

# **Economic Outlook**

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**2009 - 2030**



**Economic Analysis  
Department  
Spring, 2009  
EO09-1**

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## Preface

The objective of this annual forecast is to provide a set of economic parameters for corporate use.

This information is used in several areas of the corporation; for example, in load forecasting, project evaluation, and financial planning.

The document is derived from a variety of sources, including forecasts from Global Insight, the Conference Board of Canada, Informetrica, Consensus Forecasts, Manitoba Bureau of Statistics, several financial and banking institutions such as BMO Nesbitt Burns, CIBC, Royal Bank, Scotiabank, and TD Bank. As a final step prior to publication, the forecast is refined to reflect information available in early spring.

This forecast is based on what was known and could reasonably be foreseen at the time of its preparation. Users should be cognizant that conditions can and do change and should apply sensitivity analysis accordingly.

The variables are presented in both calendar year and fiscal year format. Fiscal year data have been derived from the calendar year data. Fiscal year data which conform with data found in G911 are presented on pages 3 to 5 following. The balance of the text relates to calendar year information.

## Executive Summary

In 2008, Manitoba **real economic growth** was 2.2% while Canadian and U.S. real economic growth were 0.5% and 1.1% respectively. Long-term annual growth (2009-2030) for Manitoba is expected to be 1.9%, 2.0% for Canada, and 2.2% for the United States, compared to 1.9%, 2.2%, and 2.5% respectively for Manitoba, Canada, and the U.S. in EO2008.

Manitoba and Canadian **CPI** increased by 2.3% in 2008, while the U.S. CPI escalated by 3.8%. In the long term, Manitoba and Canadian CPI should trend around 2.0% assuming that the Bank of Canada maintains its target inflation policy. The U.S. CPI is expected to escalate at 2.2% in the long term, similar to the rate forecast in EO2008.

Manitoba's **population** increased by 14,445 or 1.2%, while the Canadian population increased by 384,017 or 1.2%, and the U.S. population by 2.769 million or 0.9% in 2008. In the long term, Manitoba's population is expected to grow at an annual rate of 0.6%, while Canadian and U.S. populations are both expected to grow at 0.9%. EO2008 population growth rates were forecast to be 0.6%, 0.8%, and 0.8% for Manitoba, Canada, and the U.S. respectively.

Manitoba's aboriginal population is expected to grow at an annual rate of 1.3% or 2,700 people per year, similar to EO2008.

Manitoba's **employment** growth was 1.7% and the unemployment rate was 4.2% in 2008. Canada's employment growth was 1.5% and its unemployment rate was 6.1% in 2008. U.S. employment levels experienced negative growth of 0.5% while the unemployment rate was 5.8%. In the long term, Manitoba's employment levels and productivity are expected to grow at 0.7% and 1.2% annually, respectively. In EO2008, Manitoba's employment growth rate was 0.5%. In EO2009, Canadian and U.S. employment growth are forecast to be 0.6% and 1.0%, while their respective productivity will be 1.4% and 1.2%. In EO2008, Canadian and U.S. employment growth were forecast to be 0.8% and 0.7% respectively.

Manitoba housing starts were 5,537 in 2008 – down 3.5% from 2007. Canada's housing starts were 211,000 in 2008. U.S. housing starts were 0.902 million for the same period, the lowest level in 48 years. Over the forecast period, Manitoba housing starts are anticipated to be 4,700 units per year and Manitoba **residential electricity customers** are expected to increase by 3,800 units a year. EO2008 forecast 4,700 housing starts and 3,800 residential customers annually.

Canada's **T-Bill rate** was 2.39% in 2008 while the U.S. T-Bill rate averaged 1.37%. The Canadian **long-term bond rate** was 4.04% while the U.S. long rate was 3.66%. In the long term, Canada's T-Bill rate is expected to be 4.25%, while the long-term bond rate is expected to be 5.50%, compared to 4.50% and 5.85% respectively in EO2008. EO2009 forecasts the U.S. T-Bill and long bond rates to be 4.50% and 5.50% respectively (4.75% and 5.75% respectively in EO2008).

In 2008, the **Canadian dollar** appreciated by 0.7% from US\$1.0740 in 2007 to US\$1.0671 in 2008. In EO2009, the Canadian dollar is forecast to depreciate by 14.6% from US\$1.0671 in 2008 to US\$1.25 in 2009, and then appreciate by approximately 8.7% over 2009-2030 to reach US\$1.15 by 2030. EO2008 had forecast a depreciation of 8.1% from US\$1.01 in 2008 to US\$1.10 in 2029.

## Recent Economic Performance

|                               | 2004   | 2005   | 2006   | 2007   | 2008   |
|-------------------------------|--------|--------|--------|--------|--------|
| <b>Manitoba</b>               |        |        |        |        |        |
| Real GDP - %                  | 2.2    | 2.7    | 3.9    | 3.1    | 2.2    |
| CPI - %                       | 2.0    | 2.7    | 2.0    | 2.0    | 2.3    |
| Population - %                | 0.8    | 0.4    | 0.5    | 0.8    | 1.2    |
| Employment - %                | 1.1    | 0.6    | 1.2    | 1.6    | 1.7    |
| Unemployment rate - %         | 5.3    | 4.8    | 4.3    | 4.4    | 4.2    |
| Residential customers - '000s | 421    | 423    | 427    | 431    | 436    |
| Housing starts                | 4,440  | 4,731  | 5,028  | 5,738  | 5,537  |
| Retail sales - \$M            | 11,692 | 12,381 | 12,870 | 14,008 | 15,000 |
| Manufacturing Sales - \$M     | 13,263 | 13,702 | 14,854 | 16,111 | 16,397 |
| <b>Canada</b>                 |        |        |        |        |        |
| Real GDP - %                  | 3.1    | 2.9    | 3.1    | 2.7    | 0.5    |
| CPI - %                       | 1.8    | 2.2    | 2.0    | 2.2    | 2.3    |
| Population - %                | 1.0    | 1.0    | 1.0    | 1.1    | 1.2    |
| Employment - %                | 1.8    | 1.4    | 1.9    | 2.3    | 1.5    |
| Unemployment rate - %         | 7.2    | 6.8    | 6.3    | 6.0    | 6.1    |
| Housing starts - '000s        | 233    | 224    | 229    | 228    | 211    |
| Retail sales - \$B            | 347    | 366    | 390    | 412    | 425    |
| Manufacturing Shipments - \$B | 586    | 591    | 588    | 607    | 604    |
| T-Bill rate - %               | 2.22   | 2.73   | 4.03   | 4.15   | 2.39   |
| GOC 10 Yr+ rate - %           | 5.08   | 4.39   | 4.30   | 4.34   | 4.04   |
| C\$/US\$                      | 1.30   | 1.21   | 1.13   | 1.07   | 1.07   |
| <b>United States</b>          |        |        |        |        |        |
| Real GDP - %                  | 3.6    | 2.9    | 2.8    | 2.0    | 1.1    |
| CPI - %                       | 2.7    | 3.4    | 3.2    | 2.9    | 3.8    |
| GDP Deflator - %              | 2.9    | 3.3    | 3.2    | 2.7    | 2.2    |
| T-Bill rate - %               | 1.37   | 3.14   | 4.73   | 4.35   | 1.37   |
| Long Term Bond Rate - %       | 4.29   | 4.28   | 4.81   | 4.63   | 3.66   |
| Unemployment rate - %         | 5.5    | 5.1    | 4.6    | 4.6    | 5.8    |
| <b>Prices</b>                 |        |        |        |        |        |
| Wheat - US\$/tonne            | 186.8  | 197.8  | 216.6  | 302.8  | 455.7  |
| Cattle - US cents/lb          | 81.5   | 87.2   | 86.2   | 94.0   | 93.8   |
| Hogs - US cents/lb            | 53.3   | 68.4   | 64.2   | 65.5   | 66.1   |
| Copper - US cents/lb          | 130.9  | 167.6  | 305.1  | 323.3  | 316.9  |
| Nickel - US cents/lb          | 6.3    | 6.7    | 11.0   | 16.9   | 9.6    |
| Zinc - US cents/lb            | 47.7   | 62.9   | 148.6  | 146.4  | 85.3   |
| Gold - US\$/oz                | 409.6  | 445.5  | 604.1  | 699.0  | 872.5  |
| Silver - US\$/oz              | 6.7    | 7.4    | 11.6   | 13.4   | 15.1   |

## Base Case – Fiscal

| <b>MANITOBA</b>               | <b>08/09</b> | <b>09/10</b> | <b>10/11</b> | <b>11/12</b> | <b>12/13</b> | <b>13/14</b> | <b>14/15</b> | <b>15/16</b> |      |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------|
| Real GDP (%)                  | 1.5          | 0.0          | 2.1          | 2.7          | 2.6          | 2.4          | 2.0          | 2.0          | *    |
| CPI (%)                       | 2.2          | 0.4          | 1.4          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | & on |
| Population (000's)            | 1,210        | 1,218        | 1,226        | 1,234        | 1,242        | 1,250        | 1,258        | 1,266        | *    |
| Residential Customers (000's) | 440          | 444          | 448          | 452          | 456          | 460          | 463          | 467          | *    |
| Unemployment Rate (%)         | 4.6          | 6.0          | 5.9          | 4.2          | 4.1          | 3.9          | 3.5          | 3.6          |      |

\*for 2016/17 and beyond, see page 5

| <b>CANADA</b>                 | <b>08/09</b> | <b>09/10</b> | <b>10/11</b> | <b>11/12</b> | <b>12/13</b> | <b>13/14</b> | <b>14/15</b> | <b>15/16</b> |      |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------|
| Real GDP (%)                  | 0.0          | -0.9         | 2.3          | 3.1          | 2.9          | 2.7          | 2.4          | 2.3          | **   |
| CPI (%)                       | 2.2          | 0.8          | 1.6          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | & on |
| GDP Deflator (%)              | 3.2          | -0.9         | 1.5          | 1.9          | 1.9          | 1.9          | 1.9          | 1.9          | & on |
| 90 Day T-Bill (%)             | 1.84         | 0.80         | 1.90         | 3.80         | 4.20         | 4.25         | 4.25         | 4.25         | & on |
| GOC 10Yr+ Rate (%)            | 3.94         | 3.15         | 3.80         | 4.95         | 5.40         | 5.50         | 5.50         | 5.50         | & on |
| U.S. Exchange Rate (C\$/US\$) | 1.13         | 1.22         | 1.14         | 1.10         | 1.10         | 1.11         | 1.12         | 1.13         | **   |
| Unemployment Rate (%)         | 6.6          | 8.2          | 8.0          | 6.6          | 6.3          | 6.2          | 6.1          | 6.1          |      |

\*\*for 2016/17 and beyond, see page 5

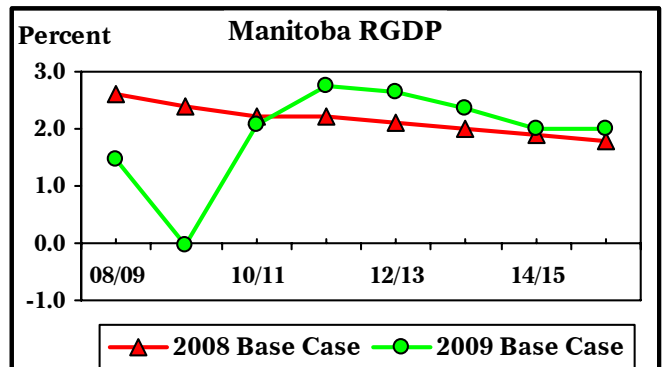
| <b>United States</b>    | <b>08/09</b> | <b>09/10</b> | <b>10/11</b> | <b>11/12</b> | <b>12/13</b> | <b>13/14</b> | <b>14/15</b> | <b>15/16</b> |      |
|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------|
| Real GDP (%)            | 0.2          | -1.5         | 2.3          | 3.4          | 3.2          | 3.0          | 2.6          | 2.3          |      |
| CPI (%)                 | 2.8          | 0.1          | 1.7          | 1.9          | 2.0          | 2.2          | 2.2          | 2.2          | & on |
| GDP Deflator (%)        | 2.2          | 0.5          | 0.8          | 1.5          | 1.9          | 1.9          | 2.0          | 2.0          | & on |
| 90 Day T-Bill (%)       | 0.91         | 0.55         | 1.45         | 2.70         | 3.60         | 4.20         | 4.40         | 4.50         | & on |
| Long Term Bond Rate (%) | 3.43         | 3.00         | 3.60         | 4.25         | 4.70         | 5.05         | 5.25         | 5.50         | & on |
| Unemployment Rate (%)   | 6.6          | 9.0          | 8.7          | 6.3          | 5.7          | 5.2          | 5.1          | 5.0          |      |

# Manitoba Hydro Key Variables

## Changes from Previous Forecast

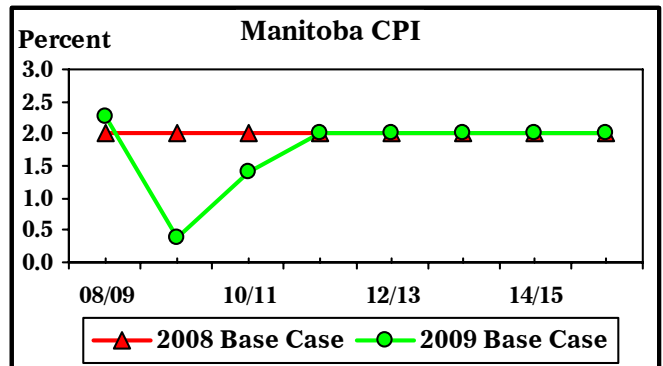
| Fiscal Year      | 2008      | 2009      |
|------------------|-----------|-----------|
|                  | Base Case | Base Case |
| <b>RGDP (%)*</b> |           |           |
| 07/08            | 2.9       | 2.9       |
| 08/09            | 2.6       | 1.5       |
| 09/10            | 2.4       | 0.0       |
| 10/11            | 2.2       | 2.1       |
| 11/12            | 2.2       | 2.7       |
| 12/13            | 2.1       | 2.6       |
| 13/14            | 2.0       | 2.4       |
| 14/15            | 1.9       | 2.0       |
| 15/16            | 1.8       | 2.0       |

