

Needs For and Alternatives To

**APPENDIX A**

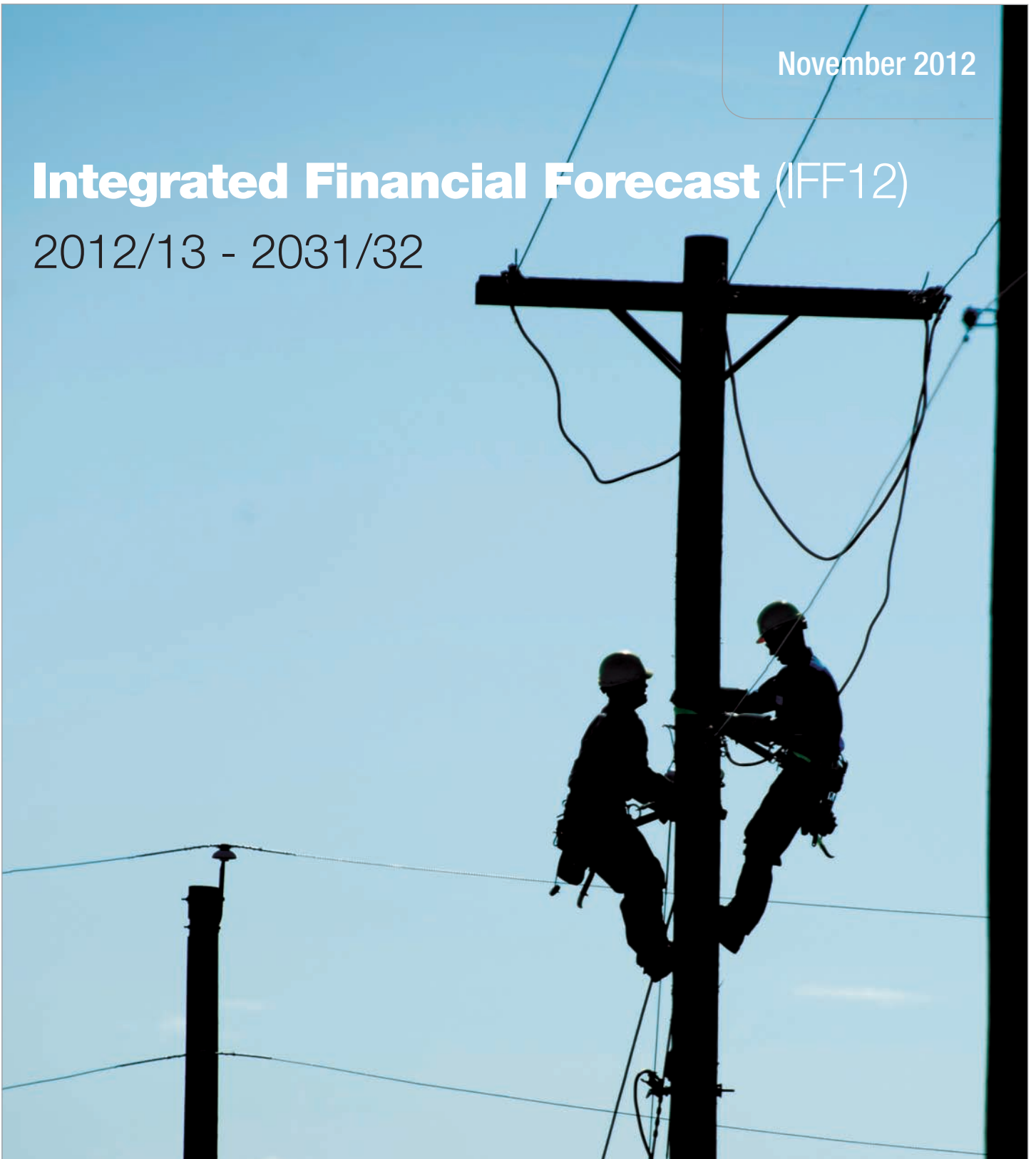
**Integrated Financial Forecast (IFF12)**

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November 2012

# Integrated Financial Forecast (IFF12)

2012/13 - 2031/32



Financial Planning  
Finance & Administration

 **Manitoba  
Hydro**



# INTEGRATED FINANCIAL FORECAST (IFF12)

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2012/13 – 2031/32

FINANCIAL PLANNING DEPARTMENT  
CORPORATE CONTROLLER DIVISION  
FINANCE & ADMINISTRATION

November, 2012

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**KEY FINANCIAL RESULTS**  
(Dollars are in millions)

|                                                                              | Actual   | IFF12 Forecast     |          |          |          |
|------------------------------------------------------------------------------|----------|--------------------|----------|----------|----------|
|                                                                              | 2011/12  | 2012/13            | 2013/14  | 2014/15  | 2021/22  |
| <b>PROJECTED RATE INCREASES</b>                                              |          |                    |          |          |          |
| - ELECTRIC                                                                   | 2.00%    | 3.57% <sup>1</sup> | 3.50%    | 3.95%    | 3.95%    |
| - GAS (non-commodity)                                                        | -        | -                  | 2.00%    | -        | 0.75%    |
| <b>NET INCOME</b>                                                            |          |                    |          |          |          |
| - ELECTRIC <sup>2</sup>                                                      | \$ 62    | \$ 53              | \$ 60    | \$ 50    | \$ 52    |
| - GAS                                                                        | (6)      | 2                  | 6        | 9        | 4        |
| - SUBSIDIARIES                                                               | 5        | 6                  | 6        | 7        | 9        |
| <b>CAPITAL EXPENDITURES</b>                                                  |          |                    |          |          |          |
| - ELECTRIC                                                                   | \$ 1 033 | \$ 1 343           | \$ 1 859 | \$ 2 009 | \$ 2 319 |
| - GAS                                                                        | 38       | 36                 | 36       | 33       | 37       |
| <b>DEBT/EQUITY RATIO</b>                                                     | 74:26    | 75:25              | 78:22    | 83:17    | 90:10    |
| <b>INTEREST COVERAGE RATIO</b>                                               | 1.10     | 1.10               | 1.11     | 1.09     | 1.05     |
| <b>CAPITAL COVERAGE RATIO</b><br>(excl. major new generation & transmission) | 1.13     | 1.16               | 0.89     | 0.83     | 1.60     |
| <b>RETAINED EARNINGS</b>                                                     | \$2 450  | \$ 2 510           | \$ 2 583 | \$ 2 314 | \$2 528  |

<sup>1</sup> Includes the 2.0% interim rate increase effective April 1, 2012 and the 2.5% interim rate increase effective September 1, 2012.

<sup>2</sup> Assumes the reinstatement of the 1.0% rate roll-back directed in PUB Order 5/12.



## Section 1

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## 1.0 OVERVIEW

The Consolidated Integrated Financial Forecast (IFF12) projects Manitoba Hydro's financial results over the 20-year period 2012/13 to 2031/32. Segmented forecasts are also provided for the electricity (MH12), natural gas (CGM12), and corporate subsidiaries (CS12).

Financial results projected in IFF12 are less favourable than the financial results projected in IFF11-2. The projection of less favourable results is largely attributable to the following:

- a) Lower projected extraprovincial revenues (lower by \$2.9 billion over the 20-year forecast period) due to lower spot market prices in the MISO region and the one-year deferral of Conawapa; and
- b) Higher projected capital costs for Conawapa (up \$2.4 billion) and Keeyask (up \$0.6 billion) due largely to updated estimates and the addition of management reserves to allow for increased construction cost risks.

As a consequence of the deterioration in projected financial results, moderately higher domestic rate increases will be required in order to restore the debt/equity ratio to the target level of 75:25 by the end of the 20-year forecast period. In addition to the requirement for a 3.5% rate increase effective April 1, 2013 (which is currently being considered by the PUB as part of Manitoba Hydro's General Rate Application), it is projected that rate increases of 3.95% will be required in each of the remaining 18 years of the 20-year forecast.

Net income is projected to remain relatively low (averaging about \$40 million per year) for the first 10 years of the forecast and the equity ratio is reduced from the current 25% level to 10% equity at the end of 10 years (before gradually beginning to recover to reach 25% equity at the end of 20 years). Should a severe drought be encountered during the first 10-year period, net income and the equity ratio would be further challenged.

The other key financial targets – interest coverage and capital coverage – are also below target for several years but recover to the target range within the later years of the 20 year forecast.

Notwithstanding the projection of less favourable financial results, Manitoba Hydro's proposed major capital expansion program remains as the best plan to meet the future electricity requirements of the Province in the most reliable, economic and environmentally sustainable way. While higher rate increases will be necessary to maintain a reasonable financial structure, the revenue generated by those rate increases will, in part, represent an investment in the future of the Province. This investment will pay dividends to current and future generations of Manitobans over the approximate 100-year service lives of the new generation and transmission facilities.



Also contributing to the need for higher rate increases is the requirement to replace distribution, transmission and substation assets that were installed up to 60 years ago. The aging infrastructure issue is facing all utilities in North America and is resulting in considerably higher rate increases than are being witnessed in Manitoba. For this reason, even with the rate increases being projected in IFF12, it is expected that Manitoba Hydro will maintain its status as having the lowest overall rate structure in North America.

The following is a summary of projected net income and key financial ratios over the 20-year period to 2031/32:

| Years<br>Ending<br>March 31 | Electric<br>Rate<br>Increases | Net Income | Retained<br>Earnings | Debt /<br>Equity | Interest<br>Coverage | Capital<br>Coverage |
|-----------------------------|-------------------------------|------------|----------------------|------------------|----------------------|---------------------|
| (Millions)                  |                               |            |                      |                  |                      |                     |
| 2013                        | -                             | \$60       | \$2,510              | 75:25            | 1.10                 | 1.16                |
| 2014                        | 3.50%                         | 72         | 2,583                | 78:22            | 1.11                 | 0.89                |
| 2015                        | 3.95%                         | 66         | 2,314                | 83:17            | 1.09                 | 0.83                |
| 2016                        | 3.95%                         | 90         | 2,403                | 85:15            | 1.11                 | 0.94                |
| 2017                        | 3.95%                         | 70         | 2,473                | 86:14            | 1.07                 | 1.22                |
| 2018                        | 3.95%                         | 32         | 2,505                | 87:13            | 1.03                 | 1.39                |
| 2019                        | 3.95%                         | (54)       | 2,452                | 88:12            | 0.95                 | 1.15                |
| 2020                        | 3.95%                         | 5          | 2,457                | 89:11            | 1.00                 | 1.54                |
| 2021                        | 3.95%                         | 6          | 2,463                | 89:11            | 1.00                 | 1.50                |
| 2022                        | 3.95%                         | 65         | 2,528                | 90:10            | 1.05                 | 1.60                |
| 2023                        | 3.95%                         | 177        | 2,705                | 90:10            | 1.12                 | 1.63                |
| 2024                        | 3.95%                         | 242        | 2,947                | 89:11            | 1.15                 | 1.74                |
| 2025                        | 3.95%                         | 315        | 3,262                | 89:11            | 1.19                 | 1.88                |
| 2026                        | 3.95%                         | 373        | 3,634                | 88:12            | 1.22                 | 2.16                |
| 2027                        | 3.95%                         | 432        | 4,067                | 87:13            | 1.25                 | 2.71                |
| 2028                        | 3.95%                         | 385        | 4,452                | 85:15            | 1.22                 | 2.41                |
| 2029                        | 3.95%                         | 550        | 5,001                | 84:16            | 1.32                 | 2.54                |
| 2030                        | 3.95%                         | 725        | 5,726                | 82:18            | 1.43                 | 2.69                |
| 2031                        | 3.95%                         | 850        | 6,577                | 79:21            | 1.52                 | 2.80                |
| 2032                        | 3.95%                         | 1,069      | 7,646                | 75:25            | 1.68                 | 3.65                |

## 2.0 FORECAST ASSUMPTIONS

### 2.1 Electricity Rates

IFF12 assumes that the Manitoba Public Utilities Board (PUB) reinstates the 1.0% interim average rate increase rolled back in PUB Order 5/12. The base forecast also includes the approved interim average rate increases of 2.0% effective April 1, 2012 and 2.5% effective September 1, 2012 as well as the proposed 3.5% rate increase effective April 1, 2013. Additional average rate increases of 3.95% per year are projected to the end of the forecast period.

### 2.2 Gas Rates

The forecast assumes a 2.0% non-gas rate increase effective May 1, 2013. Subsequent non-gas rate increases are sufficient to generate Centra Gas net income of approximately \$5 million each year beginning in 2016/17 and thereafter.

### 2.3 Economic Variables

The economic assumptions used in the forecast are based upon Manitoba Hydro's Economic Outlook updated in October 2012 to reflect current economic conditions. Projected rates for key economic indicators are listed below with the 2011 projected rates in brackets.

|         | Manitoba Consumer Price Index | MH CDN New Short Term Debt Rate * | MH CDN New Long Term Debt Rate * | \$US/\$CDN Exchange Rate |
|---------|-------------------------------|-----------------------------------|----------------------------------|--------------------------|
| 2012/13 | 1.7%<br>(2.0%)                | 1.00%<br>(1.25%)                  | 3.15%<br>(3.70%)                 | 1.00<br>(0.99)           |
| 2013/14 | 1.8%<br>(2.0%)                | 1.30%<br>(2.20%)                  | 3.30%<br>(4.05%)                 | 0.99<br>(0.99)           |
| 2014/15 | 1.8%<br>(2.0%)                | 2.10%<br>(3.80%)                  | 3.85%<br>(5.40%)                 | 1.02<br>(1.05)           |
| 2015/16 | 1.8%<br>(2.0%)                | 2.95%<br>(4.05%)                  | 4.55%<br>(5.90%)                 | 1.03<br>(1.06)           |
| 2021/22 | 1.9%<br>(2.1%)                | 3.80%<br>(4.30%)                  | 5.30%<br>(6.40%)                 | 1.04<br>(1.06)           |

\* Excludes the 1% Provincial guarantee fee.

## 2.4 Manitoba Electricity Load Forecast

General consumers revenue is forecast based on the future load requirements in Manitoba as projected in the 2012 Electric Load Forecast.

The 2012 Electric Load Forecast projects that average annual growth in Manitoba load will be 1.6% for both gross firm energy and gross total peak over the 20-year forecast period to 2031/32 (compared to 1.5% in IFF11). Gross firm energy supplied to the Manitoba load is projected to grow from 24 961 GW.h in 2012/13 to 33 425 GW.h by 2031/32. Over the same 20-year period, total system peak is projected to grow from 4 491 MW in 2012/13 to 6 032 MW in 2031/32. The system load factor is projected to remain relatively constant at approximately 63%.

Compared to the 2011 forecast, gross firm energy is 212 GW.h lower in 2012/13 due mainly to lower forecasted industrial and general service loads. Over the 10-year forecast, the difference narrows due to the increased forecast of customers and by 2021/22 the forecast is only lower by 28 GW.h. By 2030/31, the gross firm energy forecast is higher by 359 GW.h. Gross total peak is lower throughout the forecast due to a lower estimate of distribution losses at peak of 4.5% of sales.

