

**RESPONSE:**

The table below includes the 7 year value to the 2008 row in the variance portion of the table and recalculates the average variance and the variance to average forecast for forecasts of two to seven years out. It is assumed that the reference in the question to the update to the variance to average forecast for forecasts of seven years out should be 79% and not 0.79%.

As stated in Manitoba Hydro's response to COALITION/MH-I-107 a,c,g the forecast variances are self-correcting at each GRA along with other counterbalancing factors and updates. As also noted in COALITION/MH I-107a,c,g the values used for this variance analysis reflect forecasts reported in the spring Economic Outlook reports and are not always the basis of the relevant year's IFF or revenue requirement.

90 Day T-bill	2006	2007	2008	2009	2010	2011	2012	2013	2014
Fiscal year	2007	2008	2009	2010	2011	2012	2013	2014	2015
2006	4.00%	4.05%	4.25%	4.25%	4.30%	4.50%	4.50%	4.50%	4.50%
2007		4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%
2008			3.40%	3.95%	4.50%	4.50%	4.50%	4.50%	4.50%
2009				0.80%	1.90%	3.80%	4.20%	4.25%	4.25%
2010					0.95%	2.50%	3.10%	3.65%	4.10%
2011						1.60%	2.80%	3.45%	3.80%
2012							1.00%	1.45%	2.95%
2013								1.05%	1.45%
2014									1.00%
Actual	4.16%	3.83%	1.84%	0.22%	0.78%	0.91%	0.97%	0.94%	0.89%
Variance	1 Year	2 Year	3 Year	4 Year	5 Year	6 Year	7 Year	8 Year	9 Year
2006	-0.16%	0.22%	2.41%	4.03%	3.52%	3.59%	3.53%	3.56%	3.61%
2007	0.42%	2.41%	4.03%	3.47%	3.34%	3.28%	3.31%	3.36%	
2008	1.56%	3.73%	3.72%	3.59%	3.53%	3.56%	3.61%		
2009	0.58%	1.12%	2.89%	3.23%	3.31%	3.36%			
2010	0.17%	1.59%	2.13%	2.71%	3.21%				
2011	0.69%	1.83%	2.51%	2.91%					
2012	0.03%	0.51%	2.06%						
2013	0.11%	0.56%							
2014	0.11%								
Avg variance	0.39%	1.50%	2.82%	3.32%	3.38%	3.45%	3.48%	3.46%	3.61%
Avg Forecast	2.01%	2.79%	3.76%	4.11%	4.28%	4.38%	4.42%	4.38%	4.50%
Variance/AvgFcast	19%	54%	75%	81%	79%	79%	79%	79%	80%

As requested in part g) of this Information Request, the following schedule provides Manitoba Hydro's actual and forecasted proportions of short term debt, floating rate long term debt, and fixed rate long term debt at March 31, 2013 – 2024.

**Consolidated Debt Portfolio Summary**

(By proportion of short term debt, floating rate long term debt, and fixed rate long term debt)

Actuals are to December 31, 2014; with forecast information for March 31, 2015 - 2024

(\$ in CAD millions)

Fiscal Year Ending	Short Term Debt		Floating Rate Long Term Debt		Fixed Rate Long Term Debt		Total Debt
	\$	% of Total	\$	% of Total	\$	% of Total	\$
March 31, 2013	-	0.0 %	1,604	16.0 %	8,406	84.0 %	10,010
March 31, 2014	-	0.0 %	2,127	19.3 %	8,881	80.7 %	11,009
March 31, 2015 *	83	0.7 %	1,812	14.8 %	10,345	84.5 %	12,240
March 31, 2016 *	142	1.0 %	1,995	13.8 %	12,278	85.2 %	14,415
March 31, 2017 *	55	0.3 %	2,311	13.4 %	14,828	86.2 %	17,194
March 31, 2018 *	111	0.6 %	2,696	13.4 %	17,312	86.0 %	20,120
March 31, 2019 *	134	0.6 %	3,374	15.5 %	18,235	83.9 %	21,743
March 31, 2020 *	74	0.3 %	3,541	15.4 %	19,329	84.2 %	22,944
March 31, 2021 *	7	0.0 %	3,661	15.5 %	19,959	84.5 %	23,627
March 31, 2022 *	40	0.2 %	3,781	16.1 %	19,720	83.8 %	23,542
March 31, 2023 *	145	0.6 %	3,440	14.5 %	20,200	84.9 %	23,786
March 31, 2024 *	152	0.6 %	3,560	14.8 %	20,380	84.6 %	24,092

\* The forecasted debt percentages will be affected by the simplifying modeling assumption of a 20 year term to maturity for all new debt issuance. Actual terms to maturity will vary from forecast.