(16,601)	(16,983)
Payroll Tax	(8,774)	(9,679)	(9,873)	(10,070)	(10,272)
Corporate Allocations & Adjustments	(4,930)	(3,824)	(8,775)	(9,666)	(10,160)
CICA Accounting Changes*	-	5,000	7,000	7,000	7,000
Provision for IFRS	-	-	-	-	15,000
Operating & Administration Charged to Centra	(56,270)	(59,042)	(60,160)	(61,343)	(62,570)
Capitalized Overhead	(67,289)	(66,198)	(67,964)	(69,021)	(70,447)
Operating & Administrative Costs Attributable to Ele	**$ 322,697**	**$ 359,660**	**$ 371,504**	**$ 379,695**	**$ 403,370**

1 * Other CICA Accounting Changes totalling $4 million (beginning in 2009/10) are embedded within the Business Units

MANITOBA HYDRO **Schedule 4.5.4**

EQUIVALENT FULL TIME EMPLOYEES - ANNUAL RESULTS BY BUSINESS UNIT

	2007/08 Actual	2008/09 Actual	2009/10 Forecast	2010/11 Forecast	2011/12 Forecast
President & CEO					
General Counsel	27	26	29	29	29
Public Affairs	31	32	34	34	34
Research & Development	2	2	2	2	2
Administration	27	27	32	34	34
	87	87	97	99	99
Corporate Relations					
Aboriginal Relations	61	67	64	65	65
Administration	8	8	4	4	4
	69	75	69	69	69
Corporate Planning & Strategic Analysis					
Corporate Strategic Review	5	6	9	21	21
Corporate Planning & Development	11	11	10	12	12
Administration	3	3	4	5	5
	19	20	23	38	38
Finance & Administration					
Information Technology Services	313	313	313	314	314
Treasury	15	15	15	15	15
Corporate Risk Management	4	5	6	6	6
Gas Supply	18	20	20	20	20
Rates & Regulatory Affairs	19	19	21	21	21
Corporate Controller	108	107	119	119	119
Human Resources	159	163	158	158	158
Corporate Safety & Health	30	30	30	30	30
Corporate Services	309	316	347	347	347
Administration	11	11	13	13	13
	986	999	1,042	1,043	1,043
Power Supply					
Power Planning	55	58	68	68	68
Power Projects Development	46	49	58	58	58
HVDC	235	250	268	270	270
Generation North	215	219	227	229	229
Generation South	455	459	469	470	470
Power Sales & Operations	84	84	88	89	89
Engineering Services	175	183	213	213	213
New Generation Construction	55	83	142	143	143
Administration	150	191	224	246	246
	1,470	1,576	1,757	1,785	1,785
Transmission					
Transmission System Operations	362	362	370	370	370
Transmission Planning & Design	178	191	215	216	216
Transmission Construction & Line Maintenance	273	275	295	296	296
Apparatus Maintenance	397	421	432	433	433
Administration	45	49	44	44	44
	1,255	1,298	1,355	1,358	1,358
Customer Services & Distribution					
Customer Service Operations - Winnipeg & North	520	530	532	534	534
Customer Service Operations - South	561	566	578	579	579
Distribution Planning & Design	173	178	185	185	185
Distribution Construction	386	397	406	407	407
Administration	-	-	6	6	6
	1,640	1,671	1,708	1,711	1,711
Customer Care & Marketing					
Industrial & Commercial Solutions	52	54	60	60	60
Consumer Marketing & Sales	216	216	215	218	218
Business Support Services	229	229	229	227	227
Administration	48	51	57	60	60
	545	550	561	566	566
Total	6,071	6,276	6,613	6,669	6,669

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