## 2.5 Extraprovincial Revenue

IFF12 includes the following existing and proposed long-term firm export sales:

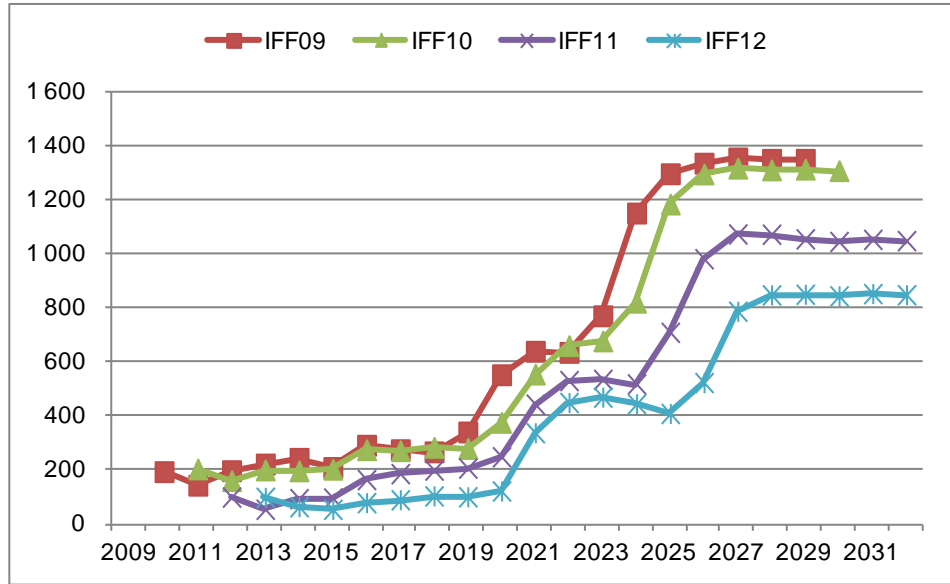
|                                                      |                        |
|------------------------------------------------------|------------------------|
| Northern States Power 500 MW Power Sale              | To April 2014          |
| Minnesota Power 50 MW System Participation Sale      | May 2009 to April 2015 |
| Northern States Power 375/325 MW System Power Sale   | May 2015 to April 2025 |
| Great River Energy 150 MW Seasonal Diversity Sale    | May 1995 to April 2015 |
| Northern States Power 350 MW Seasonal Diversity Sale | May 2015 to April 2025 |
| Northern States Power 125 MW System Power Sale       | May 2021 to April 2025 |
| Wisconsin Public Service 100 MW Sale                 | June 2021 to May 2027  |
| Minnesota Power 250 MW System Participation Sale     | June 2020 to May 2035  |
| Great River Energy 200 MW Seasonal Diversity Sale*   | May 2015 to April 2025 |
| Wisconsin Public Service 300 MW Term Sheet Sale*     | June 2026 to May 2036  |

\* Proposed

Extraprovincial sales volumes are forecast for the first forecast year (2012/13) based upon the expected inflow conditions as of August 2012 and actual reservoir and lake level elevations as of July 2012. The second forecast year uses the median of 80 years of historic inflows and initial reservoir and lake level elevations carried forward from the 2012/13 forecast. For subsequent years, the projections are determined by averaging the revenues using flow conditions for the past 99 years (1912/13 to 2010/11).

For the third consecutive forecast, extraprovincial revenues (net of water rentals and fuel and power purchases) are projected to be lower than previous forecasts. The decreases in projected net extraprovincial revenues can be attributed to the decreases in forecast electricity export prices and the one-year deferral of Conawapa. Figure 2-1 below shows the comparative net extraprovincial revenues from IFF09 through IFF12.

**Figure 2-1: Extraprovincial Revenues  
(Net of Water Rentals and Fuel and Power Purchases)**



Electricity export opportunity prices have been declining since 2008. The 2012 forecast for short-term and new long-term sales is depressed relative to previous forecasts mainly due to excess capacity in the MISO region, continued slow economic recovery, delays in implementation and lower values of carbon pricing, delays in environmental regulation, as well as lower natural gas prices. Natural gas prices have a direct effect on electricity prices since the market clearing price in MISO for a significant portion of the time may be derived from the cost of producing electricity from gas-fired generation. In comparison to the 2011 price forecast, the 2012 forecast projects on-peak prices to decrease on average approximately 20% over the period 2014/15 to 2022/23 and decrease on average approximately 10% in the period 2023/24 to 2035/36.

Compared to IFF11-2, net extraprovincial revenues are \$2.9 billion lower in IFF12 by 2031/32. Just over 80% of the decrease can be attributed to the reduction in forecast electricity export prices described above. The remaining approximate 20% reduction is due mainly to the deferral of Conawapa’s in-service date by one year to 2025/26 as well as slightly increased Manitoba load.

## 2.6 Electricity Supply

Manitoba Hydro's 2012/13 Power Resource Plan indicates new generation is required by 2022/23 to meet the current projection of Manitoba load requirements under dependable energy conditions. New capacity resources are forecast to be required by 2025/26.

The following resources contribute to the ability to meet future Manitoba energy and capacity requirements.

|                                                        | <b>MW</b> | <b>Dependable<br/>GW.h</b> | <b>In-Service Date</b> |
|--------------------------------------------------------|-----------|----------------------------|------------------------|
| Wuskwatim                                              | 200       | 1250                       | 2012/13                |
| Keeyask                                                | 695       | 2 900                      | 2019/20                |
| Conawapa                                               | 1 485     | 4 550                      | 2025/26                |
| Kelsey Re-running                                      | 77        | -                          | 2012/13                |
| Enhancements of Winnipeg River Plants                  | 20 - 30   | 30                         | 2013/14 –<br>2018/19   |
| HVDC Bipole III Line & 2000 MW of Converter Capability | 89        | 243                        | 2017/18                |
| Pointe du Bois Powerhouse Rebuild                      | 43        | 150                        | 2030/31                |
| <b>Demand Side Management Program</b>                  |           |                            |                        |
| Planned Additional                                     | 174       | 815                        | By 2026/27             |

## 2.7 International Financial Reporting Standards

On September 19, 2012, the Canadian Accounting Standards Board (AcSB) extended the optional transition date for rate-regulated entities an additional year to January 1, 2014 in consideration of the recent commitment of the International Accounting Standards Board (IASB) to review issues related to rate-regulated accounting. Manitoba Hydro will adopt the optional transition date deferral and will be transitioning to IFRS for its 2014/15 fiscal period with comparative information presented for 2013/14.

The primary impacts of IFRS that are included in IFF12 are as follows:

- Rate-regulated assets and liabilities do not currently satisfy the recognition criteria under IFRS and as such any unamortized balances will be adjusted to retained earnings on transition to IFRS and future expenditures on these items will be expensed as incurred.
- Administrative and other general overhead costs are not eligible for capitalization under IFRS and must be expensed as incurred.
- IFRS is more rigorous in terms of the componentization of assets and the recognition of gains and losses on the disposal/retirement of assets and does not allow the inclusion of asset retirement costs in depreciation rates.

Overall, the transition to IFRS will not have a significant impact on the annual net income of Manitoba Hydro. Increases to Operating, Maintenance and Administrative costs due to reduced capitalization and elimination of regulatory deferrals will be mostly offset by corresponding reductions in Depreciation and Amortization. The impact of the transition to IFRS on net income for 2014/15 is expected to be an increase of \$8 million. The most significant impact of the transition to IFRS for Manitoba Hydro will be a projected reduction to retained earnings of approximately \$335 million. The following Table 2-1 outlines the composition of these impacts.

**Table 2-1: IFRS Impacts on Retained Earnings and Net Income**

|                                         | Increase/(Decrease)<br>(\$Millions) |                       |
|-----------------------------------------|-------------------------------------|-----------------------|
|                                         | Retained Earnings                   | Net Income<br>2014/15 |
| Power Smart Programs                    | (220)                               | 7                     |
| Site Remediation                        | (34)                                | (1)                   |
| Acquisition Costs                       | (19)                                | 1                     |
| Regulatory Costs                        | (3)                                 | 1                     |
| Deferred Taxes                          | (27)                                | 2                     |
| Capital Taxes                           | -                                   | 3                     |
| Administrative Overhead and Other       | (38)                                | (38)                  |
| Pension & Employee Benefits             | (21)                                | 4                     |
| Removal of Negative Salvage             | 65                                  | 68                    |
| Change to Equal Life Group Depreciation | (37)                                | (38)                  |
| <b>Total</b>                            | <b>(335)</b>                        | <b>8</b>              |

\*Impacts to net income are net of depreciation & amortization.

## 2.8 Operating & Administrative Expense

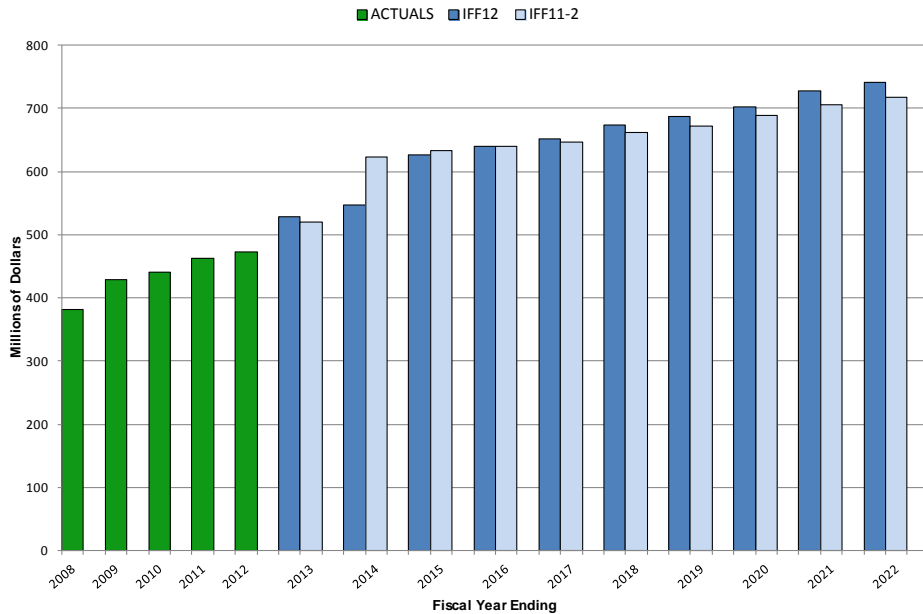
Operating, Maintenance & Administrative (OM&A) Expenses in IFF12 include only those expenditures necessary to provide for the safe and reliable operation and maintenance of the generation, transmission and gas and electric distribution systems.

Figure 2-2 below shows the OM&A expense projected in IFF12 compared to IFF11-2. Over the 10 year period to 2021/22, OM&A is projected to increase by approximately \$10 million annually on average compared to IFF11-2 primarily due to accounting changes related to the reduction in the discount rate used for the valuation of pension and benefit obligations.

IFF12 also incorporates the deferral of IFRS implementation to 2014/15 as discussed in Section 2.7 which results in the reduction in OM&A that can be seen in 2013/14 compared to IFF11-2.

Beyond 2014/15, OM&A costs rise at the same level of inflation except in years where major new generation and transmission comes into service in 2017/18 (Bipole III), 2019/20 (Keeyask) and 2025/26 (Conawapa).

**Figure 2-2: Operating, Maintenance and Administrative Expense**



## **2.9 Non-Controlling Interest**

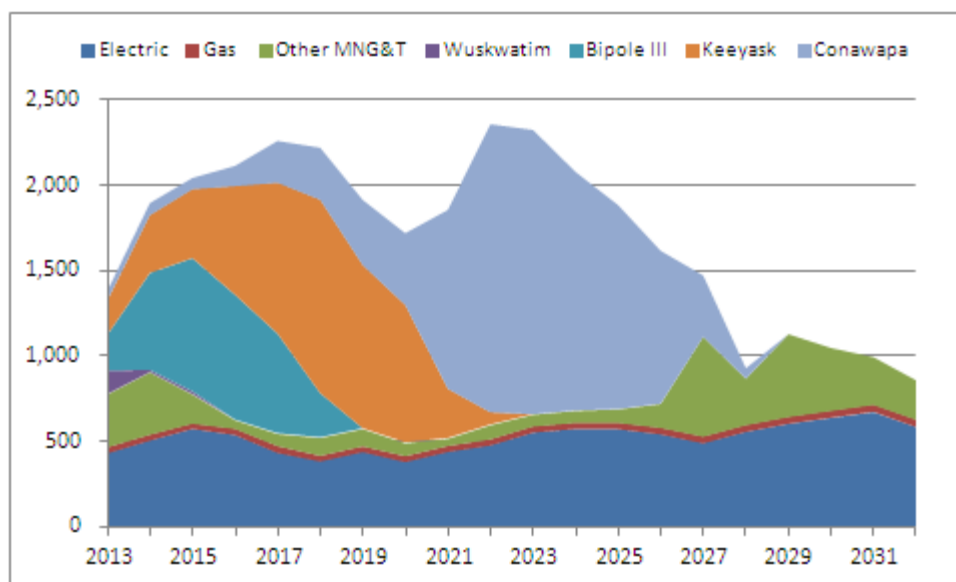
IFF12 assumes that Nisichawayasihk Cree Nation (NCN) will acquire up to a 33% interest in the Wuskwatim generating station. Manitoba Hydro will construct, operate and maintain the Wuskwatim generating station and will purchase all of the output under a power purchase agreement. Manitoba Hydro's income statement reflects all of the partnership revenues and costs with NCN's share of net income shown as a deduction before net income. The partnerships' net assets are offset by an amount for NCN's non-controlling equity interest on Manitoba Hydro's balance sheet.



### 3.0 CAPITAL EXPENDITURE FORECAST

Capital expenditures are forecast to be \$34 070 million to 2031/32. Figure 3-1 below illustrates projected capital expenditures by major category.

**Figure 3-1: Capital Expenditure Forecast CEF12**



Over the 20-year forecast to 2031/32, capital expenditures are \$3 969 million higher compared to the previous capital expenditure forecast, CEF11-2, mainly due to cost estimate increases for the Keeyask and Conawapa projects. The following Table 3-1 provides a summary of CEF12 and the revisions from CEF11-2.

**Table 3-1: Summary of Projected Capital Expenditures**

|                | 2013  | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  | 10 Year Total |
|----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------------|
| <b>CEF11-2</b> | 1,244 | 1,550 | 1,700 | 2,023 | 2,077 | 2,433 | 1,668 | 1,914 | 1,914 | 1,802 | 18,324        |
| Incr (Decr)    | 135   | 345   | 341   | 89    | 181   | (214) | 245   | (195) | (59)  | 554   | 1,422         |
| <b>CEF12</b>   | 1,379 | 1,895 | 2,042 | 2,112 | 2,258 | 2,219 | 1,913 | 1,718 | 1,854 | 2,356 | 19,746        |

|                | 2023  | 2024  | 2025  | 2026  | 2027  | 2028 | 2029  | 2030  | 2031  | 2032 | 20 Year Total |
|----------------|-------|-------|-------|-------|-------|------|-------|-------|-------|------|---------------|
| <b>CEF11-2</b> | 1,615 | 1,511 | 1,691 | 1,004 | 861   | 952  | 1,124 | 1,073 | 1,002 | 945  | 30,102        |
| Incr (Decr)    | 708   | 566   | 192   | 611   | 610   | (24) | 3     | (25)  | (8)   | (86) | 3,969         |
| <b>CEF12</b>   | 2,323 | 2,077 | 1,883 | 1,615 | 1,471 | 928  | 1,127 | 1,047 | 994   | 859  | 34,070        |

The revised Keeyask project cost increased \$583 million over the previous forecast due to inclusion of a management reserve to address the risk of higher than projected skilled labour costs as well as rates of inflation higher than the projected Canadian consumer price index.

The revised Conawapa project cost increased \$2 422 billion over the previous forecast. Slightly more than half of this increase can be attributed to the inclusion of a management reserve for the labour and inflation risks as described above for Keeyask. The remaining increase is due to the deferral of the Conawapa in-service date to 2025/26.

The following Table 3-2 provides a summary of the total changes to the forecast for the Keeyask and Conawapa projects as well as other major changes.