\*for 16/17 and beyond, see page 5



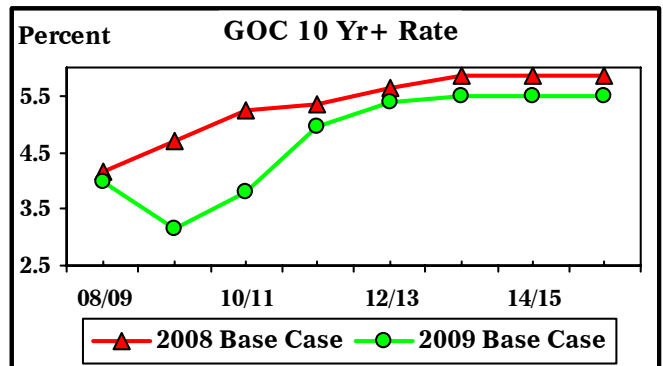
## CPI - Inflation (%)

|            |     |     |
|------------|-----|-----|
| 07/08      | 1.9 | 1.9 |
| 08/09      | 2.0 | 2.2 |
| 09/10      | 2.0 | 0.4 |
| 10/11      | 2.0 | 1.4 |
| 11/12      | 2.0 | 2.0 |
| 12/13      | 2.0 | 2.0 |
| 13/14      | 2.0 | 2.0 |
| 14/15      | 2.0 | 2.0 |
| 15/16 & on | 2.0 | 2.0 |



## GOC 10 Yr+ Rate (%)

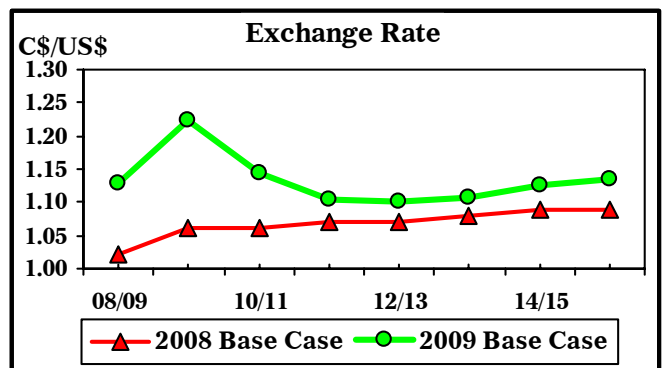
|            |      |      |
|------------|------|------|
| 07/08      | 4.30 | 4.31 |
| 08/09      | 4.15 | 3.94 |
| 09/10      | 4.70 | 3.15 |
| 10/11      | 5.25 | 3.80 |
| 11/12      | 5.35 | 4.95 |
| 12/13      | 5.65 | 5.40 |
| 13/14      | 5.85 | 5.50 |
| 14/15      | 5.85 | 5.50 |
| 15/16 & on | 5.85 | 5.50 |



## Foreign Exchange (C\$/US\$)\*\*

|       |      |      |
|-------|------|------|
| 07/08 | 1.03 | 1.03 |
| 08/09 | 1.02 | 1.13 |
| 09/10 | 1.06 | 1.22 |
| 10/11 | 1.06 | 1.14 |
| 11/12 | 1.07 | 1.10 |
| 12/13 | 1.07 | 1.10 |
| 13/14 | 1.08 | 1.11 |
| 14/15 | 1.09 | 1.12 |
| 15/16 | 1.09 | 1.13 |

\*\*for 16/17 and beyond, see page 5



## Manitoba/Canada Economic Statistics

| Year            | Man. Real GDP % | Man. CPI % | Man. Population '000s | Man. Residential Customers '000s | Cdn. Real GDP % | Cdn. CPI % | 90 Day T-Bill Rate % | GOC 10 Yr+ Rate % | C\$/US\$ |
|-----------------|-----------------|------------|-----------------------|----------------------------------|-----------------|------------|----------------------|-------------------|----------|
| 1984/85         | 7.8             | 3.3        | 1,074                 | 360                              | 5.5             | 3.9        | 11.15                | 12.60             | 1.32     |
| 1985/86         | 4.8             | 4.5        | 1,085                 | 364                              | 4.2             | 4.1        | 9.52                 | 10.58             | 1.38     |
| 1986/87         | 0.5             | 4.3        | 1,093                 | 371                              | 2.3             | 4.1        | 8.06                 | 9.27              | 1.37     |
| 1987/88         | 1.0             | 4.1        | 1,099                 | 378                              | 5.0             | 4.4        | 8.47                 | 10.16             | 1.31     |
| 1988/89         | 0.3             | 4.4        | 1,102                 | 383                              | 4.4             | 4.1        | 10.29                | 10.37             | 1.21     |
| 1989/90         | 2.6             | 4.7        | 1,104                 | 386                              | 2.2             | 5.2        | 12.37                | 9.95              | 1.18     |
| 1990/91         | 1.0             | 5.0        | 1,107                 | 389                              | -1.0            | 5.0        | 12.07                | 10.72             | 1.16     |
| 1991/92         | -2.3            | 3.8        | 1,110                 | 391                              | -1.0            | 4.4        | 8.03                 | 9.53              | 1.15     |
| 1992/93         | 0.9             | 1.9        | 1,114                 | 393                              | 1.1             | 1.6        | 6.25                 | 8.60              | 1.23     |
| 1993/94         | 1.3             | 2.4        | 1,119                 | 396                              | 2.8             | 1.5        | 4.46                 | 7.62              | 1.31     |
| 1994/95         | 3.0             | 1.6        | 1,125                 | 398                              | 5.1             | 0.4        | 6.46                 | 9.01              | 1.38     |
| 1995/96         | 1.0             | 2.5        | 1,130                 | 400                              | 1.8             | 2.1        | 6.17                 | 7.96              | 1.36     |
| 1996/97         | 3.2             | 2.5        | 1,135                 | 402                              | 2.4             | 1.7        | 3.67                 | 7.31              | 1.36     |
| 1997/98         | 3.9             | 1.5        | 1,136                 | 405                              | 4.5             | 1.4        | 3.63                 | 6.09              | 1.40     |
| 1998/99         | 3.6             | 1.5        | 1,139                 | 406                              | 4.1             | 0.9        | 4.81                 | 5.37              | 1.50     |
| 1999/00         | 2.1             | 2.2        | 1,144                 | 408                              | 5.8             | 2.2        | 4.82                 | 5.91              | 1.47     |
| 2000/01         | 3.3             | 2.5        | 1,148                 | 410                              | 4.6             | 2.7        | 5.42                 | 5.78              | 1.50     |
| 2001/02         | 1.0             | 2.1        | 1,153                 | 413                              | 1.5             | 2.2        | 3.09                 | 5.81              | 1.57     |
| 2002/03         | 1.4             | 2.3        | 1,158                 | 415                              | 3.1             | 3.0        | 2.79                 | 5.58              | 1.55     |
| 2003/04         | 1.1             | 0.9        | 1,166                 | 419                              | 1.7             | 1.9        | 2.67                 | 5.17              | 1.35     |
| 2004/05         | 2.3             | 2.7        | 1,175                 | 422                              | 3.5             | 2.2        | 2.31                 | 5.00              | 1.28     |
| 2005/06         | 3.0             | 2.4        | 1,180                 | 426                              | 3.1             | 2.3        | 3.02                 | 4.26              | 1.19     |
| 2006/07         | 3.7             | 2.0        | 1,186                 | 430                              | 2.7             | 1.9        | 4.16                 | 4.29              | 1.14     |
| 2007/08         | 2.9             | 1.9        | 1,197                 | 434                              | 2.5             | 2.1        | 3.83                 | 4.31              | 1.03     |
| 2008/09         | 1.5             | 2.2        | 1,210                 | 440                              | 0.0             | 2.2        | 1.84                 | 3.94              | 1.13     |
| <b>Forecast</b> |                 |            |                       |                                  |                 |            |                      |                   |          |
| 2009/10         | 0.0             | 0.4        | 1,218                 | 444                              | -0.9            | 0.8        | 0.80                 | 3.15              | 1.22     |
| 2010/11         | 2.1             | 1.4        | 1,226                 | 448                              | 2.3             | 1.6        | 1.90                 | 3.80              | 1.14     |
| 2011/12         | 2.7             | 2.0        | 1,234                 | 452                              | 3.1             | 2.0        | 3.80                 | 4.95              | 1.10     |
| 2012/13         | 2.6             | 2.0        | 1,242                 | 456                              | 2.9             | 2.0        | 4.20                 | 5.40              | 1.10     |
| 2013/14         | 2.4             | 2.0        | 1,250                 | 460                              | 2.7             | 2.0        | 4.25                 | 5.50              | 1.11     |
| 2014/15         | 2.0             | 2.0        | 1,258                 | 463                              | 2.4             | 2.0        | 4.25                 | 5.50              | 1.12     |
| 2015/16         | 2.0             | 2.0        | 1,266                 | 467                              | 2.3             | 2.0        | 4.25                 | 5.50              | 1.13     |
| 2016/17         | 2.0             | 2.0        | 1,273                 | 471                              | 2.3             | 2.0        | 4.25                 | 5.50              | 1.14     |
| 2017/18         | 2.0             | 2.0        | 1,281                 | 475                              | 2.3             | 2.0        | 4.25                 | 5.50              | 1.14     |
| 2018/19         | 2.0             | 2.0        | 1,288                 | 479                              | 2.3             | 2.0        | 4.25                 | 5.50              | 1.14     |
| 2019/20         | 2.0             | 2.0        | 1,296                 | 483                              | 2.3             | 2.0        | 4.25                 | 5.50              | 1.14     |
| 2020/21         | 2.0             | 2.0        | 1,303                 | 486                              | 2.2             | 2.0        | 4.25                 | 5.50              | 1.14     |
| 2021/22         | 1.9             | 2.0        | 1,310                 | 490                              | 2.0             | 2.0        | 4.25                 | 5.50              | 1.14     |
| 2022/23         | 1.9             | 2.0        | 1,317                 | 494                              | 2.0             | 2.0        | 4.25                 | 5.50              | 1.14     |
| 2023/24         | 1.8             | 2.0        | 1,324                 | 497                              | 2.0             | 2.0        | 4.25                 | 5.50              | 1.15     |
| 2024/25         | 1.8             | 2.0        | 1,330                 | 501                              | 2.0             | 2.0        | 4.25                 | 5.50              | 1.15     |
| 2025/26         | 1.8             | 2.0        | 1,337                 | 505                              | 2.0             | 2.0        | 4.25                 | 5.50              | 1.15     |
| 2026/27         | 1.8             | 2.0        | 1,343                 | 508                              | 2.0             | 2.0        | 4.25                 | 5.50              | 1.15     |
| 2027/28         | 1.8             | 2.0        | 1,349                 | 512                              | 2.0             | 2.0        | 4.25                 | 5.50              | 1.15     |
| 2028/29         | 1.8             | 2.0        | 1,355                 | 515                              | 2.0             | 2.0        | 4.25                 | 5.50              | 1.15     |
| 2029/30         | 1.8             | 2.0        | 1,361                 | 519                              | 2.0             | 2.0        | 4.25                 | 5.50              | 1.15     |



## Base Case – Calendar

| <b>MANITOBA</b>               | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> | <b>2015</b> |      |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------|
| Real GDP (%)                  | 2.2         | -0.7        | 1.9         | 2.7         | 2.7         | 2.5         | 2.0         | 2.0         | *    |
| CPI (%)                       | 2.3         | 0.1         | 1.2         | 2.0         | 2.0         | 2.0         | 2.0         | 2.0         | & on |
| Population (000's)            | 1,208       | 1,216       | 1,224       | 1,232       | 1,240       | 1,248       | 1,256       | 1,264       | *    |
| Residential Customers (000's) | 436         | 440         | 444         | 448         | 452         | 456         | 460         | 464         | *    |
| Unemployment Rate (%)         | 4.2         | 5.8         | 6.5         | 4.3         | 4.1         | 4.0         | 3.5         | 3.6         |      |

\*for 2016 and on, see page 8

| <b>CANADA</b>                 | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> | <b>2015</b> |      |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------|
| Real GDP (%)                  | 0.5         | -1.9        | 2.0         | 3.2         | 3.0         | 2.8         | 2.5         | 2.3         | **   |
| CPI (%)                       | 2.3         | 0.6         | 1.5         | 2.0         | 2.0         | 2.0         | 2.0         | 2.0         | & on |
| GDP Deflator (%)              | 3.9         | -1.7        | 1.4         | 1.9         | 1.9         | 1.9         | 1.9         | 1.9         | & on |
| 90 Day TBill (%)              | 2.39        | 0.60        | 1.30        | 3.65        | 4.15        | 4.25        | 4.25        | 4.25        | & on |
| GOC 10 Yr+ Rate (%)           | 4.04        | 3.05        | 3.45        | 4.80        | 5.35        | 5.50        | 5.50        | 5.50        | & on |
| U.S. Exchange Rate (C\$/US\$) | 1.07        | 1.25        | 1.16        | 1.11        | 1.10        | 1.10        | 1.12        | 1.13        | **   |
| Unemployment Rate (%)         | 6.1         | 8.1         | 8.5         | 6.6         | 6.4         | 6.2         | 6.1         | 6.1         |      |

\*\*for 2016 and on, see page 8

| <b>United States</b>    | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> | <b>2015</b> |      |
|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------|
| Real GDP (%)            | 1.1         | -2.7        | 1.9         | 3.5         | 3.3         | 3.1         | 2.7         | 2.3         |      |
| CPI (%)                 | 3.8         | -0.4        | 1.7         | 1.8         | 2.0         | 2.2         | 2.2         | 2.2         | & on |
| GDP Deflator (%)        | 2.2         | 0.5         | 0.7         | 1.4         | 1.9         | 1.9         | 2.0         | 2.0         | & on |
| 90 Day TBill (%)        | 1.37        | 0.35        | 1.10        | 2.45        | 3.40        | 4.15        | 4.35        | 4.50        | & on |
| Long Term Bond Rate (%) | 3.66        | 2.85        | 3.40        | 4.15        | 4.60        | 5.00        | 5.15        | 5.50        | & on |
| Unemployment Rate (%)   | 5.8         | 8.8         | 9.4         | 6.5         | 5.8         | 5.3         | 5.1         | 5.0         |      |

