

**SCOPE OF WORK FOR MORRISON PARK ADVISORS
NFAT REVIEW
LAST UPDATED: SEPTEMBER 20, 2013**

MORRISON PARK ADVISORS

Commercial Evaluation of Manitoba Hydro's Preferred Development Plan

1. Analyse Manitoba Hydro's Preferred Development plan from a commercial perspective, including:
 - (a) Consideration of the overall costs, risks and benefits being assumed by Manitoba Hydro in the pursuit of the Plan, particularly in light of potential alternatives to the Plan which could satisfy provincial and ratepayer objectives (commercial reasonableness of the Plan);
 - (b) Consideration of the costs assumed, risks taken, and compensating benefits expected for each relevant stakeholder of Manitoba Hydro, including ratepayers, the Government of Manitoba, Manitoba taxpayers, and others (relative commercial reasonableness of the Plan for various stakeholders);
 - (c) Consideration of commercial risks being assumed by Manitoba Hydro as part of its export agreements, and specifically how these risks relate to the risks being taken by Manitoba ratepayers in the event that export agreements do not perform according to optimal scenarios (commercial reasonableness of the export aspects of the Plan in relation to the domestic services portions); and
 - (d) Consideration of specific financial impacts and risks being assumed as part of the Plan by the Government of Manitoba and the taxpayers of Manitoba, as they relate to the Province's credit rating, borrowing capacity, potential impact on other budgetary priorities, credit availability, and credit rates in the future.