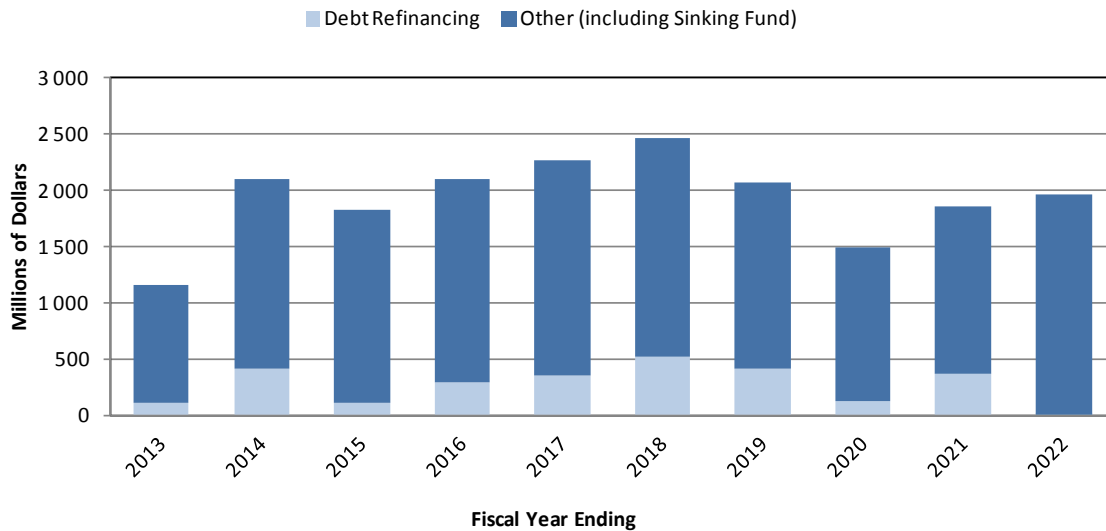
**Table 3-2: Summary of CEF12 Project Increases/(Decreases)**

|                                            | <b>Total Projected Cost</b> | <b>Total Project Increase / (Decrease)</b> |
|--------------------------------------------|-----------------------------|--------------------------------------------|
|                                            | (\$ Millions)               |                                            |
| Conawapa - Generation                      | 10,192                      | 2,422                                      |
| Keeyask - Generation                       | 6,220                       | 583                                        |
| Gillam Redevelopment and Expansion Program | 366                         | 366                                        |
| Bipole 2 Thyristor Valve Replacement       | 234                         | 234                                        |
| Pointe du Bois Spillway Replacement        | 560                         | 161                                        |
| Pointe Du Bois GS Rehabilitation           | 183                         | 133                                        |
| Wuskwatim - Generation                     | 1,449                       | 74                                         |
| Letellier - St. Vital 230kV Transmission   | 59                          | 59                                         |
| Rockwood East 230-115kV Station            | 53                          | 53                                         |
| Brandon Units 6 & 7 "C" Overhaul Program   | 50                          | 50                                         |
| Generation Townsite Infrastructure         | 74                          | 22                                         |
| 13.2kV Shunt Reactor Replacements          | 16                          | (17)                                       |
|                                            |                             |                                            |

## 4.0 BORROWING REQUIREMENTS

Manitoba Hydro’s forecast consolidated borrowing requirements are portrayed in Figure 4-1 below.

**Figure 4-1: Projected Consolidated Borrowing Requirements**



Manitoba Hydro arranges long-term financing in the form of advances from the Province of Manitoba. Both long- and short-term borrowings are guaranteed by the Province (except for mitigation bonds issued by the Manitoba Hydro-Electric Board). Manitoba Hydro’s target range is to hold 15% to 25% of debt in floating rate instruments in order to minimize debt costs without undue interest rate exposure.

## 5.0 NATURAL GAS DEMAND & SUPPLY

The Corporation sells primary gas to Manitobans in a market which also includes a small number of brokers and marketers, and is the gas distribution utility for all customers in Manitoba. Currently, approximately 95% of customers representing approximately 69% of volumes purchase their primary gas requirements from Manitoba Hydro, with the balance using brokers and marketers through the Western Transportation Service.

The volume forecast incorporates Manitoba Hydro's Fixed Price Offering for primary gas, which was introduced in 2009 and offers customers one, three, and five-year fixed price contracts.

The forecast incorporates the transportation and supplementary gas requirements, not only for Manitoba Hydro's customers but also for those consumers who purchase their primary gas from brokers and marketers.

The 2012 Natural Gas Volume Forecast is higher than last year's forecast. The total natural gas sales volume forecast is up approximately 2% annually gradually increasing to approximately 3% annually by 2021/22. The increase in the 2012 forecast is primarily attributed to a change in the expected proportion of Small General Service Commercial to Large General Service customers. There is a greater proportion of Large General Service customers forecasted, which have a much higher average use per customer, resulting in an increase in volumes. In addition, there is an increase in the forecasted customer growth rate in the Residential customer class resulting in an increase in volumes.

## 6.0 FINANCIAL TARGETS

Manitoba Hydro has the following financial targets for consolidated operations:

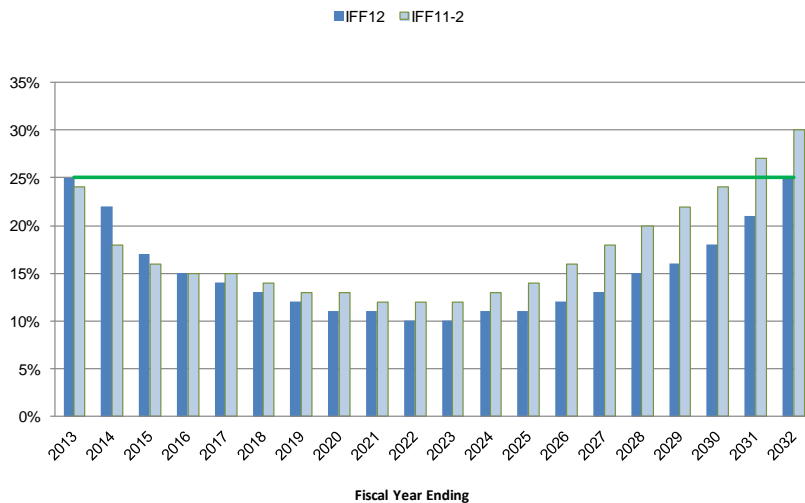
|                          |                                                                                                          |
|--------------------------|----------------------------------------------------------------------------------------------------------|
| <b>Debt/Equity Ratio</b> | Achieve and maintain a minimum debt/equity ratio of 75:25                                                |
| <b>Interest Coverage</b> | Maintain an annual gross interest coverage ratio of greater than 1.20                                    |
| <b>Capital Coverage</b>  | Maintain a capital coverage ratio of greater than 1.20 (excepting major new generation and transmission) |

Financial targets may not be achieved during years of major investment in the generation and transmission system.

### 6.1 Debt/Equity Ratio

The debt/equity ratio indicates the portion of Manitoba Hydro's assets that have been financed by internally generated funds rather than through debt. Figure 6-1 below shows the projected consolidated equity ratio for IFF12 compared to IFF11-2. Further reductions in net extraprovincial revenue relative to IFF11-2 combined with capital cost increases result in a deterioration of the equity ratio to 10% by 2021/22. Higher projected rate increases are necessary to prevent further deterioration of the debt/equity ratio. The equity ratio is projected to show improvement following the in-service of Keeyask and Conawapa generating stations and returns to the target 25% by 2031/32.

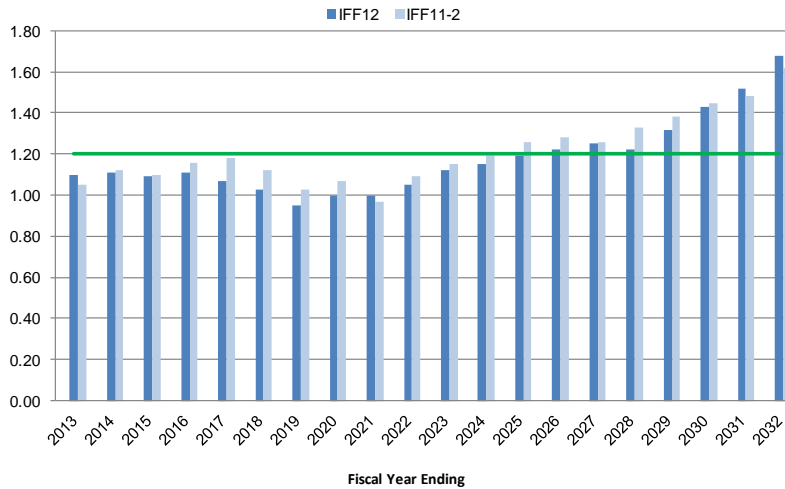
**Figure 6-1: Projected Consolidated Equity Ratio**



## 6.2 Interest Coverage Ratio

The interest coverage ratio provides an indication of the ability of the Corporation to meet interest payment obligations with the net income generated by the Corporation. Figure 6-2 below shows that the reductions in net extraprovincial revenues compared to IFF11-2 results in interest coverage ratios lower than target for the first 13 years of the forecast. In the longer term, interest coverage is projected to return to the 1.20 target level following Conawapa generating station in-service in 2025/26 and grows thereafter.

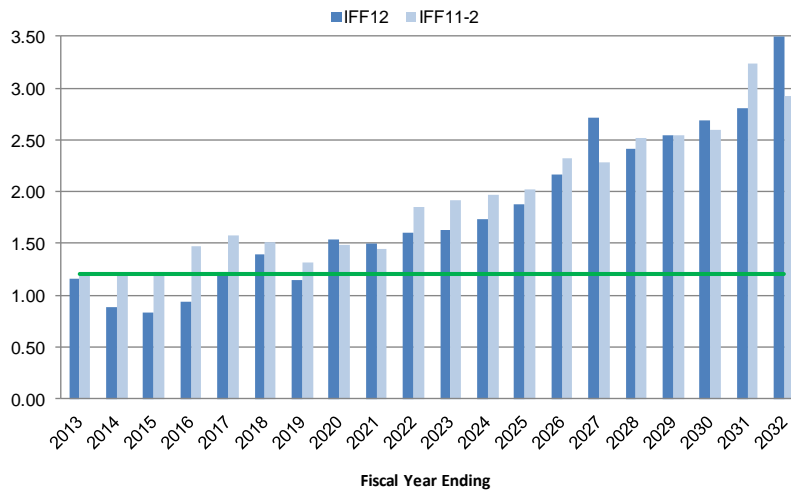
**Figure 6-2: Projected Consolidated Interest Coverage Ratio**



### 6.3 Capital Coverage Ratio

The capital coverage ratio measures the ability of current period internally generated funds to finance capital expenditures excluding major new generation and related transmission. Capital coverage is below target for the first four years of the forecast and then projected cash flows are sufficient to enable this target to be met in remaining years of the forecast. Figure 6-3 below shows the comparative capital coverage ratios for IFF12 and IFF11-2.

**Figure 6-3: Projected Consolidated Capital Coverage Ratio**



## 7.0 SENSITIVITY ANALYSIS

The 20-Year Financial Outlook includes a number of key assumptions as described in section 2.0. A change to one or more of those assumptions could have a significant impact on projected financial results. This section provides an indication of the financial impact of changes in the following assumptions:

- Domestic load growth
- Interest rates
- Foreign exchange rates
- Export prices
- Capital expenditures
- Water flow conditions

Table 7-1 below shows the change in retained earnings in selected years over the forecast period (assuming no change to rate increases relative to IFF12).

**Table 7-1: Financial Impacts of Sensitivity Analysis**

|                                      | 2014/15                                                                          | 2018/19 | 2021/22 |
|--------------------------------------|----------------------------------------------------------------------------------|---------|---------|
|                                      | Incremental Increase/(Decrease) in Retained Earnings<br>(in millions of dollars) |         |         |
| High Domestic Load Growth            | 18                                                                               | 102     | 229     |
| + 1% Interest                        | (20)                                                                             | (233)   | (707)   |
| - 1% Interest                        | 0                                                                                | 136     | 545     |
| US \$ up 10¢                         | 19                                                                               | 57      | 24      |
| US \$ down 10¢                       | (19)                                                                             | (59)    | (30)    |
| Low Export Price                     | (8)                                                                              | (160)   | (420)   |
| High Export Price                    | 13                                                                               | 159     | 425     |
| Capital Expenditures + \$100M        | (10)                                                                             | (153)   | (392)   |
| 5 Year Drought (starting in 2014/15) | N/A                                                                              | (1,553) | N/A     |

### 7.1 Domestic Load Growth Sensitivity

The 2012 Electric Load Forecast is prepared with the expectation that there is a 50% chance that actual Manitoba energy requirements could be higher or lower than forecast.

Under a high load forecast (90<sup>th</sup> percentile of load forecasts), gross firm energy could increase by 2 555 GW.h or 7.6% by 2031/32. Although not specifically analyzed, the following factors (with their estimated energy effects by 2031/32) could contribute to overall variability in the load forecast:

- Climate change (+100 GW.h per degree Celsius warmer)
- Large industrial customer addition or loss (±1 500 GW.h)



- Electric vehicle 70% saturation (+1 666 GW.h)
- 10% switch to electric heat (+746 GW.h)
- 10% switch to electric water heaters (+202 GW.h)

Historically, domestic load requirements higher than forecast would result in greater adverse financial impacts than lower domestic loads due to the higher value of opportunity export sales compared to domestic revenues. With the weakening of export electricity prices over the last several years, wholesale market export and domestic retail rates have inverted and the resulting revenue impacts are positive to Manitoba Hydro. The impacts of higher domestic load are partially offset by the addition of a simple cycle gas turbine, a shorter lead time resource option, in 2022/23 to address energy shortfalls resulting from the higher Manitoba load.

Due to the longer lead time required for hydro resource options, there would be no change to the resource plan assumed in IFF12 under a low load forecast and would result in only minimal financial impacts due to the marginal differences in export and domestic revenues.

## **7.2 Interest Rates Sensitivity**

Interest rates assumed in IFF12 are projected to rise gradually over the first seven years of the forecast. The interest rate sensitivity looks at the financial impacts of interest rates one percent higher or lower than forecast on short-term, long-term and floating rate debt, as well as sinking funds.

## **7.3 Foreign Exchange Rates Sensitivity**

The Canadian dollar is projected to remain at or around par with the U.S. dollar for the first few years of IFF12. Thereafter, the Canadian dollar is projected to weaken slightly to \$1.04 (C\$/US\$). In the short to medium term of the forecast, net income is relatively neutral to changes in the exchange rate, due to the effective hedge provided by Manitoba Hydro's exposure management program.

## **7.4 Export Prices Sensitivity**

IFF12 reflects the expected electricity export prices derived from several independent price forecasts for the Midwest independent System Operator (MISO) region. Each price forecast consultant has their own electricity price forecast models, assumptions and view of the future. In preparing their forecasts, the consultants prepare their own internal estimates for a number of pricing factors. These factors include:

- Thermal fuel forecasts (coal and natural gas);
- Future load growth forecasts;
- Profile of existing generation (fuel type, efficiency and operating parameters);

- Profile of potential new generation (fuel type, efficiency, capital cost and required rates of return);
- Generation requirements;
- Power market rules; and
- Future regulation/legislation related to SO<sub>2</sub> (sulfur dioxide), NO<sub>x</sub> (nitrous oxide), Hg (mercury) and CO<sub>2</sub> (carbon dioxide) emissions, as well as cooling water releases and coal ash handling.