# Manitoba Hydro Key Variables

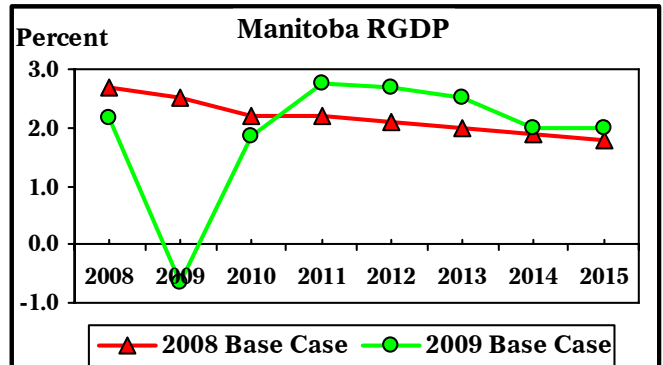
## Changes from Previous Forecast

| Calendar Year | 2008 Base Case | 2009 Base Case |
|---------------|----------------|----------------|
|---------------|----------------|----------------|

### RGDP

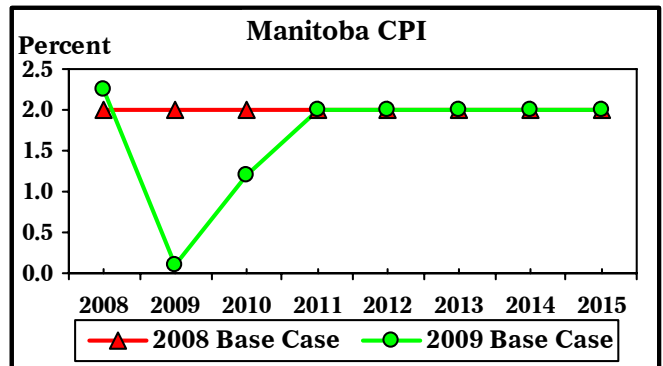
|      |     |      |
|------|-----|------|
| 2008 | 2.7 | 2.2  |
| 2009 | 2.5 | -0.7 |
| 2010 | 2.2 | 1.9  |
| 2011 | 2.2 | 2.7  |
| 2012 | 2.1 | 2.7  |
| 2013 | 2.0 | 2.5  |
| 2014 | 1.9 | 2.0  |
| 2015 | 1.8 | 2.0  |

\*for 2016 and beyond, see page 8



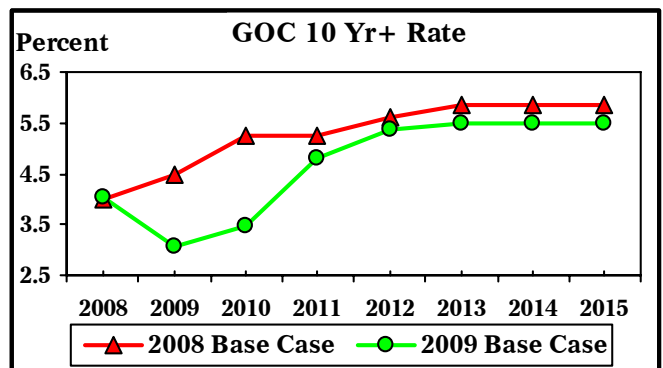
### CPI - Inflation (%)

|      |      |     |
|------|------|-----|
| 2008 | 2.00 | 2.3 |
| 2009 | 2.00 | 0.1 |
| 2010 | 2.00 | 1.2 |
| 2011 | 2.00 | 2.0 |
| 2012 | 2.00 | 2.0 |
| 2013 | 2.00 | 2.0 |
| 2014 | 2.00 | 2.0 |
| 2015 | 2.00 | 2.0 |



### GOC 10 Yr+ Rate

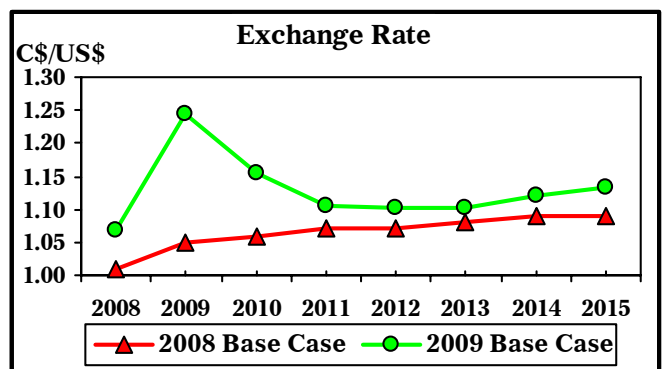
|      |      |      |
|------|------|------|
| 2008 | 4.00 | 4.04 |
| 2009 | 4.50 | 3.05 |
| 2010 | 5.25 | 3.45 |
| 2011 | 5.25 | 4.80 |
| 2012 | 5.60 | 5.35 |
| 2013 | 5.85 | 5.50 |
| 2014 | 5.85 | 5.50 |
| 2015 | 5.85 | 5.50 |



### Foreign Exchange (C\$/US\$)\*\*

|      |      |      |
|------|------|------|
| 2008 | 1.01 | 1.07 |
| 2009 | 1.05 | 1.25 |
| 2010 | 1.06 | 1.16 |
| 2011 | 1.07 | 1.11 |
| 2012 | 1.07 | 1.10 |
| 2013 | 1.08 | 1.10 |
| 2014 | 1.09 | 1.12 |
| 2015 | 1.09 | 1.13 |

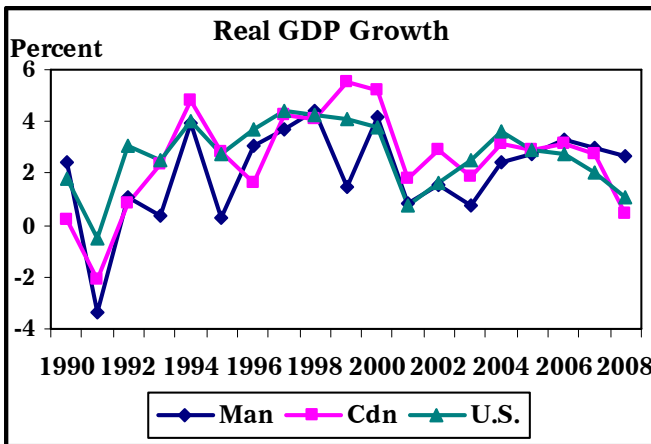
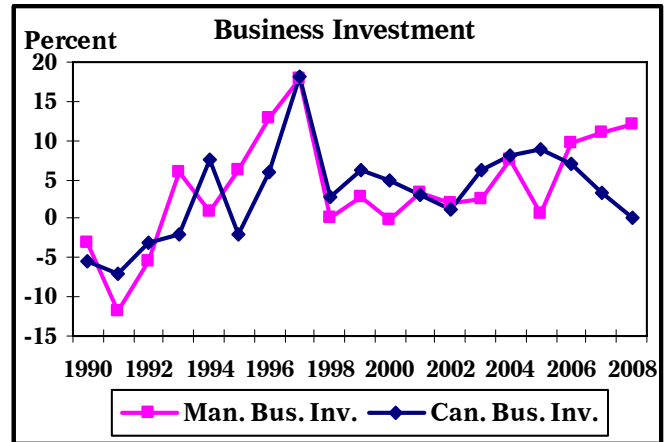
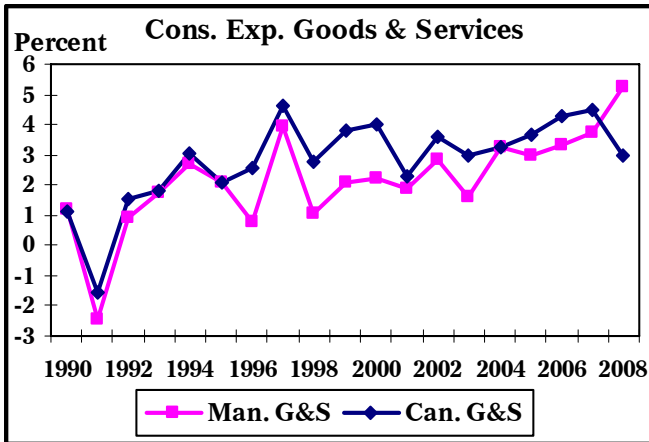
\*\*for 2016 and beyond, see page 8



## Manitoba/Canada Economic Statistics

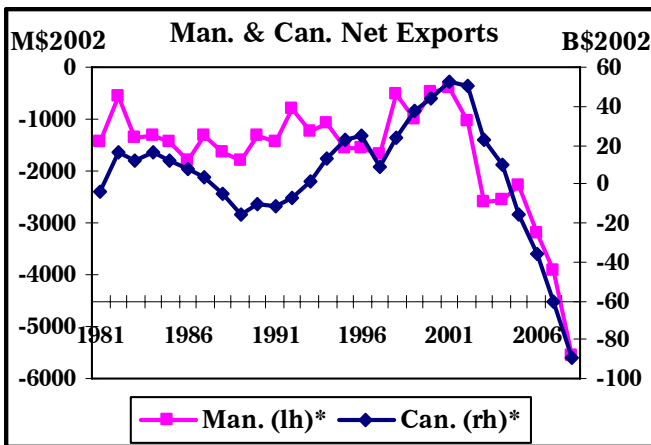
| Year     | Man. Real GDP % | Man. CPI % | Man. Population '000s | Man. Residential Customers '000s | Cdn. Real GDP % | Cdn. CPI % | 90 Day T-Bill Rate % | GOC 10 Yr+ Rate % | C\$/US\$ |
|----------|-----------------|------------|-----------------------|----------------------------------|-----------------|------------|----------------------|-------------------|----------|
| 1984     | 8.2             | 3.7        | 1,072                 | 359                              | 5.8             | 4.3        | 11.06                | 12.75             | 1.30     |
| 1985     | 6.5             | 4.2        | 1,082                 | 363                              | 4.8             | 4.0        | 9.43                 | 11.04             | 1.37     |
| 1986     | 0.2             | 4.4        | 1,092                 | 368                              | 2.4             | 4.1        | 8.97                 | 9.52              | 1.39     |
| 1987     | 1.5             | 4.2        | 1,098                 | 376                              | 4.3             | 4.4        | 8.15                 | 9.95              | 1.33     |
| 1988     | -0.5            | 4.2        | 1,102                 | 382                              | 5.0             | 3.9        | 9.48                 | 10.22             | 1.23     |
| 1989     | 2.7             | 4.7        | 1,104                 | 387                              | 2.6             | 5.1        | 12.05                | 9.92              | 1.18     |
| 1990     | 2.5             | 4.5        | 1,106                 | 390                              | 0.2             | 4.8        | 12.81                | 10.85             | 1.17     |
| 1991     | -3.4            | 5.1        | 1,110                 | 392                              | -2.1            | 5.6        | 8.73                 | 9.76              | 1.15     |
| 1992     | 1.0             | 1.4        | 1,113                 | 394                              | 0.9             | 1.4        | 6.58                 | 8.77              | 1.21     |
| 1993     | 0.4             | 2.7        | 1,118                 | 396                              | 2.3             | 1.9        | 4.84                 | 7.85              | 1.29     |
| 1994     | 3.9             | 1.4        | 1,123                 | 398                              | 4.8             | 0.1        | 5.54                 | 8.63              | 1.37     |
| 1995     | 0.3             | 2.7        | 1,129                 | 401                              | 2.8             | 2.2        | 6.89                 | 8.28              | 1.37     |
| 1996     | 3.1             | 2.2        | 1,134                 | 403                              | 1.6             | 1.5        | 4.21                 | 7.50              | 1.36     |
| 1997     | 3.7             | 2.0        | 1,136                 | 405                              | 4.2             | 1.7        | 3.26                 | 6.42              | 1.38     |
| 1998     | 4.4             | 1.3        | 1,138                 | 408                              | 4.1             | 1.0        | 4.73                 | 5.47              | 1.48     |
| 1999     | 1.5             | 2.0        | 1,142                 | 410                              | 5.5             | 1.8        | 4.72                 | 5.69              | 1.49     |
| 2000     | 4.2             | 2.5        | 1,147                 | 413                              | 5.2             | 2.7        | 5.49                 | 5.89              | 1.49     |
| 2001     | 0.8             | 2.7        | 1,151                 | 415                              | 1.8             | 2.5        | 3.77                 | 5.78              | 1.55     |
| 2002     | 1.6             | 1.5        | 1,157                 | 417                              | 2.9             | 2.2        | 2.59                 | 5.66              | 1.57     |
| 2003     | 0.7             | 1.8        | 1,164                 | 420                              | 1.9             | 2.8        | 2.87                 | 5.28              | 1.40     |
| 2004     | 2.2             | 2.0        | 1,174                 | 421                              | 3.1             | 1.8        | 2.22                 | 5.08              | 1.30     |
| 2005     | 2.7             | 2.7        | 1,178                 | 423                              | 2.9             | 2.2        | 2.73                 | 4.39              | 1.21     |
| 2006     | 3.9             | 2.0        | 1,184                 | 427                              | 3.1             | 2.0        | 4.03                 | 4.30              | 1.13     |
| 2007     | 3.1             | 2.0        | 1,194                 | 431                              | 2.7             | 2.2        | 4.15                 | 4.34              | 1.07     |
| 2008     | 2.2             | 2.3        | 1,208                 | 436                              | 0.5             | 2.3        | 2.39                 | 4.04              | 1.07     |
| Forecast |                 |            |                       |                                  |                 |            |                      |                   |          |
| 2009     | -0.7            | 0.1        | 1,216                 | 440                              | -1.9            | 0.6        | 0.60                 | 3.05              | 1.25     |
| 2010     | 1.9             | 1.2        | 1,224                 | 444                              | 2.0             | 1.5        | 1.30                 | 3.45              | 1.16     |
| 2011     | 2.7             | 2.0        | 1,232                 | 448                              | 3.2             | 2.0        | 3.65                 | 4.80              | 1.11     |
| 2012     | 2.7             | 2.0        | 1,240                 | 452                              | 3.0             | 2.0        | 4.15                 | 5.35              | 1.10     |
| 2013     | 2.5             | 2.0        | 1,248                 | 456                              | 2.8             | 2.0        | 4.25                 | 5.50              | 1.10     |
| 2014     | 2.0             | 2.0        | 1,256                 | 460                              | 2.5             | 2.0        | 4.25                 | 5.50              | 1.12     |
| 2015     | 2.0             | 2.0        | 1,264                 | 464                              | 2.3             | 2.0        | 4.25                 | 5.50              | 1.13     |
| 2016     | 2.0             | 2.0        | 1,271                 | 468                              | 2.3             | 2.0        | 4.25                 | 5.50              | 1.14     |
| 2017     | 2.0             | 2.0        | 1,279                 | 472                              | 2.3             | 2.0        | 4.25                 | 5.50              | 1.14     |
| 2018     | 2.0             | 2.0        | 1,287                 | 475                              | 2.3             | 2.0        | 4.25                 | 5.50              | 1.14     |
| 2019     | 2.0             | 2.0        | 1,294                 | 479                              | 2.3             | 2.0        | 4.25                 | 5.50              | 1.14     |
| 2020     | 2.0             | 2.0        | 1,301                 | 483                              | 2.3             | 2.0        | 4.25                 | 5.50              | 1.14     |
| 2021     | 1.9             | 2.0        | 1,308                 | 487                              | 2.0             | 2.0        | 4.25                 | 5.50              | 1.14     |
| 2022     | 1.9             | 2.0        | 1,315                 | 490                              | 2.0             | 2.0        | 4.25                 | 5.50              | 1.14     |
| 2023     | 1.8             | 2.0        | 1,322                 | 494                              | 2.0             | 2.0        | 4.25                 | 5.50              | 1.14     |
| 2024     | 1.8             | 2.0        | 1,329                 | 498                              | 2.0             | 2.0        | 4.25                 | 5.50              | 1.15     |
| 2025     | 1.8             | 2.0        | 1,335                 | 501                              | 2.0             | 2.0        | 4.25                 | 5.50              | 1.15     |
| 2026     | 1.8             | 2.0        | 1,342                 | 505                              | 2.0             | 2.0        | 4.25                 | 5.50              | 1.15     |
| 2027     | 1.8             | 2.0        | 1,348                 | 508                              | 2.0             | 2.0        | 4.25                 | 5.50              | 1.15     |
| 2028     | 1.8             | 2.0        | 1,354                 | 512                              | 2.0             | 2.0        | 4.25                 | 5.50              | 1.15     |
| 2029     | 1.8             | 2.0        | 1,360                 | 515                              | 2.0             | 2.0        | 4.25                 | 5.50              | 1.15     |
| 2030     | 1.8             | 2.0        | 1,366                 | 519                              | 2.0             | 2.0        | 4.25                 | 5.50              | 1.15     |

## Real Gross Domestic Product



### Average Annual Growth 1990-2008

|                               | Man. | Can. |
|-------------------------------|------|------|
| Consumer Goods and Services   | 2.2  | 2.9  |
| Government Goods and Services | 1.4  | 1.8  |
| Government Investment         | 4.4  | 4.1  |
| Business Investment           | 4.1  | 3.7  |
| Exports                       | 3.9  | 4.5  |
| Imports                       | 4.4  | 5.2  |
| Real GDP                      | 2.0  | 2.7  |

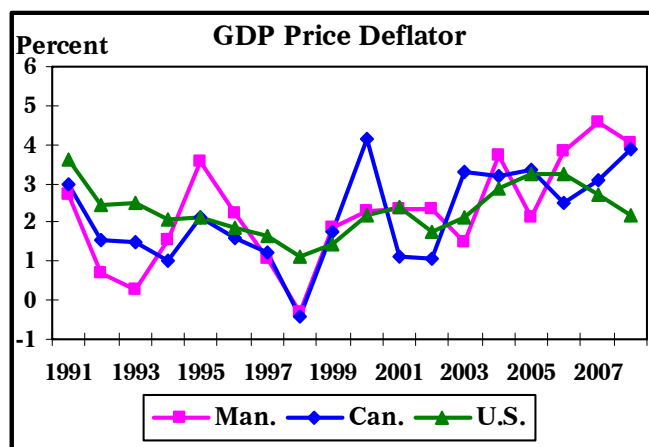
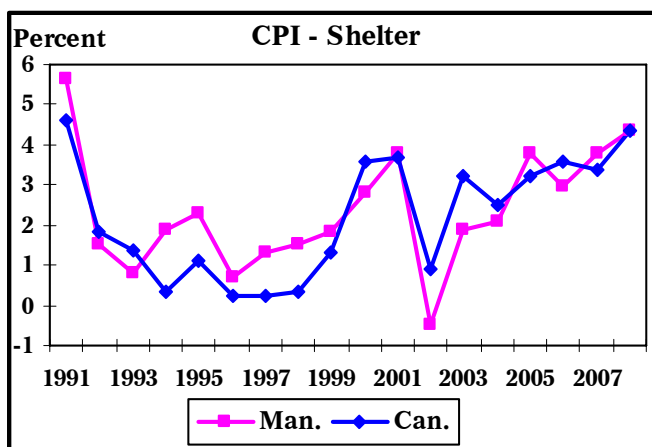
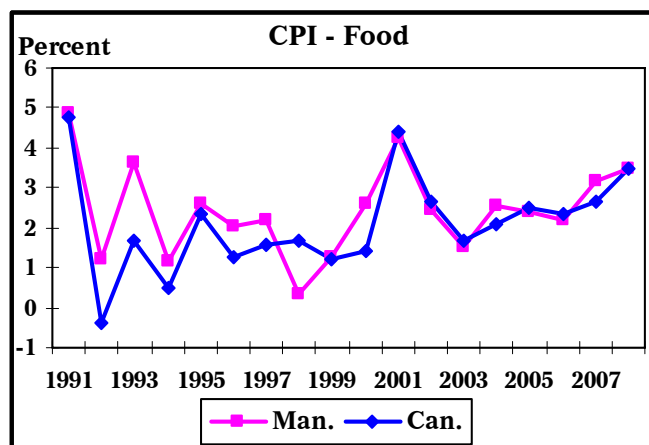
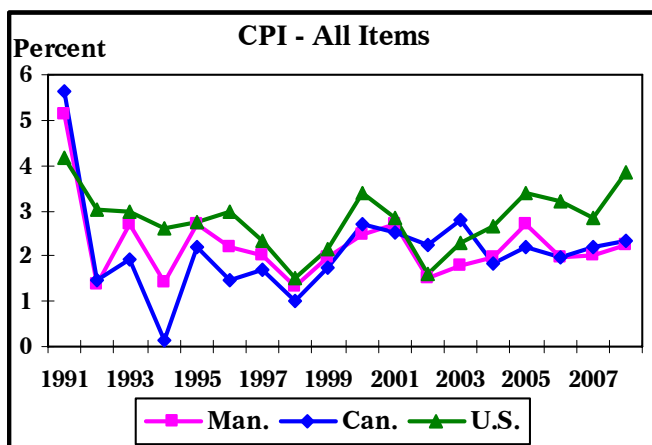


Manitoba's real GDP increased by 2.2% in 2008 compared to a revised 3.1% growth in 2007. Consumption, which is over 60% of aggregate demand, remained the key driving force in North American economies in 2008. Consumption was up 3.8%, 3.0%, and 0.2% in Manitoba, Canada, and the U.S. respectively. In response to strong consumer demand and rising corporate profits, business investments were equally strong in 2008 with growth rates of 12.0% in Manitoba. Due to the meltdown in the U.S. housing market caused by the sub-prime mortgage sector, U.S. business investments fell 6.5%. Nominal Manitoba GDP income posted an increase of 6.3% in 2008 while Canada posted an increase of 4.4%. Higher

wages, higher corporate profits, and government business income are responsible for the higher growth. EO2009 forecasts real GDP to be 1.9%, 2.0%, and 2.2% for Manitoba, Canada, and the U.S., respectively.

\* lh = left hand axis and rh = right hand axis

## Consumer Price Index

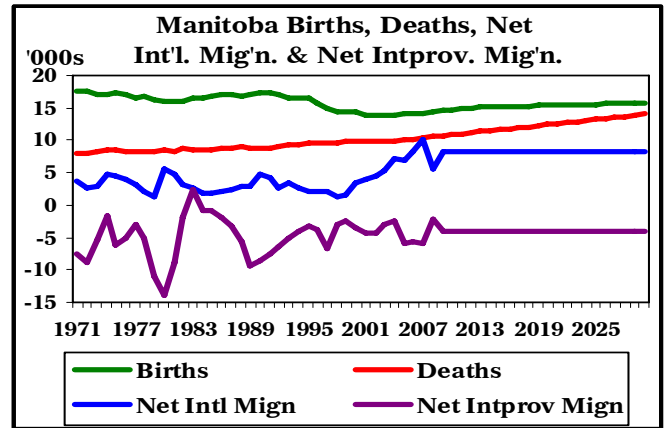
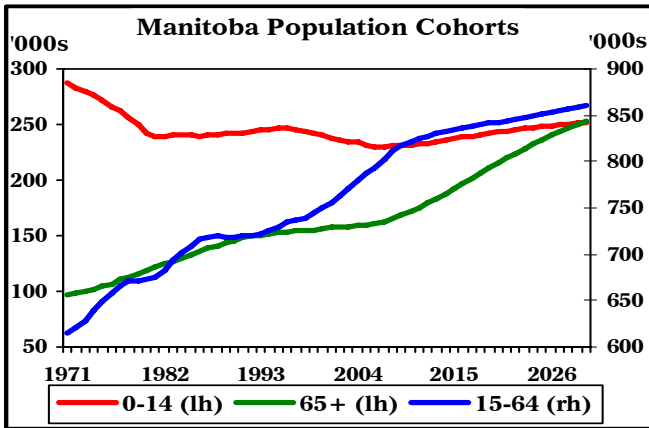
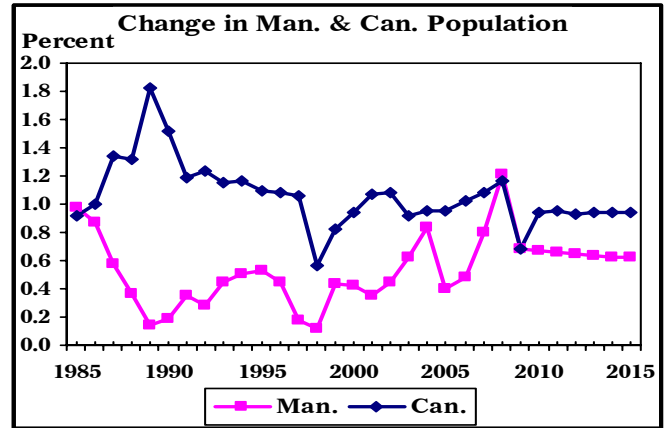
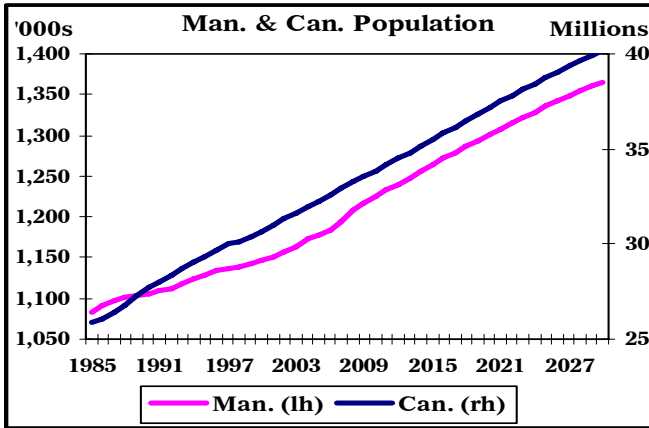


### Average Annual Growth 2008

|                         | Manitoba | Canada | U.S. |
|-------------------------|----------|--------|------|
| All Items - CPI         | 2.3      | 2.3    | 3.8  |
| Food                    | 3.5      | 3.5    | 5.4  |
| Shelter                 | 4.3      | 4.4    |      |
| Household               | 0.8      | 1.4    | 3.2  |
| Clothing                | -2.7     | -2.0   | -0.1 |
| Transportation          | 2.6      | 2.0    | 5.9  |
| Health                  | 0.6      | 1.4    | 3.7  |
| Recreation              | 0.3      | 0.4    | 1.6  |
| <b>Other Deflators:</b> |          |        |      |
| Energy                  | 8.8      | 9.9    | 13.9 |
| GDP Deflator            | 4.1      | 3.9    | 2.2  |

In 2008, Manitoba and Canadian CPI increased by 2.3%, while the U.S. CPI increased by 3.8%. Manitoba, Canadian, and U.S. GDP price deflators increased by 4.1%, 3.9%, and 2.2% respectively in 2008. Manitoba, Canadian, and U.S. energy consumer price inflation increased by 8.8%, 9.9%, and 13.9% respectively in 2008. The 2009 Economic Outlook forecasts that the Manitoba and Canadian CPI will be 2.0% and the U.S. CPI will be 2.2%, similar to the rate in EO2008. The 2009 Economic Outlook forecasts that the Canadian and U.S. GDP price deflators will be 1.85% and 2.00% respectively.

## Population



Manitoba's total population increased by 14,445 persons in 2008 or 1.2%. Total net migration to Manitoba was 9,655 people and the total natural increase was 4,790.