There is uncertainty in each of these factors, and particular uncertainty as to how future legislative requirements may evolve. In addition to the expected case, forecast consultants provide high and low price cases with their views of potential long-term lower and higher variations from expected export prices. The export price sensitivities provided in this analysis reflect these low and high export price cases, coupled with low and high natural gas prices.

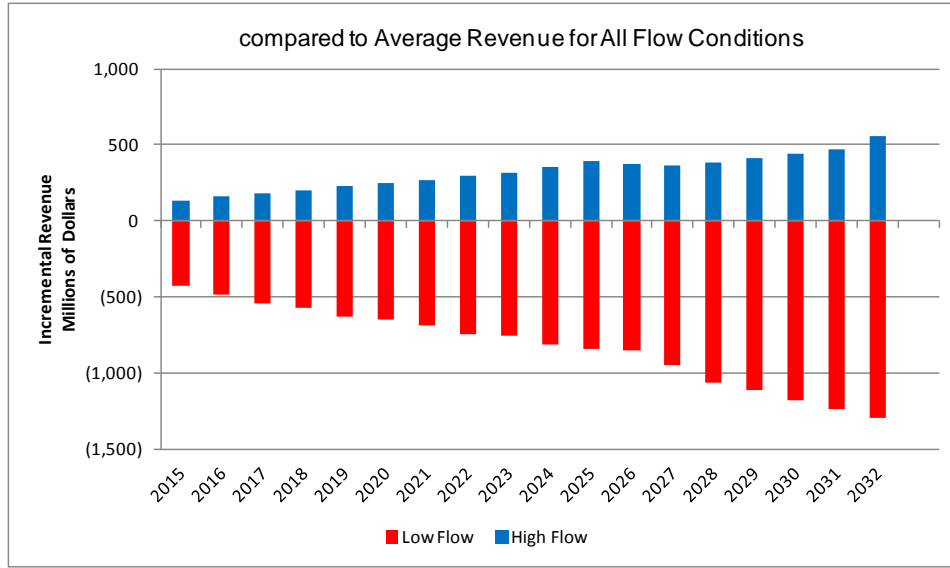
## **7.5 Capital Expenditures Sensitivity**

The capital expenditure sensitivity reflects the financial effects of inflationary increases in excess of general inflation levels and/or additional expenditures necessary to meet reliability, safety, regulatory or customer requirements. In this sensitivity, increases of \$100 million per year for electric and \$10 million per year for gas have been assumed for non-specified projects.

## **7.6 Drought/Water Flow Sensitivity**

IFF12 reflects the average revenues and expenses of 99 different potential system inflow conditions that occurred historically from 1912/13 to 2010/11. Although the forecast inherently includes the revenues and expenses associated with both the highest and lowest inflow conditions, the actual inflow could vary significantly from forecast in any given year as shown in Figure 7-1. The impact of low flows are greater than high flows due to the requirements for thermally generated and imported energy in low flow years and spilling of water beyond system constraints in high flow years.

**Figure 7-1: Variability of Net Interchange Revenue**



A prolonged period of low flows has a significant financial impact. The current estimate of a recurrence of the historic five-year drought from 1987/88 to 1991/92 is approximately \$1.6 billion by the end of the drought period in 2018/19. This represents the deviation in net interchange revenues and generation costs if the five-year drought begins in 2014/15 compared to the average net revenues resulting from all historic flow cases. The costs of drought could rise under a scenario of higher electricity export and thermal fuel prices.

## 7.7 Rate Increase Sensitivity

Table 7-2 on the next page shows the financial effects of various rate increase alternatives.

**Table 7-2: Impacts of Rate Increase Alternatives**

| <b>Fiscal Years Ending</b>                                                  | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>2032</b> |
|-----------------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>IFF12 - 3.95% 2014/15 to 2031/32</b>                                     |             |             |             |             |             |             |             |             |             |             |
| Rate Increases                                                              | 3.50%       | 3.95%       | 3.95%       | 3.95%       | 3.95%       | 3.95%       | 3.95%       | 3.95%       | 3.95%       | 3.95%       |
| Retained Earnings                                                           | 2 583       | 2 314       | 2 403       | 2 473       | 2 505       | 2 452       | 2 457       | 2 463       | 2 528       | 7 646       |
| Equity                                                                      | 22%         | 17%         | 15%         | 14%         | 13%         | 12%         | 11%         | 11%         | 10%         | 25%         |
| Interest Coverage                                                           | 1.11        | 1.09        | 1.11        | 1.07        | 1.03        | 0.95        | 1.00        | 1.00        | 1.05        | 1.68        |
| Capital Coverage                                                            | 0.89        | 0.83        | 0.94        | 1.22        | 1.39        | 1.15        | 1.54        | 1.50        | 1.60        | 3.65        |
| <b>3.0% 2014/15 to 2021/22 &amp; 6.1% thereafter</b>                        |             |             |             |             |             |             |             |             |             |             |
| Rate Increases                                                              | 3.50%       | 3.00%       | 3.00%       | 3.00%       | 3.00%       | 3.00%       | 3.00%       | 3.00%       | 3.00%       | 6.06%       |
| Retained Earnings                                                           | 2 583       | 2 300       | 2 361       | 2 383       | 2 347       | 2 201       | 2 087       | 1 942       | 1 820       | 7 770       |
| Equity                                                                      | 22%         | 17%         | 15%         | 14%         | 12%         | 11%         | 10%         | 9%          | 7%          | 25%         |
| Interest Coverage                                                           | 1.11        | 1.07        | 1.07        | 1.02        | 0.97        | 0.87        | 0.91        | 0.89        | 0.91        | 1.96        |
| Capital Coverage                                                            | 0.89        | 0.81        | 0.89        | 1.12        | 1.22        | 0.94        | 1.24        | 1.15        | 1.22        | 4.45        |
| <b>3.0% 2014/15 to 2021/22 &amp; 4.45% thereafter</b>                       |             |             |             |             |             |             |             |             |             |             |
| Rate Increases                                                              | 3.50%       | 3.00%       | 3.00%       | 3.00%       | 3.00%       | 3.00%       | 3.00%       | 3.00%       | 3.00%       | 4.45%       |
| Retained Earnings                                                           | 2 583       | 2 300       | 2 361       | 2 383       | 2 347       | 2 201       | 2 087       | 1 942       | 1 820       | 4 577       |
| Equity                                                                      | 22%         | 17%         | 15%         | 14%         | 12%         | 11%         | 10%         | 9%          | 7%          | 15%         |
| Interest Coverage                                                           | 1.11        | 1.07        | 1.07        | 1.02        | 0.97        | 0.87        | 0.91        | 0.89        | 0.91        | 1.46        |
| Capital Coverage                                                            | 0.89        | 0.81        | 0.89        | 1.12        | 1.22        | 0.94        | 1.24        | 1.15        | 1.22        | 3.19        |
| <b>4.0% 2014/15 to 2018/19 &amp; 3.5% thereafter</b>                        |             |             |             |             |             |             |             |             |             |             |
| Rate Increases                                                              | 3.50%       | 4.00%       | 4.00%       | 4.00%       | 4.00%       | 4.00%       | 3.50%       | 3.50%       | 3.50%       | 3.50%       |
| Retained Earnings                                                           | 2 583       | 2 315       | 2 406       | 2 478       | 2 514       | 2 465       | 2 467       | 2 462       | 2 503       | 6 324       |
| Equity                                                                      | 22%         | 17%         | 15%         | 14%         | 13%         | 12%         | 11%         | 11%         | 10%         | 20%         |
| Interest Coverage                                                           | 1.11        | 1.09        | 1.11        | 1.08        | 1.03        | 0.96        | 1.00        | 1.00        | 1.03        | 1.50        |
| Capital Coverage                                                            | 0.89        | 0.83        | 0.94        | 1.22        | 1.40        | 1.16        | 1.54        | 1.47        | 1.56        | 3.20        |
| <b>4.5% 2014/15 to 2018/19 &amp; 3.5% thereafter</b>                        |             |             |             |             |             |             |             |             |             |             |
| Rate Increases                                                              | 3.50%       | 4.50%       | 4.50%       | 4.50%       | 4.50%       | 4.50%       | 3.50%       | 3.50%       | 3.50%       | 3.50%       |
| Retained Earnings                                                           | 2 583       | 2 322       | 2 429       | 2 528       | 2 601       | 2 603       | 2 661       | 2 718       | 2 829       | 7 813       |
| Equity                                                                      | 22%         | 17%         | 15%         | 14%         | 13%         | 13%         | 12%         | 12%         | 11%         | 25%         |
| Interest Coverage                                                           | 1.11        | 1.10        | 1.13        | 1.10        | 1.07        | 1.00        | 1.05        | 1.04        | 1.08        | 1.63        |
| Capital Coverage                                                            | 0.89        | 0.84        | 0.97        | 1.28        | 1.50        | 1.27        | 1.68        | 1.61        | 1.70        | 3.49        |
| <b>IFF11-2 Rates - 3.5% to 2023/24 &amp; 2.0% thereafter</b>                |             |             |             |             |             |             |             |             |             |             |
| Rate Increases                                                              | 3.50%       | 3.50%       | 3.50%       | 3.50%       | 3.50%       | 3.50%       | 3.50%       | 3.50%       | 3.50%       | 2.00%       |
| Retained Earnings                                                           | 2 583       | 2 307       | 2 383       | 2 430       | 2 430       | 2 332       | 2 279       | 2 213       | 2 187       | 3 081       |
| Equity                                                                      | 22%         | 17%         | 15%         | 14%         | 13%         | 11%         | 10%         | 10%         | 9%          | 10%         |
| Interest Coverage                                                           | 1.11        | 1.08        | 1.09        | 1.05        | 1.00        | 0.91        | 0.96        | 0.95        | 0.98        | 1.10        |
| Capital Coverage                                                            | 0.89        | 0.82        | 0.91        | 1.17        | 1.30        | 1.05        | 1.41        | 1.33        | 1.43        | 2.12        |
| <b>3.50% 2013/14 to 2031/32</b>                                             |             |             |             |             |             |             |             |             |             |             |
| Rate Increases                                                              | 3.50%       | 3.50%       | 3.50%       | 3.50%       | 3.50%       | 3.50%       | 3.50%       | 3.50%       | 3.50%       | 3.50%       |
| Retained Earnings                                                           | 2 583       | 2 307       | 2 383       | 2 430       | 2 430       | 2 332       | 2 279       | 2 213       | 2 187       | 4 857       |
| Equity                                                                      | 22%         | 17%         | 15%         | 14%         | 13%         | 11%         | 10%         | 10%         | 9%          | 16%         |
| Interest Coverage                                                           | 1.11        | 1.08        | 1.09        | 1.05        | 1.00        | 0.91        | 0.96        | 0.95        | 0.98        | 1.38        |
| Capital Coverage                                                            | 0.89        | 0.82        | 0.91        | 1.17        | 1.30        | 1.05        | 1.41        | 1.33        | 1.43        | 2.92        |
| <b>Rate Increases Required to Maintain a Minimum 1.00 Interest Coverage</b> |             |             |             |             |             |             |             |             |             |             |
| Rate Increases                                                              | 3.50%       | 0.00%       | 2.15%       | 5.89%       | 6.76%       | 8.99%       | 0.54%       | 3.90%       | 1.19%       | 0.00%       |
| Retained Earnings                                                           | 2 583       | 2 257       | 2 257       | 2 257       | 2 257       | 2 257       | 2 257       | 2 257       | 2 257       | 2 346       |
| Equity                                                                      | 22%         | 16%         | 14%         | 13%         | 12%         | 11%         | 10%         | 10%         | 9%          | 8%          |
| Interest Coverage                                                           | 1.11        | 1.01        | 1.00        | 1.00        | 1.00        | 1.00        | 1.00        | 1.00        | 1.00        | 1.01        |
| Capital Coverage                                                            | 0.89        | 0.74        | 0.78        | 1.08        | 1.31        | 1.26        | 1.54        | 1.48        | 1.47        | 1.83        |





## Section 2

|      |                                                           |    |
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## 8.0 PROJECTED CONSOLIDATED FINANCIAL STATEMENTS (IFF12)

### CONSOLIDATED PROJECTED OPERATING STATEMENT (IFF12)

(In Millions of Dollars)

For the year ended March 31

|                                      | 2013         | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>REVENUES</b>                      |              |              |              |              |              |              |              |              |              |              |
| General Consumers                    | 1 649        | 1 727        | 1 841        | 1 912        | 1 988        | 2 078        | 2 177        | 2 271        | 2 380        | 2 493        |
| Extraprovincial                      | 357          | 344          | 343          | 380          | 406          | 435          | 441          | 464          | 711          | 839          |
|                                      | <u>2 006</u> | <u>2 072</u> | <u>2 184</u> | <u>2 292</u> | <u>2 394</u> | <u>2 513</u> | <u>2 618</u> | <u>2 735</u> | <u>3 090</u> | <u>3 332</u> |
| Cost of Gas Sold                     | 175          | 168          | 212          | 203          | 201          | 201          | 201          | 201          | 201          | 201          |
|                                      | <u>1 831</u> | <u>1 904</u> | <u>1 973</u> | <u>2 089</u> | <u>2 193</u> | <u>2 312</u> | <u>2 418</u> | <u>2 535</u> | <u>2 890</u> | <u>3 131</u> |
| Other                                | 30           | 31           | 33           | 33           | 34           | 34           | 35           | 36           | 36           | 37           |
|                                      | <u>1 861</u> | <u>1 935</u> | <u>2 005</u> | <u>2 123</u> | <u>2 226</u> | <u>2 347</u> | <u>2 453</u> | <u>2 570</u> | <u>2 926</u> | <u>3 168</u> |
| <b>EXPENSES</b>                      |              |              |              |              |              |              |              |              |              |              |
| Operating and Administrative         | 529          | 546          | 628          | 641          | 653          | 676          | 688          | 705          | 729          | 743          |
| Finance Expense                      | 489          | 481          | 532          | 565          | 628          | 700          | 812          | 826          | 1 047        | 1 144        |
| Depreciation and Amortization        | 430          | 463          | 394          | 414          | 434          | 472          | 518          | 534          | 607          | 646          |
| Water Rentals and Assessments        | 117          | 116          | 112          | 112          | 112          | 112          | 112          | 113          | 121          | 126          |
| Fuel and Power Purchased             | 143          | 166          | 179          | 191          | 206          | 221          | 230          | 231          | 253          | 264          |
| Capital and Other Taxes              | 106          | 115          | 116          | 126          | 135          | 145          | 153          | 160          | 167          | 176          |
|                                      | <u>1 815</u> | <u>1 887</u> | <u>1 961</u> | <u>2 049</u> | <u>2 169</u> | <u>2 325</u> | <u>2 513</u> | <u>2 568</u> | <u>2 924</u> | <u>3 100</u> |
| Non-controlling Interest             | 14           | 24           | 21           | 16           | 13           | 10           | 6            | 3            | 4            | (3)          |
| <b>Net Income</b>                    | <u>60</u>    | <u>72</u>    | <u>66</u>    | <u>90</u>    | <u>70</u>    | <u>32</u>    | <u>(54)</u>  | <u>5</u>     | <u>6</u>     | <u>65</u>    |
| Additional General Consumers Revenue |              |              |              |              |              |              |              |              |              |              |
| General electricity rate increases   | 3.57%        | 3.50%        | 3.95%        | 3.95%        | 3.95%        | 3.95%        | 3.95%        | 3.95%        | 3.95%        | 3.95%        |
| General gas rate increases           | 0.00%        | 2.00%        | 0.00%        | 0.00%        | 0.00%        | 0.50%        | 0.75%        | 0.50%        | 0.50%        | 0.75%        |
| <b>Financial Ratios</b>              |              |              |              |              |              |              |              |              |              |              |
| Equity                               | 25%          | 22%          | 17%          | 15%          | 14%          | 13%          | 12%          | 11%          | 11%          | 10%          |
| Interest Coverage                    | 1.10         | 1.11         | 1.09         | 1.11         | 1.07         | 1.03         | 0.95         | 1.00         | 1.00         | 1.05         |
| Capital Coverage                     | 1.16         | 0.89         | 0.83         | 0.94         | 1.22         | 1.39         | 1.15         | 1.54         | 1.50         | 1.60         |