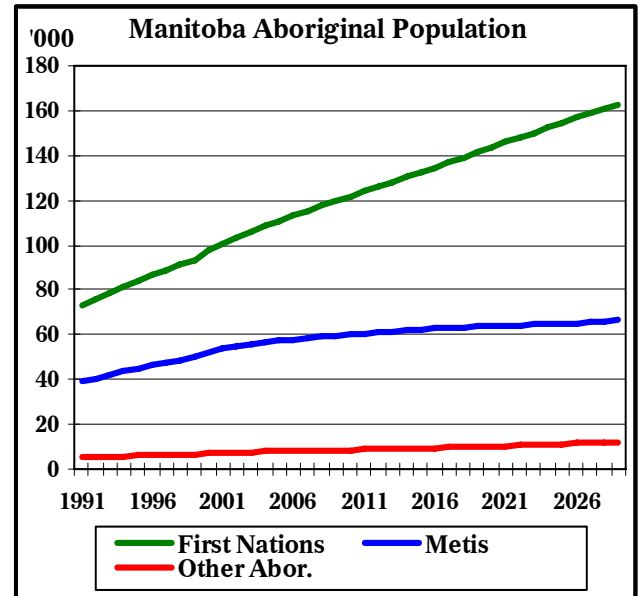
Manitoba's population is expected to grow at 0.6% or 7,100 people annually over the forecast period. Manitoba's population forecast is based on a 1.8 total fertility rate and 8,200 net international migration offset by -4,000 net interprovincial migration. Manitoba's international migration is boosted by the Provincial Nominee Program. As a result, international migration is forecast to grow by 9,800 immigrants. This translates to population growth resulting from a natural increase of 2,900 per annum and 4,200 from net migration. Canada's population is expected to grow at 0.9% or 317,000 people annually over the forecast period. The United States' population is expected to grow at 0.9% or 3,179,000 people annually.

| Year      | 5 Yr Avg Growth (%) |
|-----------|---------------------|
| 1960-1965 | 1.2                 |
| 1965-1970 | 0.4                 |
| 1970-1975 | 0.8                 |
| 1975-1980 | 0.2                 |
| 1980-1985 | 0.9                 |
| 1985-1990 | 0.4                 |
| 1990-1995 | 0.4                 |
| 1995-2000 | 0.3                 |
| 2000-2008 | 0.6                 |
| 2009-2030 | 0.6                 |

| Year | Pop'n. Changes |
|------|----------------|
| 1991 | 3,944          |
| 1992 | 3,078          |
| 1993 | 4,922          |
| 1994 | 5,610          |
| 1995 | 5,920          |
| 1996 | 5,043          |
| 1997 | 1,947          |
| 1998 | 1,378          |
| 1999 | 4,979          |
| 2000 | 4,883          |
| 2001 | 4,067          |
| 2002 | 5,174          |
| 2003 | 7,203          |
| 2004 | 9,748          |
| 2005 | 4,736          |
| 2006 | 5,730          |
| 2007 | 9,483          |
| 2008 | 14,445         |

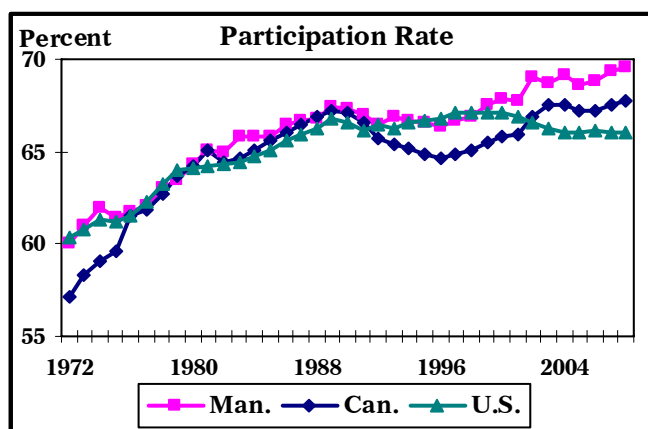
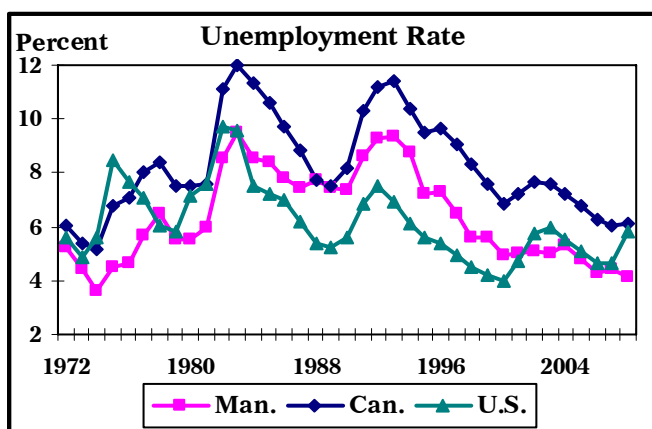
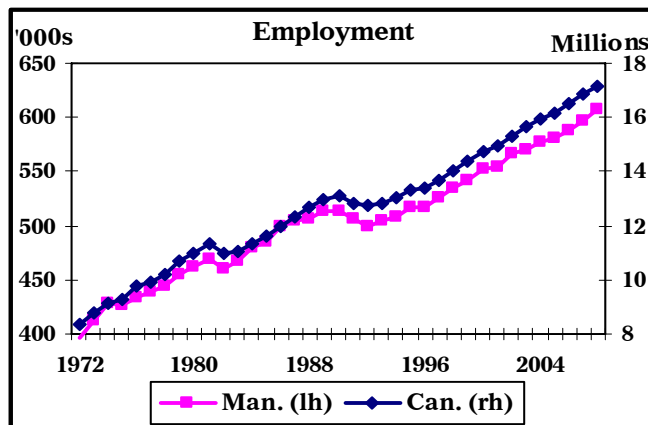
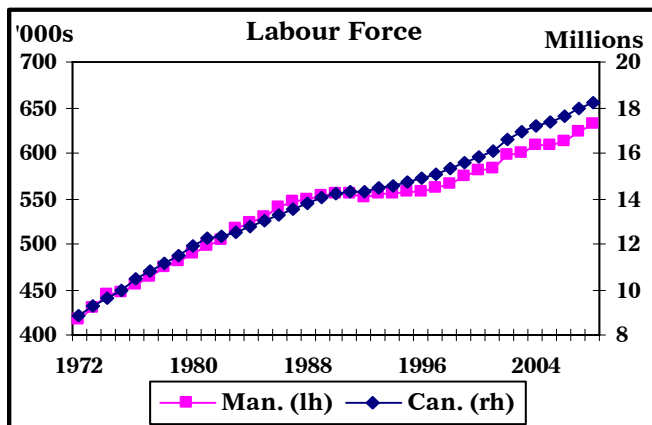
## Manitoba Aboriginal Population

|          | Aborig.<br>Pop'n.<br>'000s | Annual<br>Diff. | Man<br>Pop'n.<br>'000s | Aborig.<br>Pop'n.<br>Share<br>Man Pop'n. |
|----------|----------------------------|-----------------|------------------------|--|
| 1995     | 135                        | 3,975           | 1,129                  | 11.9%                                    |
| 1996     | 139                        | 4,348           | 1,134                  | 12.3%                                    |
| 1997     | 143                        | 3,844           | 1,136                  | 12.6%                                    |
| 1998     | 146                        | 3,090           | 1,138                  | 12.8%                                    |
| 1999     | 150                        | 4,332           | 1,142                  | 13.2%                                    |
| 2000     | 157                        | 6,078           | 1,147                  | 13.6%                                    |
| 2001     | 162                        | 5,460           | 1,151                  | 14.1%                                    |
| 2002     | 166                        | 3,504           | 1,157                  | 14.3%                                    |
| 2003     | 169                        | 3,604           | 1,162                  | 14.6%                                    |
| 2004     | 173                        | 3,514           | 1,170                  | 14.5%                                    |
| 2005     | 176                        | 3,617           | 1,178                  | 15.0%                                    |
| 2006     | 179                        | 3,200           | 1,184                  | 15.2%                                    |
| 2007     | 182                        | 3,000           | 1,194                  | 15.3%                                    |
| 2008     | 185                        | 2,800           | 1,208                  | 15.3%                                    |
| Forecast |                            |                 |                        |  |
| 2009     | 188                        | 2,700           | 1,216                  | 15.5%                                    |
| 2010     | 191                        | 2,700           | 1,224                  | 15.6%                                    |
| 2011     | 193                        | 2,700           | 1,232                  | 15.7%                                    |
| 2012     | 196                        | 2,700           | 1,240                  | 15.8%                                    |
| 2013     | 199                        | 2,700           | 1,248                  | 15.9%                                    |
| 2014     | 201                        | 2,700           | 1,256                  | 16.0%                                    |
| 2015     | 204                        | 2,700           | 1,264                  | 16.2%                                    |
| 2016     | 207                        | 2,700           | 1,271                  | 16.3%                                    |
| 2017     | 210                        | 2,700           | 1,279                  | 16.4%                                    |
| 2018     | 212                        | 2,700           | 1,287                  | 16.5%                                    |
| 2019     | 215                        | 2,700           | 1,294                  | 16.6%                                    |
| 2020     | 218                        | 2,700           | 1,301                  | 16.7%                                    |
| 2021     | 220                        | 2,700           | 1,308                  | 16.8%                                    |
| 2022     | 223                        | 2,700           | 1,315                  | 17.0%                                    |
| 2023     | 226                        | 2,700           | 1,322                  | 17.1%                                    |
| 2024     | 228                        | 2,700           | 1,329                  | 17.2%                                    |
| 2025     | 231                        | 2,700           | 1,335                  | 17.3%                                    |
| 2026     | 234                        | 2,700           | 1,342                  | 17.4%                                    |
| 2027     | 237                        | 2,700           | 1,348                  | 17.6%                                    |
| 2028     | 239                        | 2,700           | 1,354                  | 17.7%                                    |
| 2029     | 242                        | 2,700           | 1,360                  | 17.8%                                    |
| 2030     | 245                        | 2,700           | 1,366                  | 17.9%                                    |



Total Manitoba aboriginal population increased by 2,800 people or 1.5% in 2008. Manitoba has the second largest Registered Aboriginal population in Canada, after Ontario. In EO2009, Manitoba's aboriginal population is expected to grow at an annual rate of 1.3% or 2,700 people per year, similar to EO2008. EO2009 is based on annual growth of 2,160 registered Indians, 370 Métis, and 170 other aboriginals. Manitoba's aboriginal population share of the total Manitoba population trends from 15.5% in 2009 to 17.9% in 2030 in EO2009. In EO2008, Manitoba's aboriginal population share of the total Manitoba population trended from 15.5% in 2007 to 18.0% in 2029. Total Manitoba aboriginal population is expected to increase mainly due to a higher projected fertility rate relative to the rest of the Manitoba population. The Aboriginal population forecast is based on the Manitoba Bureau of Statistics' publication *Manitoba's Aboriginal Community: A 2001 to 2026 Population and Demographic Model*.

## Employment

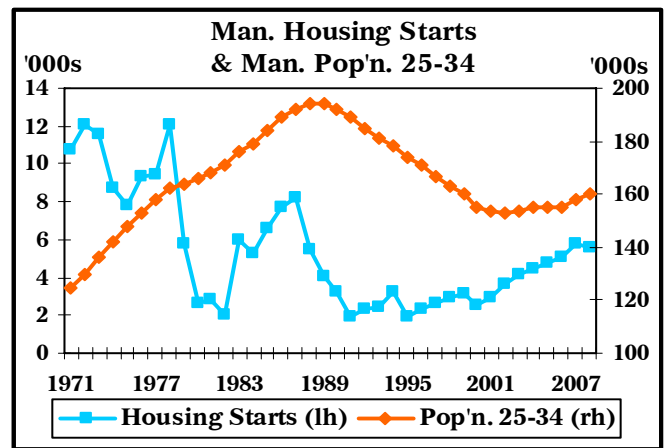
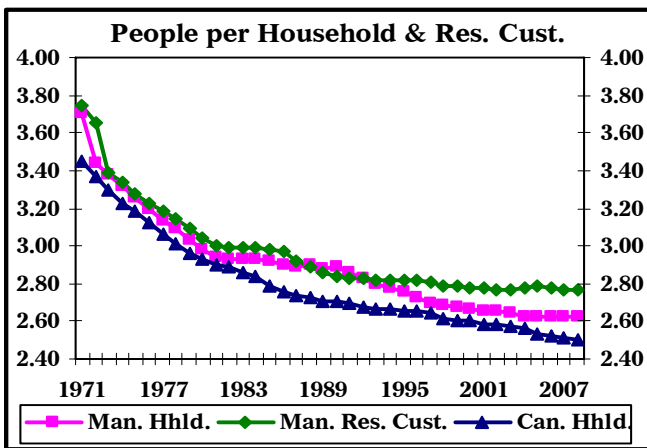
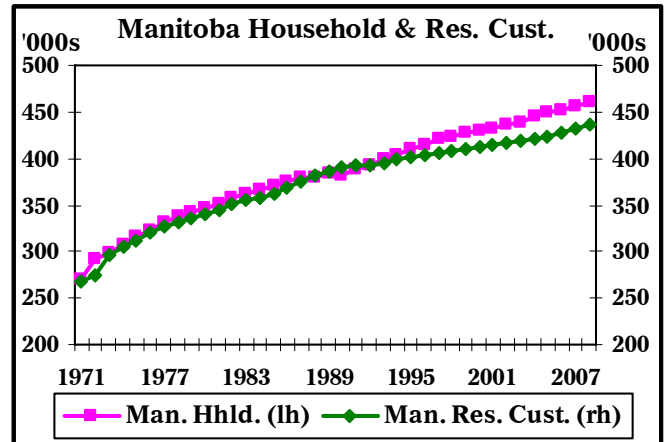
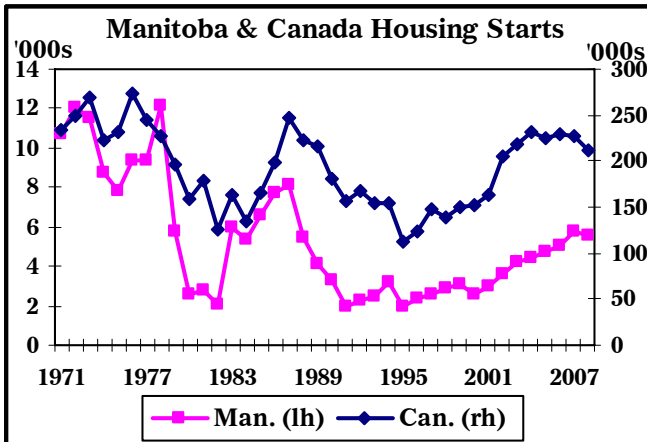


|                             | Manitoba |      |        | Canada |        |        | United States |         |        |
|-----------------------------|----------|------|--------|--------|--------|--------|---------------|---------|--------|
|                             | 1998     | 2008 | % 2008 | 1998   | 2008   | % 2008 | 1998          | 2008    | % 2008 |
| Population 15+ - '000s      | 845      | 910  | 1.2    | 23,523 | 26,925 | 1.4    | 205,237       | 233,788 | 0.8    |
| Participation Rate - %      | 66.9     | 69.6 |        | 65.1   | 67.8   |        | 67.1          | 66.0    |        |
| Labour Force - '000s        | 566      | 633  | 1.5    | 15,318 | 18,245 | 1.7    | 137,680       | 154,329 | 0.8    |
| Employment - '000s          | 534      | 607  | 1.7    | 14,047 | 17,123 | 1.5    | 131,476       | 145,368 | -0.5   |
| Unemployment Rate - %       | 5.6      | 4.2  |        | 8.3    | 6.1    |        | 4.5           | 5.8     |        |
| Employment Rate - %         | 63.2     | 66.7 |        | 59.7   | 63.6   |        | 64.1          | 62.2    |        |
| Industrial Weekly Wage - \$ | 567      | 721  | 2.8    | 624    | 793    | 2.8    | 448           | 607     | 3.1    |