**CONSOLIDATED PROJECTED OPERATING STATEMENT (IFF12)**  
(In Millions of Dollars)

*For the year ended March 31*

|                                      | 2023  | 2024  | 2025  | 2026  | 2027  | 2028  | 2029  | 2030  | 2031  | 2032  |
|--------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>REVENUES</b>                      |       |       |       |       |       |       |       |       |       |       |
| General Consumers                    | 2 614 | 2 742 | 2 877 | 3 017 | 3 164 | 3 320 | 3 485 | 3 658 | 3 839 | 4 030 |
| Extraprovincial                      | 873   | 863   | 851   | 937   | 1 209 | 1 288 | 1 304 | 1 312 | 1 331 | 1 341 |
|                                      | 3 488 | 3 605 | 3 728 | 3 954 | 4 373 | 4 608 | 4 789 | 4 970 | 5 170 | 5 371 |
| Cost of Gas Sold                     | 201   | 201   | 201   | 200   | 201   | 201   | 201   | 202   | 202   | 202   |
|                                      | 3 287 | 3 404 | 3 528 | 3 754 | 4 173 | 4 407 | 4 588 | 4 768 | 4 968 | 5 168 |
| Other                                | 38    | 38    | 39    | 40    | 41    | 41    | 42    | 43    | 44    | 45    |
|                                      | 3 324 | 3 443 | 3 567 | 3 793 | 4 213 | 4 448 | 4 630 | 4 811 | 5 012 | 5 213 |
| <b>EXPENSES</b>                      |       |       |       |       |       |       |       |       |       |       |
| Operating and Administrative         | 760   | 777   | 793   | 826   | 842   | 861   | 880   | 897   | 915   | 935   |
| Finance Expense                      | 1 134 | 1 135 | 1 126 | 1 243 | 1 491 | 1 674 | 1 642 | 1 599 | 1 605 | 1 536 |
| Depreciation and Amortization        | 657   | 665   | 674   | 720   | 800   | 859   | 869   | 883   | 915   | 929   |
| Water Rentals and Assessments        | 128   | 127   | 126   | 134   | 147   | 151   | 151   | 151   | 152   | 153   |
| Fuel and Power Purchased             | 278   | 292   | 318   | 281   | 277   | 291   | 304   | 318   | 328   | 341   |
| Capital and Other Taxes              | 185   | 195   | 202   | 207   | 212   | 213   | 217   | 219   | 224   | 224   |
|                                      | 3 142 | 3 191 | 3 239 | 3 411 | 3 770 | 4 049 | 4 064 | 4 066 | 4 139 | 4 119 |
| Non-controlling Interest             | (5)   | (10)  | (13)  | (9)   | (11)  | (14)  | (16)  | (20)  | (22)  | (25)  |
| <b>Net Income</b>                    | 177   | 242   | 315   | 373   | 432   | 385   | 550   | 725   | 850   | 1 069 |
| Additional General Consumers Revenue |       |       |       |       |       |       |       |       |       |       |
| General electricity rate increases   | 3.95% | 3.95% | 3.95% | 3.95% | 3.95% | 3.95% | 3.95% | 3.95% | 3.95% | 3.95% |
| General gas rate increases           | 1.00% | 1.25% | 1.00% | 1.25% | 1.00% | 1.00% | 1.00% | 0.75% | 1.00% | 1.00% |
| <b>Financial Ratios</b>              |       |       |       |       |       |       |       |       |       |       |
| Equity                               | 10%   | 11%   | 11%   | 12%   | 13%   | 15%   | 16%   | 18%   | 21%   | 25%   |
| Interest Coverage                    | 1.12  | 1.15  | 1.19  | 1.22  | 1.25  | 1.22  | 1.32  | 1.43  | 1.52  | 1.68  |
| Capital Coverage                     | 1.63  | 1.74  | 1.88  | 2.16  | 2.71  | 2.41  | 2.54  | 2.69  | 2.80  | 3.65  |



**CONSOLIDATED PROJECTED BALANCE SHEET (IFF12)**  
(In Millions of Dollars)

*For the year ended March 31*

|                                        | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    | 2019    | 2020    | 2021    | 2022    |
|----------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>ASSETS</b>                          |         |         |         |         |         |         |         |         |         |         |
| Plant in Service                       | 15 997  | 17 087  | 17 787  | 18 972  | 19 561  | 23 129  | 23 590  | 26 663  | 30 767  | 31 331  |
| Accumulated Depreciation               | (5 333) | (5 710) | (6 039) | (6 419) | (6 831) | (7 286) | (7 791) | (8 310) | (8 901) | (9 534) |
| Net Plant in Service                   | 10 664  | 11 377  | 11 748  | 12 553  | 12 731  | 15 843  | 15 799  | 18 353  | 21 866  | 21 797  |
| Construction in Progress               | 2 110   | 2 880   | 4 200   | 5 130   | 6 796   | 5 444   | 6 885   | 5 430   | 3 046   | 4 829   |
| Current and Other Assets               | 1 388   | 1 197   | 827     | 983     | 1 152   | 1 384   | 1 293   | 1 292   | 1 474   | 940     |
| Goodwill and Intangible Assets         | 256     | 239     | 222     | 205     | 192     | 182     | 174     | 167     | 160     | 156     |
| Regulated Assets                       | 310     | 303     | -       | -       | -       | -       | -       | -       | -       | -       |
|                                        | 14 728  | 15 997  | 16 997  | 18 871  | 20 871  | 22 852  | 24 151  | 25 241  | 26 547  | 27 722  |
| <b>LIABILITIES AND EQUITY</b>          |         |         |         |         |         |         |         |         |         |         |
| Long-Term Debt                         | 9 445   | 11 216  | 12 758  | 14 631  | 16 322  | 18 094  | 19 989  | 20 756  | 22 079  | 23 429  |
| Current and Other Liabilities          | 2 132   | 1 560   | 1 712   | 1 667   | 1 941   | 2 138   | 1 609   | 1 942   | 1 935   | 1 718   |
| Contributions in Aid of Construction   | 341     | 350     | 355     | 359     | 363     | 373     | 379     | 385     | 391     | 397     |
| Retained Earnings                      | 2 510   | 2 583   | 2 314   | 2 403   | 2 473   | 2 505   | 2 452   | 2 457   | 2 463   | 2 528   |
| Accumulated Other Comprehensive Income | 299     | 287     | (142)   | (189)   | (228)   | (259)   | (278)   | (298)   | (321)   | (349)   |
|                                        | 14 728  | 15 997  | 16 997  | 18 871  | 20 871  | 22 852  | 24 151  | 25 241  | 26 547  | 27 722  |

**CONSOLIDATED PROJECTED BALANCE SHEET (IFF12)**  
(In Millions of Dollars)

*For the year ended March 31*

|                                        | 2023     | 2024     | 2025     | 2026     | 2027     | 2028     | 2029     | 2030     | 2031     | 2032     |
|----------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| <b>ASSETS</b>                          |          |          |          |          |          |          |          |          |          |          |
| Plant in Service                       | 31 892   | 32 487   | 33 207   | 38 935   | 44 103   | 45 641   | 46 414   | 46 997   | 49 014   | 49 772   |
| Accumulated Depreciation               | (10 178) | (10 832) | (11 495) | (12 204) | (12 993) | (13 841) | (14 697) | (15 562) | (16 459) | (17 370) |
| Net Plant in Service                   | 21 714   | 21 656   | 21 712   | 26 731   | 31 110   | 31 800   | 31 717   | 31 435   | 32 555   | 32 401   |
| Construction in Progress               | 6 584    | 8 057    | 9 209    | 5 087    | 1 374    | 747      | 1 081    | 1 525    | 476      | 551      |
| Current and Other Assets               | 998      | 1 698    | 1 802    | 1 638    | 1 819    | 2 355    | 2 813    | 3 138    | 3 224    | 4 371    |
| Goodwill and Intangible Assets         | 153      | 152      | 151      | 150      | 149      | 148      | 147      | 146      | 145      | 144      |
| Regulated Assets                       | -        | -        | -        | -        | -        | -        | -        | -        | -        | -        |
|                                        | 29 449   | 31 562   | 32 875   | 33 606   | 34 452   | 35 051   | 35 758   | 36 244   | 36 400   | 37 467   |
| <b>LIABILITIES AND EQUITY</b>          |          |          |          |          |          |          |          |          |          |          |
| Long-Term Debt                         | 25 432   | 27 234   | 27 787   | 28 589   | 28 991   | 29 132   | 29 083   | 28 386   | 28 375   | 27 948   |
| Current and Other Liabilities          | 1 275    | 1 337    | 1 774    | 1 324    | 1 329    | 1 395    | 1 594    | 2 045    | 1 354    | 1 771    |
| Contributions in Aid of Construction   | 403      | 410      | 417      | 423      | 430      | 437      | 444      | 452      | 459      | 467      |
| Retained Earnings                      | 2 705    | 2 947    | 3 262    | 3 634    | 4 067    | 4 452    | 5 001    | 5 726    | 6 577    | 7 646    |
| Accumulated Other Comprehensive Income | (365)    | (365)    | (365)    | (365)    | (365)    | (365)    | (365)    | (365)    | (365)    | (365)    |
|                                        | 29 449   | 31 562   | 32 875   | 33 606   | 34 452   | 35 051   | 35 758   | 36 244   | 36 400   | 37 467   |

**CONSOLIDATED PROJECTED CASH FLOW STATEMENT (IFF12)**  
(In Millions of Dollars)

*For the year ended March 31*

|                                                     | 2013           | 2014           | 2015           | 2016           | 2017           | 2018           | 2019           | 2020           | 2021           | 2022           |
|-----------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>OPERATING ACTIVITIES</b>                         |                |                |                |                |                |                |                |                |                |                |
| Cash Receipts from Customers                        | 2 093          | 2 173          | 2 290          | 2 395          | 2 498          | 2 618          | 2 725          | 2 844          | 3 200          | 3 444          |
| Cash Paid to Suppliers and Employees                | (1 095)        | (1 181)        | (1 283)        | (1 315)        | (1 350)        | (1 395)        | (1 423)        | (1 448)        | (1 509)        | (1 548)        |
| Interest Paid                                       | (482)          | (492)          | (526)          | (574)          | (627)          | (720)          | (837)          | (848)          | (1 072)        | (1 168)        |
| Interest Received                                   | 28             | 17             | 24             | 26             | 31             | 39             | 41             | 39             | 35             | 32             |
|                                                     | <u>544</u>     | <u>517</u>     | <u>504</u>     | <u>531</u>     | <u>552</u>     | <u>542</u>     | <u>506</u>     | <u>586</u>     | <u>655</u>     | <u>761</u>     |
| <b>FINANCING ACTIVITIES</b>                         |                |                |                |                |                |                |                |                |                |                |
| Proceeds from Long-Term Debt                        | 1 096          | 2 000          | 1 800          | 2 200          | 2 200          | 2 600          | 2 200          | 1 400          | 2 000          | 1 800          |
| Sinking Fund Withdrawals                            | 129            | 393            | 102            | 26             | -              | 16             | 416            | 187            | 269            | 676            |
| Retirement of Long-Term Debt                        | (242)          | (808)          | (211)          | (312)          | (347)          | (530)          | (829)          | (306)          | (635)          | (679)          |
| Other                                               | (42)           | (7)            | (17)           | (19)           | (17)           | (13)           | (24)           | (13)           | (34)           | (9)            |
|                                                     | <u>941</u>     | <u>1 578</u>   | <u>1 675</u>   | <u>1 896</u>   | <u>1 837</u>   | <u>2 073</u>   | <u>1 763</u>   | <u>1 268</u>   | <u>1 600</u>   | <u>1 787</u>   |
| <b>INVESTING ACTIVITIES</b>                         |                |                |                |                |                |                |                |                |                |                |
| Property, Plant and Equipment, net of contributions | (1 420)        | (1 962)        | (2 061)        | (2 121)        | (2 254)        | (2 207)        | (1 896)        | (1 699)        | (1 833)        | (2 333)        |
| Sinking Fund Payment                                | (107)          | (208)          | (124)          | (188)          | (166)          | (227)          | (219)          | (224)          | (248)          | (343)          |
| Other                                               | (21)           | (20)           | (21)           | (20)           | (32)           | (43)           | (29)           | (29)           | (33)           | (38)           |
|                                                     | <u>(1 548)</u> | <u>(2 190)</u> | <u>(2 207)</u> | <u>(2 328)</u> | <u>(2 452)</u> | <u>(2 476)</u> | <u>(2 144)</u> | <u>(1 952)</u> | <u>(2 113)</u> | <u>(2 714)</u> |
| <b>Net Increase (Decrease) in Cash</b>              | (64)           | (95)           | (28)           | 99             | (63)           | 139            | 125            | (98)           | 141            | (166)          |
| <b>Cash at Beginning of Year</b>                    | 50             | (14)           | (109)          | (137)          | (38)           | (101)          | 37             | 162            | 64             | 205            |
| <b>Cash at End of Year</b>                          | (14)           | (109)          | (137)          | (38)           | (101)          | 37             | 162            | 64             | 205            | 39             |

**CONSOLIDATED PROJECTED CASH FLOW STATEMENT (IFF12)**  
(In Millions of Dollars)

*For the year ended March 31*

|                                                     | 2023    | 2024    | 2025    | 2026    | 2027    | 2028    | 2029    | 2030    | 2031    | 2032    |
|-----------------------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>OPERATING ACTIVITIES</b>                         |         |         |         |         |         |         |         |         |         |         |
| Cash Receipts from Customers                        | 3 601   | 3 721   | 3 846   | 4 073   | 4 495   | 4 731   | 4 914   | 5 097   | 5 300   | 5 502   |
| Cash Paid to Suppliers and Employees                | (1 587) | (1 626) | (1 672) | (1 679) | (1 706) | (1 742) | (1 777) | (1 807) | (1 840) | (1 872) |
| Interest Paid                                       | (1 140) | (1 126) | (1 135) | (1 267) | (1 518) | (1 718) | (1 698) | (1 671) | (1 692) | (1 599) |
| Interest Received                                   | 18      | 19      | 29      | 34      | 42      | 57      | 73      | 81      | 92      | 73      |
|                                                     | 892     | 988     | 1 068   | 1 162   | 1 313   | 1 328   | 1 513   | 1 700   | 1 860   | 2 104   |
| <b>FINANCING ACTIVITIES</b>                         |         |         |         |         |         |         |         |         |         |         |
| Proceeds from Long-Term Debt                        | 2 000   | 1 800   | 1 000   | 800     | 400     | 200     | 200     | -       | -       | -       |
| Sinking Fund Withdrawals                            | 156     | -       | -       | 450     | -       | -       | 60      | 250     | 700     | 13      |
| Retirement of Long-Term Debt                        | (452)   | -       | -       | (450)   | -       | -       | (60)    | (250)   | (700)   | (13)    |
| Other                                               | (1)     | (0)     | (1)     | (1)     | (0)     | 0       | 2       | 2       | 3       | (16)    |
|                                                     | 1 703   | 1 800   | 999     | 799     | 400     | 200     | 202     | 2       | 3       | (16)    |
| <b>INVESTING ACTIVITIES</b>                         |         |         |         |         |         |         |         |         |         |         |
| Property, Plant and Equipment, net of contributions | (2 303) | (2 053) | (1 858) | (1 590) | (1 440) | (897)   | (1 094) | (1 017) | (959)   | (823)   |
| Sinking Fund Payment                                | (249)   | (269)   | (295)   | (317)   | (316)   | (334)   | (348)   | (359)   | (361)   | (341)   |
| Other                                               | (29)    | (32)    | (25)    | (25)    | (28)    | (26)    | (26)    | (26)    | (26)    | (26)    |
|                                                     | (2 581) | (2 355) | (2 178) | (1 933) | (1 784) | (1 256) | (1 468) | (1 403) | (1 346) | (1 190) |
| <b>Net Increase (Decrease) in Cash</b>              | 14      | 433     | (111)   | 27      | (72)    | 273     | 246     | 299     | 516     | 898     |
| <b>Cash at Beginning of Year</b>                    | 39      | 53      | 486     | 375     | 402     | 331     | 603     | 850     | 1 149   | 1 665   |
| <b>Cash at End of Year</b>                          | 53      | 486     | 375     | 402     | 331     | 603     | 850     | 1 149   | 1 665   | 2 563   |