Over the 2009-2030 period, Manitoba's and Canada's employment levels are forecast to grow annually at 0.7% and 0.6% respectively, while the United States' is anticipated to grow at 1.0% annually. Manitoba's unemployment rate should trend from 5.8% in 2009 to 5.3% in 2030. Canada's unemployment rate should trend from 8.1% in 2009 to 5.8% in 2030. The United States' unemployment rate should trend from 8.8% in 2009 to 5.2% in 2030.



## Housing



|      | Man.<br>Housing<br>Starts | Man.<br>Res. Cust.<br>'000s | Can.<br>Housing<br>Starts<br>'000s |
|------|---------------------------|-----------------------------|------------------------------------|
| 1994 | 3,197                     | 398                         | 154                                |
| 1995 | 1,963                     | 401                         | 113                                |
| 1996 | 2,318                     | 403                         | 123                                |
| 1997 | 2,612                     | 405                         | 148                                |
| 1998 | 2,895                     | 408                         | 138                                |
| 1999 | 3,133                     | 410                         | 149                                |
| 2000 | 2,560                     | 413                         | 153                                |
| 2001 | 2,963                     | 415                         | 163                                |
| 2002 | 3,617                     | 417                         | 205                                |
| 2003 | 4,206                     | 420                         | 219                                |
| 2004 | 4,440                     | 421                         | 233                                |
| 2005 | 4,731                     | 423                         | 224                                |
| 2006 | 5,028                     | 427                         | 229                                |
| 2007 | 5,738                     | 431                         | 228                                |
| 2008 | 5,537                     | 436                         | 211                                |

Total Manitoba housing starts were 5,537 in 2008, down from 5,738 housing starts in 2007, while the number of Manitoba Hydro metered residential customers increased by 4,892 units in 2008. Strong population growth, rising personal disposable income, and low unemployment rates combined to maintain the demand for housing. EO2009 forecasts that Manitoba housing starts will increase at approximately 4,700 units annually. Manitoba residential customers will increase by 3,800 units or 0.8% annually over the 2009-2030 period, similar to the annual increase of 0.8% in EO2008.

## Interest Rates

### Canadian Interest Rates

|                       | 2008<br>Average<br>% | 12<br>Month<br>Low<br>% | 12<br>Month<br>High<br>% |
|-----------------------|----------------------|-------------------------|--------------------------|
| <b>Bank Rate</b>      | 3.21                 | 1.75                    | 4.25                     |
| <b>T-Bill Rate</b>    | 2.39                 | 0.95                    | 3.46                     |
| <b>Prime Rate</b>     | 4.73                 | 3.50                    | 5.75                     |
| <b>GOC 10Yr+ Rate</b> | 4.04                 | 3.45                    | 4.31                     |

### U.S. Interest Rates

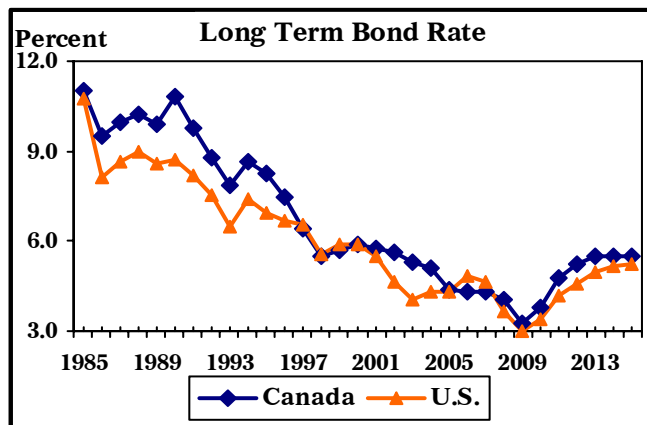
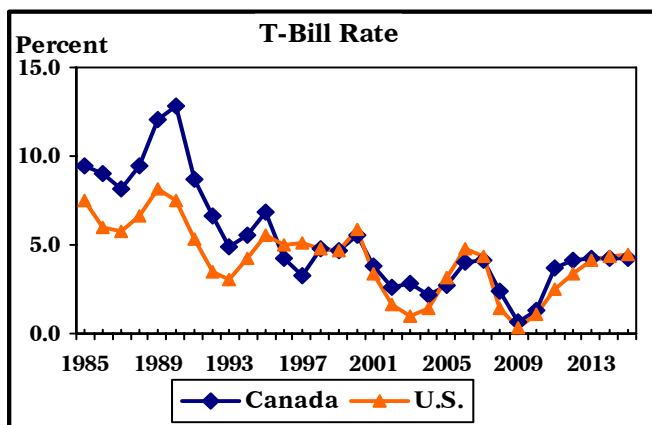
|                       | 2008<br>Average<br>% | 12<br>Month<br>Low<br>% | 12<br>Month<br>High<br>% |
|-----------------------|----------------------|-------------------------|--------------------------|
| <b>Federal Fund</b>   | 1.84                 | 0.10                    | 3.50                     |
| <b>T-Bill</b>         | 1.37                 | 0.03                    | 2.75                     |
| <b>Govt 5 Year</b>    | 2.83                 | 1.55                    | 3.54                     |
| <b>Govt 10 Year +</b> | 3.66                 | 2.25                    | 4.12                     |

### Short-Term Interest Spread

|             | Cdn.<br>T-Bill<br>Rate<br>% | U.S.<br>T-Bill<br>Rate<br>% | Spread<br>% |
|-------------|-----------------------------|-----------------------------|-------------|
| <b>1978</b> | 8.68                        | 7.22                        | 1.46        |
| <b>1988</b> | 9.48                        | 6.67                        | 2.82        |
| <b>1998</b> | 4.73                        | 4.78                        | -0.05       |
| <b>2008</b> | 2.39                        | 1.37                        | 1.02        |

### Long-Term Interest Spread

|             | Cdn.<br>GOC<br>10Yr +<br>% | U.S.<br>Long Bond<br>Rate<br>% | Spread<br>% |
|-------------|----------------------------|--------------------------------|-------------|
| <b>1978</b> | 9.27                       | 7.89                           | 1.38        |
| <b>1988</b> | 10.22                      | 8.98                           | 1.25        |
| <b>1998</b> | 5.47                       | 5.58                           | -0.11       |
| <b>2008</b> | 4.04                       | 3.66                           | 0.38        |



The Bank of Canada adopted a highly stimulative monetary policy in 2008. With a fear of economic slowdown looming, the Bank of Canada dropped the overnight rate five times in 2008.

Canadian T-Bill rates are forecast to trend from 0.60% in 2009 to 4.25% in the long term. The U.S. T-Bill rate is expected to trend from 0.35% in 2009 to 4.50% in the long term. Canada and U.S. long bond rates are forecast to trend at 5.50%, down from the rates forecast in EO2008. The positive spreads in Canadian-U.S. T-Bill rates of 1.05% for 2008 are expected to trend towards -0.25% by 2015.

The Manitoba Hydro cost of debt is based on the forecast Canada long bond rates plus a borrowing spread (to reflect the difference in the cost of borrowing between the federal government and the Province of Manitoba) and the provincial guarantee fee.

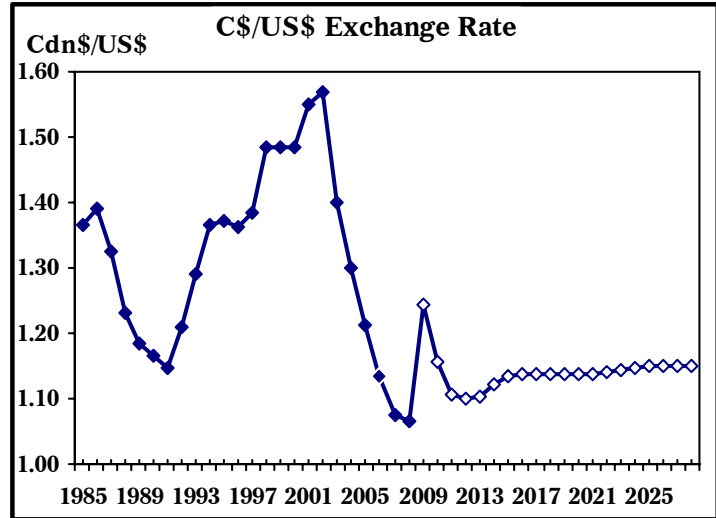
## Exchange Rate

**Exchange Rate**

| Year | US\$/Cdn.\$ | Cdn.\$/US\$ |
|------|-------------|-------------|
| 1970 | 0.96        | 1.04        |
| 1975 | 0.98        | 1.02        |
| 1980 | 0.86        | 1.17        |
| 1985 | 0.73        | 1.37        |
| 1990 | 0.86        | 1.17        |
| 1995 | 0.73        | 1.37        |
| 1996 | 0.73        | 1.36        |
| 1997 | 0.72        | 1.38        |
| 1998 | 0.67        | 1.48        |
| 1999 | 0.67        | 1.49        |
| 2000 | 0.67        | 1.49        |
| 2001 | 0.65        | 1.55        |
| 2002 | 0.64        | 1.57        |
| 2003 | 0.71        | 1.40        |
| 2004 | 0.77        | 1.30        |
| 2005 | 0.83        | 1.21        |
| 2006 | 0.88        | 1.13        |
| 2007 | 0.93        | 1.07        |
| 2008 | 0.94        | 1.07        |
| 2009 | 0.80        | 1.25        |
| 2010 | 0.87        | 1.16        |
| 2020 | 0.87        | 1.14        |
| 2030 | 0.87        | 1.15        |

**Range in Exchange Rate**

|               | 2008<br>Average | 12<br>Month<br>Low | 12<br>Month<br>High |
|---------------|-----------------|--------------------|---------------------|
| Cdn. \$/US \$ | 1.07            | 1.23               | 1.00                |
| US \$/Cdn. \$ | 0.94            | 0.81               | 1.00                |



The Canadian dollar appreciated relative to the U.S. dollar by 0.7% in 2008. It has appreciated 47.0% over the last six years. Rising commodity prices, including oil and natural gas, as well as positive Canadian-U.S. interest rate spreads, have been the main stimuli behind the appreciating Canadian dollar. In the latter part of 2008, falling commodity prices were a significant contributing factor to depreciation in the Canadian dollar.

The Canadian dollar is expected to continue to depreciate in 2009 due to low commodity prices. The Canadian dollar is anticipated to appreciate from \$1.25 in 2009 to \$1.15 in 2030. In EO2008, the Canadian dollar was forecast to reach \$1.10 in 2029.

## Appendix

## Scenarios – Calendar Year Basis

### Low Growth Scenario

Low economic activity is the direct result of low population growth and weak employment opportunities relative to the base case. Declining fertility rates, rising mortality rates, along with rising net provincial out-migration due to poor job prospects, and weakening international in-migration cause the population to grow at a much slower pace than in the past. The annual population increase is expected to be 3,200 or 0.3% compared to 7,100 or 0.6% in the base case.

Low population growth affects demand for housing and, as a result, Manitoba Hydro's residential customer base increases at an annual rate of about 1,400 units compared to 3,800 units in the base case.

Manitoba real GDP grows at an annual pace of 0.4% over the 2009-2030 period compared to 1.9% in the base case.

As Canadian economic growth weakens, the Canadian dollar is under downward pressure at C\$1.55/US\$ in 2009 and trends towards C\$1.45/US\$ in 2030.