## 9.0 CAPITAL EXPENDITURE FORECAST (CEF12)

### CAPITAL EXPENDITURE FORECAST (CEF12)

(in millions of dollars)

|                                                      | Total Project Cost | 2013  | 2014    | 2015    | 2016    | 2017    | 2018    | 2019    | 2020    | 2021    | 2022    |
|------------------------------------------------------|--------------------|-------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>ELECTRIC</b>                                      |                    |       |         |         |         |         |         |         |         |         |         |
| <b>Major New Generation &amp; Transmission</b>       |                    |       |         |         |         |         |         |         |         |         |         |
| Wuskwatim - Generation                               | 1 448.6            | 123.9 | 12.3    | 16.2    | -       | -       | -       | -       | -       | -       | -       |
| Wuskwatim - Transmission                             | 322.9              | 13.4  | -       | -       | -       | -       | -       | -       | -       | -       | -       |
| Herblet Lake – The Pas 230 kV Transmission           | 76.6               | 0.6   | -       | -       | -       | -       | -       | -       | -       | -       | -       |
| Keeyask - Generation                                 | 6 220.1            | 201.8 | 339.0   | 405.1   | 636.5   | 883.9   | 1 132.1 | 955.4   | 804.1   | 288.2   | 71.9    |
| Conawapa - Generation                                | 10 192.4           | 56.0  | 72.0    | 66.3    | 118.9   | 245.3   | 305.1   | 381.4   | 420.5   | 1 046.8 | 1 685.4 |
| Kelsey Improvements & Upgrades                       | 301.7              | 28.5  | 8.9     | 9.5     | -       | -       | -       | -       | -       | -       | -       |
| Kettle Improvements & Upgrades                       | 165.7              | 2.4   | 4.0     | 19.4    | 16.0    | 19.8    | 16.4    | 7.7     | 7.9     | 8.0     | 8.2     |
| Pointe du Bois Spillway Replacement                  | 559.6              | 150.0 | 248.5   | 81.0    | 2.3     | -       | -       | -       | -       | -       | -       |
| Pointe du Bois - Transmission                        | 85.9               | 10.2  | 14.2    | 20.0    | 0.0     | -       | -       | -       | -       | -       | -       |
| Pointe du Bois Powerhouse Rebuild                    | 1 538.3            | -     | -       | -       | -       | -       | -       | -       | -       | -       | 0.5     |
| Gillam Redevelopment and Expansion Program           | 366.5              | -     | -       | 27.0    | 30.2    | 30.5    | 29.5    | 27.9    | 26.3    | 29.1    | 28.7    |
| Bipole III - Transmission Line                       | 1 259.9            | 46.6  | 251.3   | 325.4   | 320.5   | 176.2   | 77.9    | -       | -       | -       | -       |
| Bipole III - Converter Stations                      | 1 828.5            | 143.0 | 231.1   | 408.9   | 379.2   | 394.3   | 177.3   | -       | -       | -       | -       |
| Bipole III - Collector Lines                         | 191.4              | 18.3  | 84.0    | 43.6    | 30.0    | 11.1    | 2.0     | -       | -       | -       | -       |
| Riel 230/ 500 kV Station                             | 267.6              | 84.5  | 47.3    | 3.5     | 2.0     | -       | -       | -       | -       | -       | -       |
| Firm Import Upgrades                                 | 19.9               | -     | 11.7    | 8.2     | -       | -       | -       | -       | -       | -       | -       |
| Dorsey - US Border New 500 kV Transmission Line      | 204.8              | 0.3   | 0.4     | 2.0     | 3.7     | 25.2    | 61.8    | 64.7    | 41.0    | 4.7     | 0.1     |
| St. Joseph Wind Transmission                         | 11.2               | 1.3   | -       | -       | -       | -       | -       | -       | -       | -       | -       |
| Demand Side Management                               | NA                 | 28.5  | 28.0    | -       | -       | -       | -       | -       | -       | -       | -       |
| Generating Station Improvements & Upgrades           | 649.0              | -     | -       | -       | -       | -       | -       | -       | -       | -       | 45.0    |
| Additional North South Transmission                  | 395.6              | -     | -       | -       | -       | -       | -       | -       | -       | -       | -       |
| G911 Fall Update MNG&T Capitalized Interest Revision | NA                 | 0.0   | (1.2)   | (1.6)   | (3.8)   | (5.3)   | (4.9)   | (0.3)   | (0.4)   | (0.1)   | (0.1)   |
|                                                      |                    | 909.3 | 1 351.6 | 1 434.6 | 1 535.3 | 1 781.0 | 1 797.2 | 1 436.8 | 1 299.4 | 1 376.6 | 1 839.7 |

**CAPITAL EXPENDITURE FORECAST (CEF12)**

(in millions of dollars)

|                                                                           | Total Project Cost | 2013  | 2014   | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  |
|---------------------------------------------------------------------------|--------------------|-------|--------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Power Supply</b>                                                       |                    |       |        |       |       |       |       |       |       |       |       |
| HVDC Auxiliary Power Supply Upgrades                                      | 5.3                | 0.3   | 0.4    | -     | -     | -     | -     | -     | -     | -     | -     |
| Dorsey Synchronous Condenser Refurbishment                                | 73.3               | 4.0   | 5.8    | 8.7   | 11.0  | 7.6   | 5.4   | 4.8   | -     | -     | -     |
| HVDC System Transformer & Reactor Fire Protection & Prevention            | 10.3               | 0.2   | 0.3    | 0.0   | -     | -     | -     | -     | -     | -     | -     |
| HVDC Transformer Replacement Program                                      | 171.2              | 9.5   | 10.1   | 23.3  | 16.9  | 13.8  | -     | -     | -     | -     | -     |
| HVDC Transformer Replacement Program Extended                             | 449.7              | -     | -      | -     | -     | -     | -     | -     | -     | -     | 0.5   |
| Dorsey 230 kV Relay Building Upgrade                                      | 80.9               | 0.4   | 0.0    | 2.1   | 2.5   | 0.4   | 16.5  | 33.1  | 9.6   | 3.8   | -     |
| HVDC Stations Ground Grid Refurbishment                                   | 4.1                | 0.4   | 0.4    | 0.3   | 0.5   | 0.3   | -     | -     | -     | -     | -     |
| HVDC Bipole 2 230 kV HLR Circuit Breaker Replacement                      | 13.9               | 0.7   | 0.6    | 0.3   | 0.2   | 0.1   | 0.0   | 0.1   | -     | -     | -     |
| HVDC Bipole 1 Pole Differential Protection                                | 3.3                | -     | 0.4    | 0.9   | 2.1   | -     | -     | -     | -     | -     | -     |
| HVDC Bipole 1 By-Pass Vacuum Switch Removal                               | 19.2               | 0.2   | 4.5    | 8.7   | 5.0   | -     | -     | -     | -     | -     | -     |
| HVDC Bipole 2 Refrigerant Condenser Replacement                           | 12.9               | -     | 0.3    | 3.0   | 2.6   | 7.1   | -     | -     | -     | -     | -     |
| HVDC Smoothing Reactor Replacements                                       | 46.2               | 4.5   | 4.0    | -     | -     | -     | -     | -     | -     | -     | -     |
| HVDC - BP1 Converter Station, P1 & P2 Battery Bank Separation             | 3.0                | 0.2   | 1.2    | 1.5   | -     | -     | -     | -     | -     | -     | -     |
| HVDC Bipole 1 DCCT Transductor Replacement                                | 11.4               | 0.1   | 1.2    | 1.0   | 2.8   | 3.5   | 2.7   | -     | -     | -     | -     |
| HVDC Bipole 1 & 2 DC Converter Transformer Bushing Replacements           | 8.7                | 0.0   | 0.8    | 2.0   | 4.8   | 1.1   | -     | -     | -     | -     | -     |
| HVDC Bipole 2 Valve Wall Bushing Replacements                             | 19.1               | 0.1   | -      | 3.3   | 4.8   | 3.9   | 4.1   | 2.3   | -     | -     | -     |
| HVDC Bipole 2 Upgrades & Replacements                                     | 210.5              | -     | -      | -     | -     | -     | -     | -     | -     | -     | 12.3  |
| HVDC Bipole 1 CQ Disconnect Replacement                                   | 4.9                | 0.5   | 1.3    | 1.6   | 0.9   | 0.5   | -     | -     | -     | -     | -     |
| HVDC Bipole 2 Thyristor Module Cooling Refurbishment                      | 7.8                | 1.1   | 0.4    | 0.4   | 0.3   | 0.3   | 0.1   | -     | -     | -     | -     |
| HVDC Bipole 1 Transformer Marshalling Kiosk Replacement                   | 6.6                | 0.8   | 1.0    | 1.0   | 2.2   | -     | -     | -     | -     | -     | -     |
| Bipole 2 Thyristor Valve Replacement                                      | 233.7              | -     | -      | -     | -     | -     | 2.1   | 13.3  | 23.1  | 57.4  | 58.3  |
| HVDC Gapped Arrestor Replacement                                          | 15.9               | 0.4   | 3.6    | 3.2   | 6.7   | 1.3   | -     | -     | -     | -     | -     |
| Winnipeg River Riverbank Protection Program                               | 19.7               | 1.3   | 1.2    | 1.3   | 1.2   | 1.0   | -     | -     | -     | -     | -     |
| Power Supply Hydraulic Controls                                           | 26.8               | 0.6   | 3.0    | 3.4   | 1.9   | -     | 1.6   | 2.2   | 0.9   | -     | -     |
| Slave Falls GS Creek Spillway Rehab                                       | 10.7               | 1.0   | 1.7    | 8.0   | -     | -     | -     | -     | -     | -     | -     |
| Slave Falls Rehabilitation                                                | 229.9              | 0.7   | 0.3    | 9.0   | 9.2   | 9.5   | 9.9   | 10.6  | 10.3  | 26.6  | 25.7  |
| Great Falls Unit 4 Major Overhaul                                         | 43.2               | 7.2   | 19.9   | 0.2   | -     | -     | -     | -     | -     | -     | -     |
| Great Falls Unit 5 Discharge Ring Replacement and Major Overhaul          | 24.8               | -     | -      | -     | 2.3   | 17.8  | 3.5   | 1.2   | -     | -     | -     |
| Generation South Overhauls & Improvements                                 | 384.8              | -     | -      | -     | -     | -     | -     | -     | -     | -     | 4.7   |
| Pine Falls Rehabilitation                                                 | 158.5              | 5.3   | 7.1    | 9.2   | 27.8  | 27.6  | 24.9  | 28.8  | 7.9   | 2.2   | -     |
| Generation South Transformer Refurbish & Spares                           | 25.9               | 0.1   | 2.3    | 10.4  | 9.3   | 2.5   | -     | -     | -     | -     | -     |
| Water Licenses & Renewals                                                 | 53.5               | 6.5   | 8.2    | 5.6   | 5.9   | 6.2   | 1.6   | -     | -     | -     | -     |
| Generation South PCB Regulation Compliance                                | 4.5                | 0.7   | 0.2    | 0.2   | 2.7   | -     | -     | -     | -     | -     | -     |
| Kettle Transformer Overhaul Program                                       | 45.2               | 10.3  | 10.0   | 4.0   | 0.0   | -     | -     | -     | -     | -     | -     |
| Generation South Breaker Replacements                                     | 10.7               | 3.8   | 0.9    | 0.7   | 0.1   | 0.8   | -     | -     | -     | -     | -     |
| Seven Sisters Upgrades                                                    | 14.1               | 0.7   | 1.1    | -     | -     | -     | -     | -     | -     | -     | -     |
| Generation South Excitation Upgrades                                      | 16.3               | 1.3   | 0.6    | 1.8   | 3.8   | 1.5   | 0.6   | 5.1   | -     | -     | -     |
| Generation South Excitation Program Extended                              | 14.0               | -     | -      | -     | -     | -     | -     | -     | -     | -     | 4.4   |
| Laurie River/Churchill River Diversion (CRD) Comm and Annunciation Upgrad | 6.7                | 3.1   | 1.0    | -     | -     | -     | -     | -     | -     | -     | -     |
| Notigi Marine Vessel Replacement and Infrastructure Improvements          | 4.6                | 1.3   | 2.9    | -     | -     | -     | -     | -     | -     | -     | -     |
| Limestone Stilling Basin Rehabilitation                                   | 1.9                | 0.2   | 1.7    | -     | -     | -     | -     | -     | -     | -     | -     |
| Pointe Du Bois GS Rehabilitation                                          | 182.9              | 7.1   | 7.1    | 9.0   | 18.8  | 23.0  | 21.3  | 18.8  | 24.6  | 23.1  | 10.6  |
| Kettle Wicket Gates Lever Refurbishments                                  | 2.2                | 0.4   | 0.9    | 0.8   | -     | -     | -     | -     | -     | -     | -     |
| Limestone Governor Control Repl                                           | 2.3                | 0.1   | 0.4    | 1.6   | 0.3   | -     | -     | -     | -     | -     | -     |
| Limestone GSCADA Replacement                                              | 4.7                | 0.3   | 1.1    | 0.7   | 0.8   | 0.3   | 1.6   | -     | -     | -     | -     |
| Jenpeg Unit Overhauls                                                     | 128.1              | (0.0) | -      | -     | 2.3   | 2.5   | 18.2  | 24.0  | 24.5  | 24.9  | 19.5  |
| Power Supply Dam Safety Upgrades                                          | 64.5               | 3.6   | 5.0    | 10.4  | -     | -     | -     | -     | -     | -     | -     |
| Brandon Unit 5 License Review                                             | 10.3               | 0.2   | 0.2    | 1.7   | 1.9   | 1.0   | -     | -     | -     | -     | -     |
| Selkirk Enhancements                                                      | 14.2               | 0.5   | 0.4    | -     | -     | -     | -     | -     | -     | -     | -     |
| Brandon Units 6 & 7 "C" Overhaul Program                                  | 50.4               | -     | -      | -     | -     | 5.9   | 0.4   | 23.3  | 2.0   | 18.9  | -     |
| Fire Protection Projects - HVDC                                           | 6.9                | 0.3   | 1.2    | 2.6   | -     | -     | -     | -     | -     | -     | -     |
| Halon Replacement Project                                                 | 36.0               | 2.3   | 2.6    | 2.3   | 2.8   | 1.7   | 2.8   | -     | -     | -     | -     |
| Grand Rapids Townsite House Renovations                                   | 12.2               | 0.9   | 0.8    | 0.8   | 0.8   | 0.9   | 0.9   | 0.9   | 0.9   | 0.9   | 1.0   |
| Grand Rapids Fish Hatchery                                                | 2.2                | 1.7   | -      | -     | -     | -     | -     | -     | -     | -     | -     |
| Generation Townsite Infrastructure                                        | 74.1               | 11.5  | 16.2   | -     | -     | -     | -     | -     | -     | -     | -     |
| Site Remediation of Contaminated Corporate Facilities                     | 33.4               | 1.1   | 1.1    | -     | -     | -     | -     | -     | -     | -     | -     |
| High Voltage Test Facility                                                | 40.6               | 2.3   | -      | -     | -     | -     | -     | -     | -     | -     | -     |
| Power Supply Security Installations / Upgrades                            | 42.9               | 5.4   | 8.6    | 8.8   | 2.0   | -     | -     | -     | -     | -     | -     |
| Power Supply Sewer & Domestic Water System Install and Upgrade            | 45.2               | 4.8   | 6.1    | 3.7   | 2.1   | 2.2   | 2.5   | -     | -     | -     | -     |
| Power Supply Domestic                                                     | NA                 | 20.1  | 20.5   | 21.0  | 21.4  | 21.8  | 22.2  | 22.7  | 23.1  | 23.6  | 24.1  |
| Target Adjustment                                                         | NA                 | 7.5   | (20.5) | -     | -     | -     | -     | -     | -     | -     | -     |
|                                                                           |                    | 137.6 | 150.4  | 178.4 | 180.5 | 166.1 | 143.0 | 191.1 | 127.0 | 181.3 | 161.0 |

CONSOLIDATED INTEGRATED FINANCIAL FORECAST (IFF12)

**CAPITAL EXPENDITURE FORECAST (CEF12)**

(in millions of dollars)

|                                                                     | Total Project Cost | 2013   | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  |
|---------------------------------------------------------------------|--------------------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Transmission</b>                                                 |                    |        |       |       |       |       |       |       |       |       |       |
| Winnipeg - Brandon Transmission System Improvements                 | 43.1               | 0.9    | 2.0   | 27.7  | 5.3   | -     | -     | -     | -     | -     | -     |
| Transcona East 230 - 66 kV Station                                  | 37.6               | 13.4   | 0.1   | -     | -     | -     | -     | -     | -     | -     | -     |
| Brandon Area Transmission Improvements                              | 11.5               | 6.4    | 2.7   | -     | -     | -     | -     | -     | -     | -     | -     |
| V38R 230kV Transmission Line ROW in RMNP                            | 2.6                | 0.5    | 0.6   | 1.0   | 0.4   | -     | -     | -     | -     | -     | -     |
| Neepawa 230 - 66 kV Station                                         | 29.1               | 8.0    | 11.0  | 1.2   | 0.0   | -     | -     | -     | -     | -     | -     |
| Transmission Line Re-Rating                                         | 31.7               | 6.9    | -     | -     | -     | -     | -     | -     | -     | -     | -     |
| St Vital-Steinbach 230 kV Transmission                              | 32.2               | -      | -     | -     | 0.8   | 0.9   | 2.5   | 6.0   | 9.4   | 12.7  | -     |
| Transcona Station 66 kV Breaker Replacement                         | 5.6                | -      | -     | 0.8   | 2.5   | 2.3   | -     | -     | -     | -     | -     |
| 13.2kV Shunt Reactor Replacements                                   | 15.9               | 2.1    | 2.0   | 1.9   | 2.1   | 2.1   | 2.2   | 1.3   | -     | -     | -     |
| Rockwood East 230-115kV Station                                     | 53.3               | 2.4    | 15.1  | 27.1  | 7.9   | -     | -     | -     | -     | -     | -     |
| Lake Winnipeg East System Improvements                              | 64.6               | 2.6    | 22.4  | 23.8  | 13.0  | 2.3   | -     | -     | -     | -     | -     |
| Canexus Load Addition                                               | (0.3)              | (1.3)  | -     | -     | -     | -     | -     | -     | -     | -     | -     |
| Letellier - St. Vital 230kV Transmission                            | 59.0               | 0.5    | 2.2   | 7.6   | 30.8  | 17.9  | 0.0   | -     | -     | -     | -     |
| Breaker Failure Protection Implementation                           | 4.4                | 0.8    | 1.6   | 1.4   | 0.6   | -     | -     | -     | -     | -     | -     |
| D602F 500kV T/L Footing Replacements                                | 4.4                | 1.8    | -     | -     | -     | -     | -     | -     | -     | -     | -     |
| Stanley Station 230-66 kV Transformer Addition                      | 19.4               | -      | 0.6   | 5.2   | 9.3   | 4.5   | -     | -     | -     | -     | -     |
| Enbridge Pipelines: Clipper Project Load Addition Phase 2           | 7.4                | 1.8    | -     | -     | -     | -     | -     | -     | -     | -     | -     |
| Ashern Station Bank Addition                                        | 10.0               | 0.2    | 0.5   | 6.7   | 2.5   | -     | -     | -     | -     | -     | -     |
| Ashern Station 230 kV Shunt Reactor Replacement                     | 1.2                | 0.3    | -     | -     | -     | -     | -     | -     | -     | -     | -     |
| Tadoule Lake DGS Diesel Tank Farm Upgrade                           | 0.9                | 0.5    | 0.0   | 0.0   | -     | -     | -     | -     | -     | -     | -     |
| Energy Management System (EMS) Upgrade                              | 6.5                | 1.2    | -     | -     | -     | -     | -     | -     | -     | -     | -     |
| Transmission Line Protection & Teleprotection Replacement           | 20.5               | 5.1    | 6.2   | 1.4   | 2.1   | -     | -     | -     | -     | -     | -     |
| Mobile Radio System Modernization                                   | 30.6               | 1.5    | 13.0  | 6.3   | 9.2   | -     | -     | -     | -     | -     | -     |
| Site Remediation of Diesel Generating Stations                      | 13.3               | 1.8    | -     | -     | -     | -     | -     | -     | -     | -     | -     |
| Oil Containment - Transmission                                      | 7.4                | 0.1    | -     | -     | -     | -     | -     | -     | -     | -     | -     |
| Station Battery Bank Capacity & System Reliability Increase         | 46.4               | 4.2    | 4.1   | 4.3   | 4.4   | 3.7   | -     | -     | -     | -     | -     |
| Waverley Service Centre Oil Tank Farm Replacement                   | 2.9                | 0.4    | 0.1   | -     | -     | -     | -     | -     | -     | -     | -     |
| 115 kV Transmission Lines                                           | 298.9              | -      | -     | -     | -     | -     | -     | -     | -     | -     | 10.3  |
| 230 kV Transmission Lines                                           | 171.1              | -      | -     | -     | -     | -     | -     | -     | -     | -     | 5.9   |
| Sub-Transmission                                                    | 124.8              | -      | -     | -     | -     | -     | -     | -     | -     | -     | 4.3   |
| Communications                                                      | 425.8              | -      | -     | -     | -     | -     | -     | -     | -     | -     | 14.7  |
| Transmission Domestic                                               | NA                 | 31.2   | 31.8  | 32.5  | 33.1  | 33.8  | 34.5  | 35.1  | 35.9  | 36.6  | 37.3  |
| Target Adjustment                                                   | NA                 | (14.6) | (9.4) | -     | -     | -     | -     | -     | -     | -     | -     |
|                                                                     |                    | 78.7   | 106.5 | 149.0 | 124.0 | 67.5  | 39.1  | 42.4  | 45.3  | 49.2  | 72.4  |
| <b>Customer Service &amp; Distribution</b>                          |                    |        |       |       |       |       |       |       |       |       |       |
| Winnipeg Distribution Infrastructure Requirements                   | 24.5               | 1.5    | 1.8   | 2.4   | -     | -     | -     | -     | -     | -     | -     |
| Rover Substation Replace 4 kV Switchgear                            | 12.7               | 0.0    | 0.0   | 0.0   | 6.9   | 0.6   | -     | -     | -     | -     | -     |
| Martin New Outdoor Station                                          | 27.3               | 1.0    | 10.8  | 9.9   | -     | -     | -     | -     | -     | -     | -     |
| Burrows New 66 kV/ 12 kV Station                                    | 42.6               | 15.2   | 4.2   | 2.2   | -     | -     | -     | -     | -     | -     | -     |
| Winnipeg Central 12&4kV Manhole Oil Switches                        | 9.8                | 0.5    | -     | -     | -     | -     | -     | -     | -     | -     | -     |
| William New 66 kV/ 12 kV Station                                    | 10.3               | 0.1    | 2.7   | 4.2   | 3.0   | -     | -     | -     | -     | -     | -     |
| Waverley West Sub Division Supply - Stage 1                         | 6.5                | 0.1    | -     | -     | -     | -     | -     | -     | -     | -     | -     |
| St. James New Station & 24 kV Conversion                            | 65.9               | 0.4    | 18.4  | 20.8  | 22.3  | 0.4   | -     | -     | -     | -     | -     |
| Distribution                                                        | 887.5              | -      | -     | -     | -     | -     | -     | -     | -     | -     | 30.5  |
| Health Sciences Centre Service Consolidation & Distribution Upgrade | 13.9               | -      | 9.4   | 3.3   | -     | -     | -     | -     | -     | -     | -     |
| Waverley South DSC Installation                                     | 3.9                | 1.3    | -     | -     | -     | -     | -     | -     | -     | -     | -     |
| Southdale DK732 Cable Replacement                                   | 2.6                | 1.1    | -     | -     | -     | -     | -     | -     | -     | -     | -     |
| Royal Canadian Mint Expansion                                       | 2.3                | 1.2    | -     | -     | -     | -     | -     | -     | -     | -     | -     |
| IKEA/Seasons of Tuxedo DSC Installation                             | 4.6                | 3.3    | 1.2   | -     | -     | -     | -     | -     | -     | -     | -     |
| Line 27 66 kV Extension and Arborg North Distribution Supply Centre | 6.0                | 1.0    | 2.5   | -     | -     | -     | -     | -     | -     | -     | -     |
| Melrose DSC                                                         | 3.5                | 1.6    | -     | -     | -     | -     | -     | -     | -     | -     | -     |
| Starbuck DSC                                                        | 3.0                | 1.5    | -     | -     | -     | -     | -     | -     | -     | -     | -     |
| Blumenort Distribution Supply Centre                                | 3.0                | 2.8    | -     | -     | -     | -     | -     | -     | -     | -     | -     |
| Teulon East 66-12 kV Station                                        | 4.6                | 1.2    | -     | -     | -     | -     | -     | -     | -     | -     | -     |
| Kleefeld Distribution Supply Centre                                 | 2.8                | 0.2    | 2.6   | -     | -     | -     | -     | -     | -     | -     | -     |
| Cromer North Station & Reston RE12-4 25kV Conversion                | 4.2                | 0.3    | -     | -     | -     | -     | -     | -     | -     | -     | -     |
| Brandon Crocus Plains 115-25 kV Bank Addition                       | 5.8                | 0.0    | 0.0   | 5.7   | -     | -     | -     | -     | -     | -     | -     |
| Brandon Highland Park Station Capacity Increase                     | 3.2                | 1.5    | 1.7   | -     | -     | -     | -     | -     | -     | -     | -     |
| Birtle South - Rossburn 66kV Line                                   | 4.9                | 0.0    | 0.0   | 1.0   | 3.9   | -     | -     | -     | -     | -     | -     |
| TCPL Keystone Project                                               | 8.0                | 1.8    | 2.3   | -     | -     | -     | -     | -     | -     | -     | -     |
| Line 98 Rebuild melita to Waskada                                   | 3.8                | 0.0    | -     | -     | -     | -     | -     | -     | -     | -     | -     |
| Waskada North-Line 98 2XBMVAR Cap Bank                              | 3.9                | 3.0    | 0.9   | -     | -     | -     | -     | -     | -     | -     | -     |
| Steinbach Area 66kV Capacity Upgrade                                | 6.3                | 3.0    | 1.5   | -     | -     | -     | -     | -     | -     | -     | -     |
| Enbridge Pipelines Clipper-66kV Supply I                            | 0.9                | 1.9    | -     | -     | -     | -     | -     | -     | -     | -     | -     |
| Waverley West 66 kV Supply Upgrade                                  | 3.2                | 0.3    | 2.9   | -     | -     | -     | -     | -     | -     | -     | -     |
| Winpac 7 MVA Expansion                                              | 9.4                | 3.1    | 3.0   | -     | -     | -     | -     | -     | -     | -     | -     |
| Bissett L48-DSC & Cap Bank Installation                             | 3.9                | 2.8    | -     | -     | -     | -     | -     | -     | -     | -     | -     |
| Customer Service & Distribution Domestic                            | NA                 | 130.5  | 133.2 | 136.3 | 139.0 | 141.8 | 144.7 | 147.5 | 150.5 | 153.5 | 156.6 |
| Target Adjustment                                                   | NA                 | (15.6) | -     | -     | -     | -     | -     | -     | -     | -     | -     |
|                                                                     |                    | 166.8  | 199.0 | 185.8 | 175.1 | 142.8 | 144.7 | 147.5 | 150.5 | 153.5 | 187.1 |

CONSOLIDATED INTEGRATED FINANCIAL FORECAST (IFF12)

**CAPITAL EXPENDITURE FORECAST (CEF12)**

(in millions of dollars)