High inflation of 4.0% is coupled with weak demand while the GOC 10 year+ rate is 10.0%. This compares to an inflation rate of 2.0% and a GOC 10 year+ rate of 5.5% in the base case. In the long term, the real interest rate is 5.8%.

| Year | Man. RGDP % | Man. Population '000s | Man. Res. Cust. '000s | Man. CPI % | GOC 10 Yr+ Rate % | Real GOC 10 Yr+ Rate % | Exchange Rate C\$/US\$ |
|------|-------------|-----------------------|-----------------------|------------|-------------------|------------------------|------------------------|
| 2009 | -3.0        | 1,211                 | 437                   | 4.0        | 7.55              | 3.40                   | 1.55                   |
| 2010 | 0.2         | 1,214                 | 439                   | 4.0        | 8.20              | 4.00                   | 1.46                   |
| 2011 | 0.6         | 1,217                 | 440                   | 4.0        | 8.30              | 4.10                   | 1.41                   |
| 2012 | 0.6         | 1,221                 | 442                   | 4.0        | 9.35              | 5.10                   | 1.40                   |
| 2013 | 0.6         | 1,224                 | 443                   | 4.0        | 10.00             | 5.80                   | 1.40                   |
| 2014 | 0.6         | 1,227                 | 444                   | 4.0        | 10.00             | 5.80                   | 1.42                   |
| 2015 | 0.6         | 1,230                 | 446                   | 4.0        | 10.00             | 5.80                   | 1.43                   |
| 2016 | 0.6         | 1,233                 | 447                   | 4.0        | 10.00             | 5.80                   | 1.44                   |
| 2017 | 0.6         | 1,237                 | 449                   | 4.0        | 10.00             | 5.80                   | 1.44                   |
| 2018 | 0.6         | 1,240                 | 450                   | 4.0        | 10.00             | 5.80                   | 1.44                   |
| 2019 | 0.6         | 1,243                 | 451                   | 4.0        | 10.00             | 5.80                   | 1.44                   |
| 2020 | 0.6         | 1,246                 | 453                   | 4.0        | 10.00             | 5.80                   | 1.44                   |
| 2021 | 0.6         | 1,249                 | 454                   | 4.0        | 10.00             | 5.80                   | 1.44                   |
| 2022 | 0.6         | 1,252                 | 456                   | 4.0        | 10.00             | 5.80                   | 1.44                   |
| 2023 | 0.6         | 1,256                 | 457                   | 4.0        | 10.00             | 5.80                   | 1.44                   |
| 2024 | 0.6         | 1,259                 | 458                   | 4.0        | 10.00             | 5.80                   | 1.45                   |
| 2025 | 0.6         | 1,262                 | 460                   | 4.0        | 10.00             | 5.80                   | 1.45                   |
| 2026 | 0.6         | 1,265                 | 461                   | 4.0        | 10.00             | 5.80                   | 1.45                   |
| 2027 | 0.6         | 1,268                 | 463                   | 4.0        | 10.00             | 5.80                   | 1.45                   |
| 2028 | 0.6         | 1,272                 | 464                   | 4.0        | 10.00             | 5.80                   | 1.45                   |
| 2029 | 0.6         | 1,275                 | 465                   | 4.0        | 10.00             | 5.80                   | 1.45                   |
| 2030 | 0.6         | 1,278                 | 467                   | 4.0        | 10.00             | 5.80                   | 1.45                   |

## Scenarios – Calendar Year Basis

### Medium Low Growth Scenario

In this medium low growth scenario, the economy experiences low growth, but to a lesser degree than in the low growth scenario described previously. The economy grows at an annual rate of 1.2% over the forecast period.

Inflation and interest rates are sustained at relatively high levels. The rate of inflation is expected to be about 3.0% in the long term while long-term bond rates would be at 7.75%, yielding a real interest rate of 4.60%. The exchange rate is forecast to be C\$1.40/US\$ in 2009, and C\$1.30/US\$ in 2030.

Manitoba's population grows at an annual rate of 5,200 people or 0.4% while the number of residential customers increases at an annual rate of 2,600 units.

| Year | Man. RGDP % | Man. Population '000s | Man. Res. Cust. '000s | Man. CPI % | GOC 10 Yr+ Rate % | Real GOC 10 Yr+ Rate % | Exchange Rate C\$/US\$ |
|------|-------------|-----------------------|-----------------------|------------|-------------------|------------------------|------------------------|
| 2009 | -1.8        | 1,214                 | 439                   | 2.2        | 5.30              | 3.00                   | 1.40                   |
| 2010 | 1.1         | 1,219                 | 441                   | 2.6        | 5.85              | 3.20                   | 1.31                   |
| 2011 | 1.7         | 1,225                 | 444                   | 3.0        | 6.55              | 3.40                   | 1.26                   |
| 2012 | 1.7         | 1,230                 | 447                   | 3.0        | 7.35              | 4.20                   | 1.25                   |
| 2013 | 1.6         | 1,236                 | 449                   | 3.0        | 7.75              | 4.60                   | 1.25                   |
| 2014 | 1.3         | 1,242                 | 452                   | 3.0        | 7.75              | 4.60                   | 1.27                   |
| 2015 | 1.3         | 1,247                 | 455                   | 3.0        | 7.75              | 4.60                   | 1.28                   |
| 2016 | 1.3         | 1,252                 | 457                   | 3.0        | 7.75              | 4.60                   | 1.29                   |
| 2017 | 1.3         | 1,258                 | 460                   | 3.0        | 7.75              | 4.60                   | 1.29                   |
| 2018 | 1.4         | 1,263                 | 463                   | 3.0        | 7.75              | 4.60                   | 1.29                   |
| 2019 | 1.4         | 1,268                 | 465                   | 3.0        | 7.75              | 4.60                   | 1.29                   |
| 2020 | 1.4         | 1,274                 | 468                   | 3.0        | 7.75              | 4.60                   | 1.29                   |
| 2021 | 1.3         | 1,279                 | 470                   | 3.0        | 7.75              | 4.60                   | 1.29                   |
| 2022 | 1.3         | 1,284                 | 473                   | 3.0        | 7.75              | 4.60                   | 1.29                   |
| 2023 | 1.3         | 1,289                 | 475                   | 3.0        | 7.75              | 4.60                   | 1.29                   |
| 2024 | 1.3         | 1,294                 | 478                   | 3.0        | 7.75              | 4.60                   | 1.30                   |
| 2025 | 1.3         | 1,299                 | 481                   | 3.0        | 7.75              | 4.60                   | 1.30                   |
| 2026 | 1.3         | 1,303                 | 483                   | 3.0        | 7.75              | 4.60                   | 1.30                   |
| 2027 | 1.3         | 1,308                 | 485                   | 3.0        | 7.75              | 4.60                   | 1.30                   |
| 2028 | 1.3         | 1,313                 | 488                   | 3.0        | 7.75              | 4.60                   | 1.30                   |
| 2029 | 1.3         | 1,317                 | 490                   | 3.0        | 7.75              | 4.60                   | 1.30                   |
| 2030 | 1.3         | 1,322                 | 493                   | 3.0        | 7.75              | 4.60                   | 1.30                   |

## Scenarios – Calendar Year Basis

### High Growth Scenario

Strong economic growth in 2009 and 2010 is fuelled by low interest rates and strong recovery in worldwide economic growth. As jobs are created and as personal income increases, demand for consumer goods and services increases rapidly. Businesses are attracted to Manitoba to take advantage of the highly skilled workforce and, as a result, the population increases at 11,200 people annually compared to 7,100 people in the base case.

Higher population growth increases demand for housing. As a result, Manitoba Hydro's residential customers increase at an annual rate of 6,100 units versus 3,800 units in the base case.

Manitoba's economy grows at a real average annual rate of 3.1% throughout the forecast period compared to 1.9% in the base case.

Strong economic growth sustains a higher exchange rate of C\$0.95/US\$ in 2009 to C\$0.85/US\$ in 2030.

The rate of inflation levels out to 0.0% while the GOC 10 year+ rate trends towards 0.5% compared to an inflation rate of 2.0% and a GOC 10 year+ rate of 5.5% in the base case. The long term real interest rate is 0.5%.

| Year | Man. RGDP % | Man. Population '000s | Man. Res. Cust. '000s | Man. CPI % | GOC 10 Yr+ Rate % | Real GOC 10 Yr+ Rate % | Exchange Rate C\$/US\$ |
|------|-------------|-----------------------|-----------------------|------------|-------------------|------------------------|------------------------|
| 2009 | 1.8         | 1,219                 | 442                   | -1.3       | 0.25              | 1.52                   | 0.95                   |
| 2010 | 3.5         | 1,230                 | 448                   | -0.8       | 0.50              | 1.26                   | 0.86                   |
| 2011 | 3.8         | 1,241                 | 454                   | 0.0        | 0.75              | 0.75                   | 0.81                   |
| 2012 | 3.7         | 1,253                 | 460                   | 0.0        | 0.75              | 0.75                   | 0.80                   |
| 2013 | 3.5         | 1,264                 | 467                   | 0.0        | 0.50              | 0.50                   | 0.80                   |
| 2014 | 3.1         | 1,275                 | 473                   | 0.0        | 0.50              | 0.50                   | 0.82                   |
| 2015 | 3.0         | 1,286                 | 479                   | 0.0        | 0.50              | 0.50                   | 0.83                   |
| 2016 | 3.0         | 1,297                 | 485                   | 0.0        | 0.50              | 0.50                   | 0.84                   |
| 2017 | 3.0         | 1,308                 | 491                   | 0.0        | 0.50              | 0.50                   | 0.84                   |
| 2018 | 3.0         | 1,320                 | 497                   | 0.0        | 0.50              | 0.50                   | 0.84                   |
| 2019 | 3.0         | 1,331                 | 503                   | 0.0        | 0.50              | 0.50                   | 0.84                   |
| 2020 | 3.0         | 1,342                 | 510                   | 0.0        | 0.50              | 0.50                   | 0.84                   |
| 2021 | 3.0         | 1,353                 | 516                   | 0.0        | 0.50              | 0.50                   | 0.84                   |
| 2022 | 3.0         | 1,364                 | 522                   | 0.0        | 0.50              | 0.50                   | 0.84                   |
| 2023 | 3.0         | 1,375                 | 528                   | 0.0        | 0.50              | 0.50                   | 0.84                   |
| 2024 | 3.0         | 1,387                 | 534                   | 0.0        | 0.50              | 0.50                   | 0.85                   |
| 2025 | 3.0         | 1,398                 | 540                   | 0.0        | 0.50              | 0.50                   | 0.85                   |
| 2026 | 3.0         | 1,409                 | 546                   | 0.0        | 0.50              | 0.50                   | 0.85                   |
| 2027 | 3.0         | 1,420                 | 552                   | 0.0        | 0.50              | 0.50                   | 0.85                   |
| 2028 | 3.0         | 1,431                 | 559                   | 0.0        | 0.50              | 0.50                   | 0.85                   |
| 2029 | 3.0         | 1,442                 | 565                   | 0.0        | 0.50              | 0.50                   | 0.85                   |
| 2030 | 3.0         | 1,454                 | 571                   | 0.0        | 0.50              | 0.50                   | 0.85                   |

## Scenarios – Calendar Year Basis

### Medium High Growth Scenario

In this scenario the economy grows at a moderate pace due to higher population growth compared to the base case. The economy grows at an average annual rate of 2.5% over the forecast period.

A moderate inflation rate of 1.0% in the long term helps sustain the dollar from C\$1.10/US\$ in 2009 to C\$1.00/US\$ in 2030. The long term bond rate is forecast at 3.0% yielding a real rate of 2.0%.

Manitoba's population grows at an annual rate of 9,200 people while the number of residential customers increases at an annual rate of 4,900 units.

| Year | Man. RGDP % | Man. Population '000s | Man. Res. Cust. '000s | Man. CPI % | GOC 10 Yr+ Rate % | Real GOC 10 Yr+ Rate % | Exchange Rate C\$/US\$ |
|------|-------------|-----------------------|-----------------------|------------|-------------------|------------------------|------------------------|
| 2009 | 0.6         | 1,218                 | 441                   | -0.6       | 1.65              | 2.30                   | 1.10                   |
| 2010 | 2.7         | 1,227                 | 446                   | 0.2        | 2.00              | 1.70                   | 1.01                   |
| 2011 | 3.3         | 1,237                 | 451                   | 1.0        | 2.80              | 1.80                   | 0.96                   |
| 2012 | 3.2         | 1,246                 | 456                   | 1.0        | 3.00              | 2.00                   | 0.95                   |
| 2013 | 3.0         | 1,256                 | 461                   | 1.0        | 3.00              | 2.00                   | 0.95                   |
| 2014 | 2.6         | 1,265                 | 466                   | 1.0        | 3.00              | 2.00                   | 0.97                   |
| 2015 | 2.5         | 1,275                 | 471                   | 1.0        | 3.00              | 2.00                   | 0.98                   |
| 2016 | 2.5         | 1,284                 | 476                   | 1.0        | 3.00              | 2.00                   | 0.99                   |
| 2017 | 2.5         | 1,294                 | 481                   | 1.0        | 3.00              | 2.00                   | 0.99                   |
| 2018 | 2.5         | 1,303                 | 486                   | 1.0        | 3.00              | 2.00                   | 0.99                   |
| 2019 | 2.5         | 1,312                 | 491                   | 1.0        | 3.00              | 2.00                   | 0.99                   |
| 2020 | 2.5         | 1,322                 | 496                   | 1.0        | 3.00              | 2.00                   | 0.99                   |
| 2021 | 2.5         | 1,331                 | 501                   | 1.0        | 3.00              | 2.00                   | 0.99                   |
| 2022 | 2.5         | 1,340                 | 506                   | 1.0        | 3.00              | 2.00                   | 0.99                   |
| 2023 | 2.4         | 1,349                 | 511                   | 1.0        | 3.00              | 2.00                   | 0.99                   |
| 2024 | 2.4         | 1,358                 | 516                   | 1.0        | 3.00              | 2.00                   | 1.00                   |
| 2025 | 2.4         | 1,367                 | 521                   | 1.0        | 3.00              | 2.00                   | 1.00                   |
| 2026 | 2.4         | 1,375                 | 526                   | 1.0        | 3.00              | 2.00                   | 1.00                   |
| 2027 | 2.5         | 1,384                 | 530                   | 1.0        | 3.00              | 2.00                   | 1.00                   |
| 2028 | 2.5         | 1,393                 | 535                   | 1.0        | 3.00              | 2.00                   | 1.00                   |
| 2029 | 2.5         | 1,401                 | 540                   | 1.0        | 3.00              | 2.00                   | 1.00                   |
| 2030 | 2.5         | 1,410                 | 545                   | 1.0        | 3.00              | 2.00                   | 1.00                   |



## Scenarios – Fiscal Year Basis

### Low Growth

| Fiscal Year | Man. RGDP % | Man. Population '000s | Man. Res. Cust. '000s | Man. CPI 2002=100 | Man. CPI % | GOC 10 Yr+ Rate % | Real GOC 10 Yr+ Rate % | Exchange Rate C\$/US\$ |
|-------------|-------------|-----------------------|-----------------------|-------------------|------------|-------------------|------------------------|------------------------|
| 2009/10     | -2.2        | 1,212                 | 440                   | 118.3             | 4.0        | 7.70              | 3.60                   | 1.52                   |
| 2010/11     | 0.3         | 1,215                 | 441                   | 123.1             | 4.0        | 8.25              | 4.10                   | 1.44                   |
| 2011/12     | 0.6         | 1,218                 | 442                   | 128.0             | 4.0        | 8.55              | 4.40                   | 1.40                   |
| 2012/13     | 0.6         | 1,221                 | 443                   | 133.1             | 4.0        | 9.50              | 5.30                   | 1.40                   |
| 2013/14     | 0.6         | 1,225                 | 444                   | 138.4             | 4.0        | 10.00             | 5.80                   | 1.41                   |
| 2014/15     | 0.6         | 1,228                 | 446                   | 144.0             | 4.0        | 10.00             | 5.80                   | 1.42                   |
| 2015/16     | 0.6         | 1,231                 | 447                   | 149.7             | 4.0        | 10.00             | 5.80                   | 1.43                   |
| 2016/17     | 0.6         | 1,234                 | 449                   | 155.7             | 4.0        | 10.00             | 5.80                   | 1.44                   |
| 2017/18     | 0.6         | 1,237                 | 450                   | 161.9             | 4.0        | 10.00             | 5.80                   | 1.44                   |
| 2018/19     | 0.6         | 1,241                 | 451                   | 168.4             | 4.0        | 10.00             | 5.80                   | 1.44                   |
| 2019/20     | 0.6         | 1,244                 | 453                   | 175.2             | 4.0        | 10.00             | 5.80                   | 1.44                   |
| 2020/21     | 0.6         | 1,247                 | 454                   | 182.2             | 4.0        | 10.00             | 5.80                   | 1.44                   |
| 2021/22     | 0.6         | 1,250                 | 456                   | 189.5             | 4.0        | 10.00             | 5.80                   | 1.44                   |
| 2022/23     | 0.6         | 1,253                 | 457                   | 197.0             | 4.0        | 10.00             | 5.80                   | 1.44                   |
| 2023/24     | 0.6         | 1,256                 | 458                   | 204.9             | 4.0        | 10.00             | 5.80                   | 1.45                   |
| 2024/25     | 0.6         | 1,260                 | 460                   | 213.1             | 4.0        | 10.00             | 5.80                   | 1.45                   |
| 2025/26     | 0.6         | 1,263                 | 461                   | 221.6             | 4.0        | 10.00             | 5.80                   | 1.45                   |
| 2026/27     | 0.6         | 1,266                 | 463                   | 230.5             | 4.0        | 10.00             | 5.80                   | 1.45                   |
| 2027/28     | 0.6         | 1,269                 | 464                   | 239.7             | 4.0        | 10.00             | 5.80                   | 1.45                   |
| 2028/29     | 0.6         | 1,272                 | 466                   | 249.3             | 4.0        | 10.00             | 5.80                   | 1.45                   |
| 2029/30     | 0.6         | 1,275                 | 467                   | 259.3             | 4.0        | 10.00             | 5.80                   | 1.45                   |

## Scenarios – Fiscal Year Basis

### Medium Low Growth

| Fiscal Year | Man. RGDP % | Man. Population '000s | Man. Res. Cust. '000s | Man. CPI 2002=100 | Man. CPI % | GOC 10 Yr+ Rate % | Real GOC 10 Yr+ Rate % | Exchange Rate C\$/US\$ |
|-------------|-------------|-----------------------|-----------------------|-------------------|------------|-------------------|------------------------|------------------------|
| 2009/10     | -1.1        | 1,215                 | 442                   | 116.4             | 2.3        | 5.45              | 3.10                   | 1.37                   |
| 2010/11     | 1.2         | 1,221                 | 445                   | 119.5             | 2.7        | 6.00              | 3.20                   | 1.29                   |
| 2011/12     | 1.7         | 1,226                 | 447                   | 123.1             | 3.0        | 6.75              | 3.60                   | 1.25                   |
| 2012/13     | 1.7         | 1,232                 | 450                   | 126.8             | 3.0        | 7.45              | 4.30                   | 1.25                   |
| 2013/14     | 1.5         | 1,237                 | 452                   | 130.6             | 3.0        | 7.75              | 4.60                   | 1.26                   |
| 2014/15     | 1.3         | 1,243                 | 455                   | 134.5             | 3.0        | 7.75              | 4.60                   | 1.27                   |
| 2015/16     | 1.3         | 1,248                 | 457                   | 138.6             | 3.0        | 7.75              | 4.60                   | 1.28                   |
| 2016/17     | 1.3         | 1,254                 | 460                   | 142.7             | 3.0        | 7.75              | 4.60                   | 1.29                   |
| 2017/18     | 1.4         | 1,259                 | 462                   | 147.0             | 3.0        | 7.75              | 4.60                   | 1.29                   |
| 2018/19     | 1.4         | 1,264                 | 465                   | 151.4             | 3.0        | 7.75              | 4.60                   | 1.29                   |
| 2019/20     | 1.4         | 1,270                 | 467                   | 156.0             | 3.0        | 7.75              | 4.60                   | 1.29                   |
| 2020/21     | 1.4         | 1,275                 | 470                   | 160.7             | 3.0        | 7.75              | 4.60                   | 1.29                   |
| 2021/22     | 1.3         | 1,280                 | 472                   | 165.5             | 3.0        | 7.75              | 4.60                   | 1.29                   |
| 2022/23     | 1.3         | 1,285                 | 475                   | 170.4             | 3.0        | 7.75              | 4.60                   | 1.29                   |
| 2023/24     | 1.3         | 1,290                 | 477                   | 175.6             | 3.0        | 7.75              | 4.60                   | 1.30                   |
| 2024/25     | 1.3         | 1,295                 | 479                   | 180.8             | 3.0        | 7.75              | 4.60                   | 1.30                   |
| 2025/26     | 1.3         | 1,300                 | 482                   | 186.2             | 3.0        | 7.75              | 4.60                   | 1.30                   |
| 2026/27     | 1.3         | 1,305                 | 484                   | 191.8             | 3.0        | 7.75              | 4.60                   | 1.30                   |
| 2027/28     | 1.3         | 1,309                 | 487                   | 197.6             | 3.0        | 7.75              | 4.60                   | 1.30                   |
| 2028/29     | 1.3         | 1,314                 | 489                   | 203.5             | 3.0        | 7.75              | 4.60                   | 1.30                   |
| 2029/30     | 1.3         | 1,318                 | 491                   | 209.6             | 3.0        | 7.75              | 4.60                   | 1.30                   |

## Scenarios – Fiscal Year Basis

### High Growth

| Fiscal Year | Man. RGDP % | Man. Population '000s | Man. Res. Cust. '000 | Man. CPI 92=100 | Man. CPI % | GOC 10 Yr+ Rate % | Real GOC 10 Yr+ Rate % | Exchange Rate C\$/US\$ |
|-------------|-------------|-----------------------|----------------------|-----------------|------------|-------------------|------------------------|------------------------|
| 2009/10     | 2.2         | 1,222                 | 446                  | 112.5           | -1.1       | 0.30              | 1.50                   | 0.92                   |
| 2010/11     | 3.6         | 1,233                 | 452                  | 111.9           | -0.6       | 0.55              | 1.10                   | 0.84                   |
| 2011/12     | 3.7         | 1,244                 | 458                  | 111.9           | 0.0        | 0.77              | 0.80                   | 0.80                   |
| 2012/13     | 3.7         | 1,255                 | 464                  | 111.9           | 0.0        | 0.70              | 0.70                   | 0.80                   |
| 2013/14     | 3.4         | 1,267                 | 470                  | 111.9           | 0.0        | 0.50              | 0.50                   | 0.81                   |
| 2014/15     | 3.1         | 1,278                 | 476                  | 111.9           | 0.0        | 0.50              | 0.50                   | 0.82                   |
| 2015/16     | 3.0         | 1,289                 | 482                  | 111.9           | 0.0        | 0.50              | 0.50                   | 0.83                   |
| 2016/17     | 3.0         | 1,300                 | 489                  | 111.9           | 0.0        | 0.50              | 0.50                   | 0.84                   |
| 2017/18     | 3.0         | 1,311                 | 495                  | 111.9           | 0.0        | 0.50              | 0.50                   | 0.84                   |
| 2018/19     | 3.0         | 1,322                 | 501                  | 111.9           | 0.0        | 0.50              | 0.50                   | 0.84                   |
| 2019/20     | 3.0         | 1,334                 | 507                  | 111.9           | 0.0        | 0.50              | 0.50                   | 0.84                   |
| 2020/21     | 3.0         | 1,345                 | 513                  | 111.9           | 0.0        | 0.50              | 0.50                   | 0.84                   |
| 2021/22     | 3.0         | 1,356                 | 519                  | 111.9           | 0.0        | 0.50              | 0.50                   | 0.84                   |
| 2022/23     | 3.0         | 1,367                 | 525                  | 111.9           | 0.0        | 0.50              | 0.50                   | 0.84                   |
| 2023/24     | 3.0         | 1,378                 | 532                  | 111.9           | 0.0        | 0.50              | 0.50                   | 0.85                   |
| 2024/25     | 3.0         | 1,389                 | 538                  | 111.9           | 0.0        | 0.50              | 0.50                   | 0.85                   |
| 2025/26     | 3.0         | 1,401                 | 544                  | 111.9           | 0.0        | 0.50              | 0.50                   | 0.85                   |
| 2026/27     | 3.0         | 1,412                 | 550                  | 111.9           | 0.0        | 0.50              | 0.50                   | 0.85                   |
| 2027/28     | 3.0         | 1,423                 | 556                  | 111.9           | 0.0        | 0.50              | 0.50                   | 0.85                   |
| 2028/29     | 3.0         | 1,434                 | 562                  | 111.9           | 0.0        | 0.50              | 0.50                   | 0.85                   |
| 2029/30     | 3.0         | 1,445                 | 568                  | 111.9           | 0.0        | 0.50              | 0.50                   | 0.85                   |

## Scenarios – Fiscal Year Basis

### Medium High Growth

| Fiscal Year | Man. RGDP % | Man. Population '000s | Man. Res. Cust. '000s | Man. CPI 92=100 | Man. CPI % | GOC 10 Yr+ Rate % | Real GOC 10 Yr+ Rate % | Exchange Rate C\$/US\$ |
|-------------|-------------|-----------------------|-----------------------|-----------------|------------|-------------------|------------------------|------------------------|
| 2009/10     | 1.1         | 1,220                 | 445                   | 113.3           | -0.4       | 1.75              | 2.10                   | 1.07                   |
| 2010/11     | 2.8         | 1,230                 | 450                   | 113.8           | 0.4        | 2.20              | 1.80                   | 0.99                   |
| 2011/12     | 3.3         | 1,239                 | 455                   | 115.0           | 1.0        | 2.85              | 1.80                   | 0.95                   |
| 2012/13     | 3.2         | 1,249                 | 460                   | 116.1           | 1.0        | 3.00              | 2.00                   | 0.95                   |
| 2013/14     | 2.9         | 1,258                 | 465                   | 117.3           | 1.0        | 3.00              | 2.00                   | 0.96                   |
| 2014/15     | 2.5         | 1,268                 | 470                   | 118.5           | 1.0        | 3.00              | 2.00                   | 0.97                   |
| 2015/16     | 2.5         | 1,277                 | 475                   | 119.6           | 1.0        | 3.00              | 2.00                   | 0.98                   |
| 2016/17     | 2.5         | 1,287                 | 480                   | 120.8           | 1.0        | 3.00              | 2.00                   | 0.99                   |
| 2017/18     | 2.5         | 1,296                 | 485                   | 122.0           | 1.0        | 3.00              | 2.00                   | 0.99                   |
| 2018/19     | 2.5         | 1,305                 | 490                   | 123.3           | 1.0        | 3.00              | 2.00                   | 0.99                   |
| 2019/20     | 2.5         | 1,315                 | 495                   | 124.5           | 1.0        | 3.00              | 2.00                   | 0.99                   |
| 2020/21     | 2.5         | 1,324                 | 500                   | 125.7           | 1.0        | 3.00              | 2.00                   | 0.99                   |
| 2021/22     | 2.5         | 1,333                 | 505                   | 127.0           | 1.0        | 3.00              | 2.00                   | 0.99                   |
| 2022/23     | 2.5         | 1,342                 | 510                   | 128.3           | 1.0        | 3.00              | 2.00                   | 0.99                   |
| 2023/24     | 2.4         | 1,351                 | 515                   | 129.6           | 1.0        | 3.00              | 2.00                   | 1.00                   |
| 2024/25     | 2.4         | 1,360                 | 519                   | 130.9           | 1.0        | 3.00              | 2.00                   | 1.00                   |
| 2025/26     | 2.4         | 1,369                 | 524                   | 132.2           | 1.0        | 3.00              | 2.00                   | 1.00                   |
| 2026/27     | 2.4         | 1,377                 | 529                   | 133.5           | 1.0        | 3.00              | 2.00                   | 1.00                   |
| 2027/28     | 2.5         | 1,386                 | 534                   | 134.8           | 1.0        | 3.00              | 2.00                   | 1.00                   |
| 2028/29     | 2.5         | 1,395                 | 539                   | 136.2           | 1.0        | 3.00              | 2.00                   | 1.00                   |
| 2029/30     | 2.5         | 1,403                 | 544                   | 137.5           | 1.0        | 3.00              | 2.00                   | 1.00                   |