|                                                                       | Total Project Cost | 2013           | 2014           | 2015           | 2016           | 2017           | 2018           | 2019           | 2020           | 2021           | 2022           |
|-----------------------------------------------------------------------|--------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Customer Care &amp; Marketing</b>                                  |                    |                |                |                |                |                |                |                |                |                |                |
| Advanced Metering Infrastructure                                      | 30.9               | -              | -              | 4.0            | 5.4            | 5.5            | 5.6            | 4.4            | 3.9            | -              | -              |
| Customer Care & Marketing Domestic                                    | NA                 | 3.0            | 3.1            | 3.8            | 3.9            | 4.0            | 4.1            | 4.1            | 4.2            | 4.3            | 4.4            |
| Target Adjustment                                                     | NA                 | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              |
|                                                                       |                    | 3.0            | 3.1            | 7.9            | 9.3            | 9.4            | 9.7            | 8.5            | 8.2            | 4.3            | 4.4            |
| <b>Finance &amp; Administration</b>                                   |                    |                |                |                |                |                |                |                |                |                |                |
| Corporate Buildings                                                   | NA                 | 8.0            | 8.0            | 8.0            | 8.0            | 8.0            | 8.0            | 8.0            | 8.0            | 8.0            | 8.0            |
| 1840 Chevier Apparatus Maintenance Shop Ancillary Processing Facility | 4.0                | -              | 1.3            | 1.8            | 0.9            | -              | -              | -              | -              | -              | -              |
| EAM Phase 2                                                           | 18.6               | 5.0            | 5.1            | 2.6            | -              | -              | -              | -              | -              | -              | -              |
| Workforce Management (Phase 1 to 4)                                   | 17.7               | 1.4            | -              | -              | -              | -              | -              | -              | -              | -              | -              |
| Fleet                                                                 | NA                 | 13.0           | 14.3           | 14.6           | 14.9           | 15.2           | 15.5           | 15.8           | 16.2           | 16.5           | 16.8           |
| Finance & Administration Domestic                                     | NA                 | 22.0           | 25.9           | 26.5           | 27.0           | 27.5           | 28.1           | 28.7           | 29.2           | 29.8           | 30.4           |
| Target Adjustment                                                     | NA                 | (1.9)          | (6.5)          | -              | -              | -              | -              | -              | -              | -              | -              |
|                                                                       |                    | 47.5           | 48.3           | 53.5           | 50.8           | 50.8           | 51.6           | 52.5           | 53.4           | 54.3           | 55.2           |
| <b>ELECTRIC CAPITAL SUBTOTAL</b>                                      |                    | <b>1,342.9</b> | <b>1,858.8</b> | <b>2,009.2</b> | <b>2,075.0</b> | <b>2,217.6</b> | <b>2,185.3</b> | <b>1,878.8</b> | <b>1,683.7</b> | <b>1,819.3</b> | <b>2,319.9</b> |
| <b>GAS</b>                                                            |                    |                |                |                |                |                |                |                |                |                |                |
| <b>Customer Service &amp; Distribution</b>                            |                    |                |                |                |                |                |                |                |                |                |                |
| Ile Des Chenes NG Transmission Network Upgrade                        | 1.2                | 1.1            | -              | -              | -              | -              | -              | -              | -              | -              | -              |
| Gas SCADA Replacement                                                 | 4.6                | 2.6            | -              | -              | -              | -              | -              | -              | -              | -              | -              |
| Customer Service & Distribution Domestic                              | NA                 | 22.1           | 26.2           | 26.7           | 27.3           | 27.8           | 28.4           | 28.9           | 29.5           | 30.1           | 30.7           |
| Target Adjustment                                                     | NA                 | (3.8)          | (3.7)          | -              | -              | -              | -              | -              | -              | -              | -              |
|                                                                       |                    | 22.1           | 22.5           | 26.7           | 27.3           | 27.8           | 28.4           | 28.9           | 29.5           | 30.1           | 30.7           |
| <b>Customer Care &amp; Marketing</b>                                  |                    |                |                |                |                |                |                |                |                |                |                |
| Advanced Metering Infrastructure                                      | 15.0               | -              | -              | 1.0            | 5.4            | 8.3            | -              | -              | -              | -              | -              |
| Demand Side Management                                                | NA                 | 9.3            | 8.8            | -              | -              | -              | -              | -              | -              | -              | -              |
| Customer Care & Marketing Domestic                                    | NA                 | 4.8            | 4.9            | 5.0            | 5.1            | 5.2            | 5.3            | 5.4            | 5.5            | 5.7            | 5.8            |
| Target Adjustment                                                     | NA                 | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              |
|                                                                       |                    | 14.2           | 13.7           | 6.0            | 10.6           | 13.5           | 5.3            | 5.4            | 5.5            | 5.7            | 5.8            |
| <b>GAS CAPITAL SUBTOTAL</b>                                           |                    | <b>36.3</b>    | <b>36.2</b>    | <b>32.8</b>    | <b>37.8</b>    | <b>41.3</b>    | <b>33.7</b>    | <b>34.4</b>    | <b>35.1</b>    | <b>35.8</b>    | <b>36.5</b>    |
| <b>CONSOLIDATED CAPITAL</b>                                           |                    | <b>1,379.1</b> | <b>1,895.0</b> | <b>2,041.9</b> | <b>2,112.8</b> | <b>2,258.9</b> | <b>2,219.0</b> | <b>1,913.2</b> | <b>1,718.8</b> | <b>1,855.1</b> | <b>2,356.4</b> |
| G911 Fall Update Base Capitalized Interest Revision                   | NA                 | -              | (0.3)          | (0.4)          | (0.6)          | (0.4)          | (0.4)          | (0.5)          | (0.5)          | (0.6)          | (0.6)          |
| <b>CEF12 TOTAL</b>                                                    |                    | <b>1,379.1</b> | <b>1,894.7</b> | <b>2,041.5</b> | <b>2,112.2</b> | <b>2,258.5</b> | <b>2,218.6</b> | <b>1,912.7</b> | <b>1,718.3</b> | <b>1,854.4</b> | <b>2,355.8</b> |



**CAPITAL EXPENDITURE FORECAST (CEF12)**

(in millions of dollars)

|                                                      | Total Project Cost | 2023    | 2024    | 2025    | 2026    | 2027  | 2028  | 2029  | 2030  | 2031  | 2032  | 20 Year Total |
|------------------------------------------------------|--------------------|---------|---------|---------|---------|-------|-------|-------|-------|-------|-------|---------------|
| <b>ELECTRIC</b>                                      |                    |         |         |         |         |       |       |       |       |       |       |               |
| <b>Major New Generation &amp; Transmission</b>       |                    |         |         |         |         |       |       |       |       |       |       |               |
| Wuskwatim - Generation                               | 1 448.6            | -       | -       | -       | -       | -     | -     | -     | -     | -     | -     | 152.4         |
| Wuskwatim - Transmission                             | 322.9              | -       | -       | -       | -       | -     | -     | -     | -     | -     | -     | 13.4          |
| Herblet Lake – The Pas 230 kV Transmission           | 76.6               | -       | -       | -       | -       | -     | -     | -     | -     | -     | -     | 0.6           |
| Keeyask - Generation                                 | 6 220.1            | -       | -       | -       | -       | -     | -     | -     | -     | -     | -     | 5 718.0       |
| Conawapa - Generation                                | 10 192.4           | 1 663.6 | 1 395.3 | 1 192.1 | 893.9   | 359.5 | 60.4  | -     | -     | -     | -     | 9 962.5       |
| Kelsey Improvements & Upgrades                       | 301.7              | -       | -       | -       | -       | -     | -     | -     | -     | -     | -     | 46.9          |
| Kettle Improvements & Upgrades                       | 165.7              | 7.7     | -       | -       | -       | -     | -     | -     | -     | -     | -     | 117.5         |
| Pointe du Bois Spillway Replacement                  | 559.6              | -       | -       | -       | -       | -     | -     | -     | -     | -     | -     | 481.8         |
| Pointe du Bois - Transmission                        | 85.9               | -       | -       | -       | -       | -     | -     | -     | -     | -     | -     | 44.5          |
| Pointe du Bois Powerhouse Rebuild                    | 1 538.3            | 2.2     | 16.0    | 37.8    | 90.7    | 157.8 | 245.0 | 403.9 | 312.7 | 216.2 | 55.6  | 1 538.3       |
| Gillam Redevelopment and Expansion Program           | 366.5              | 26.8    | 32.3    | 32.1    | 34.0    | 11.9  | -     | -     | -     | -     | -     | 366.5         |
| Bipole III - Transmission Line                       | 1 259.9            | -       | -       | -       | -       | -     | -     | -     | -     | -     | -     | 1 197.9       |
| Bipole III - Converter Stations                      | 1 828.5            | -       | -       | -       | -       | -     | -     | -     | -     | -     | -     | 1 733.6       |
| Bipole III - Collector Lines                         | 191.4              | -       | -       | -       | -       | -     | -     | -     | -     | -     | -     | 189.0         |
| Riel 230/ 500 kV Station                             | 267.6              | -       | -       | -       | -       | -     | -     | -     | -     | -     | -     | 137.3         |
| Firm Import Upgrades                                 | 19.9               | -       | -       | -       | -       | -     | -     | -     | -     | -     | -     | 19.9          |
| Dorsey - US Border New 500 kV Transmission Line      | 204.8              | -       | -       | -       | -       | -     | -     | -     | -     | -     | -     | 203.7         |
| St. Joseph Wind Transmission                         | 11.2               | -       | -       | -       | -       | -     | -     | -     | -     | -     | -     | 1.3           |
| Demand Side Management                               | NA                 | -       | -       | -       | -       | -     | -     | -     | -     | -     | -     | 56.6          |
| Generating Station Improvements & Upgrades           | 649.0              | 32.2    | 21.1    | 9.4     | 14.4    | 15.2  | 25.8  | 79.3  | 56.6  | 62.7  | 174.5 | 536.3         |
| Additional North South Transmission                  | 395.6              | -       | -       | -       | -       | 395.6 | -     | -     | -     | -     | -     | 395.6         |
| G911 Fall Update MNG&T Capitalized Interest Revision | NA                 | (0.1)   | (0.1)   | (0.2)   | (0.3)   | (0.7) | (1.2) | (2.2) | (3.1) | (0.8) | (0.3) | (26.7)        |
|                                                      |                    | 1 732.5 | 1 464.6 | 1 271.3 | 1 032.6 | 939.3 | 329.9 | 481.1 | 366.2 | 278.1 | 229.8 | 22 887.0      |

CONSOLIDATED INTEGRATED FINANCIAL FORECAST (IFF12)

**CAPITAL EXPENDITURE FORECAST (CEF12)**

(in millions of dollars)

|                                                                           | Total Project Cost | 2023  | 2024  | 2025  | 2026  | 2027 | 2028  | 2029  | 2030  | 2031  | 2032 | 20 Year Total |
|---------------------------------------------------------------------------|--------------------|-------|-------|-------|-------|------|-------|-------|-------|-------|------|---------------|
| <b>Power Supply</b>                                                       |                    |       |       |       |       |      |       |       |       |       |      |               |
| HVDC Auxiliary Power Supply Upgrades                                      | 5.3                | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 0.7           |
| Dorsey Synchronous Condenser Refurbishment                                | 73.3               | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 47.3          |
| HVDC System Transformer & Reactor Fire Protection & Prevention            | 10.3               | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 0.6           |
| HVDC Transformer Replacement Program                                      | 171.2              | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 73.5          |
| HVDC Transformer Replacement Program Extended                             | 449.7              | 4.6   | 6.4   | 32.9  | 6.7   | 7.0  | 50.3  | 22.5  | 77.8  | 88.1  | 39.3 | 336.2         |
| Dorsey 230 kV Relay Building Upgrade                                      | 80.9               | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 68.3          |
| HVDC Stations Ground Grid Refurbishment                                   | 4.1                | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 1.9           |
| HVDC Bipole 2 230 kV HLR Circuit Breaker Replacement                      | 13.9               | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 2.0           |
| HVDC Bipole 1 Pole Differential Protection                                | 3.3                | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 3.3           |
| HVDC Bipole 1 By-Pass Vacuum Switch Removal                               | 19.2               | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 18.5          |
| HVDC Bipole 2 Refrigerant Condenser Replacement                           | 12.9               | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 12.9          |
| HVDC Smoothing Reactor Replacements                                       | 46.2               | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 8.5           |
| HVDC - BP1 Converter Station, P1 & P2 Battery Bank Separation             | 3.0                | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 2.9           |
| HVDC Bipole 1 DCCT Transductor Replacement                                | 11.4               | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 11.3          |
| HVDC Bipole 1 & 2 DC Converter Transformer Bushing Replacements           | 8.7                | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 8.7           |
| HVDC Bipole 2 Valve Wall Bushing Replacements                             | 19.1               | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 18.6          |
| HVDC Bipole 2 Upgrades & Replacements                                     | 210.5              | 52.7  | 57.4  | 64.1  | 24.1  | -    | -     | -     | -     | -     | -    | 210.5         |
| HVDC Bipole 1 CQ Disconnect Replacement                                   | 4.9                | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 4.9           |
| HVDC Bipole 2 Thyristor Module Cooling Refurbishment                      | 7.8                | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 2.5           |
| HVDC Bipole 1 Transformer Marshalling Kiosk Replacement                   | 6.6                | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 5.0           |
| Bipole 2 Thyristor Valve Replacement                                      | 233.7              | 59.3  | 20.2  | -     | -     | -    | -     | -     | -     | -     | -    | 233.7         |
| HVDC Gapped Arrestor Replacement                                          | 15.9               | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 15.2          |
| Winnipeg River Riverbank Protection Program                               | 19.7               | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 6.1           |
| Power Supply Hydraulic Controls                                           | 26.8               | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 13.6          |
| Slave Falls GS Creek Spillway Rehab                                       | 10.7               | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 10.7          |
| Slave Falls Rehabilitation                                                | 229.9              | 26.5  | 26.9  | 13.1  | -     | -    | -     | -     | -     | -     | -    | 178.3         |
| Great Falls Unit 4 Major Overhaul                                         | 43.2               | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 27.4          |
| Great Falls Unit 5 Discharge Ring Replacement and Major Overhaul          | 24.8               | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 24.8          |
| Generation South Overhauls & Improvements                                 | 384.8              | 10.2  | 40.3  | 29.4  | 48.6  | 28.5 | 33.3  | 82.8  | 53.3  | 53.7  | -    | 384.8         |
| Pine Falls Rehabilitation                                                 | 158.5              | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 140.9         |
| Generation South Transformer Refurbish & Spares                           | 25.9               | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 24.7          |
| Water Licenses & Renewals                                                 | 53.5               | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 33.9          |
| Generation South PCB Regulation Compliance                                | 4.5                | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 3.7           |
| Kettle Transformer Overhaul Program                                       | 45.2               | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 24.3          |
| Generation South Breaker Replacements                                     | 10.7               | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 6.3           |
| Seven Sisters Upgrades                                                    | 14.1               | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 1.8           |
| Generation South Excitation Upgrades                                      | 16.3               | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 14.7          |
| Generation South Excitation Program Extended                              | 14.0               | 5.0   | 3.4   | 1.2   | -     | -    | -     | -     | -     | -     | -    | 14.0          |
| Laurie River/Churchill River Diversion (CRD) Comm and Annunciation Upgrad | 6.7                | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 4.1           |
| Notigi Marine Vessel Replacement and Infrastructure Improvements          | 4.6                | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 4.2           |
| Limestone Stilling Basin Rehabilitation                                   | 1.9                | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 1.9           |
| Pointe Du Bois GS Rehabilitation                                          | 182.9              | 8.6   | 6.1   | 4.4   | -     | -    | -     | -     | -     | -     | -    | 182.5         |
| Kettle Wicket Gates Lever Refurbishments                                  | 2.2                | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 2.1           |
| Limestone Governor Control Repl                                           | 2.3                | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 2.3           |
| Limestone GSCADA Replacement                                              | 4.7                | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 4.7           |
| Jenpeg Unit Overhauls                                                     | 128.1              | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 115.9         |
| Power Supply Dam Safety Upgrades                                          | 64.5               | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 19.1          |
| Brandon Unit 5 License Review                                             | 10.3               | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 5.0           |
| Selkirk Enhancements                                                      | 14.2               | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 0.9           |
| Brandon Units 6 & 7 "C" Overhaul Program                                  | 50.4               | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 50.4          |
| Fire Protection Projects - HVDC                                           | 6.9                | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 4.1           |
| Halon Replacement Project                                                 | 36.0               | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 14.5          |
| Grand Rapids Townsite House Renovations                                   | 12.2               | 1.0   | -     | -     | -     | -    | -     | -     | -     | -     | -    | 9.8           |
| Grand Rapids Fish Hatchery                                                | 2.2                | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 1.7           |
| Generation Townsite Infrastructure                                        | 74.1               | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 27.8          |
| Site Remediation of Contaminated Corporate Facilities                     | 33.4               | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 2.2           |
| High Voltage Test Facility                                                | 40.6               | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 2.3           |
| Power Supply Security Installations / Upgrades                            | 42.9               | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 24.8          |
| Power Supply Sewer & Domestic Water System Install and Upgrade            | 45.2               | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | 21.4          |
| Power Supply Domestic                                                     | NA                 | 24.6  | 25.0  | 25.5  | 26.1  | 26.6 | 27.1  | 27.7  | 28.2  | 28.8  | 29.3 | 489.5         |
| Target Adjustment                                                         | NA                 | -     | -     | -     | -     | -    | -     | -     | -     | -     | -    | (13.0)        |
|                                                                           |                    | 192.5 | 185.8 | 170.6 | 105.5 | 62.1 | 110.8 | 133.0 | 159.3 | 170.6 | 68.7 | 2 975.0       |

CONSOLIDATED INTEGRATED FINANCIAL FORECAST (IFF12)

**CAPITAL EXPENDITURE FORECAST (CEF12)**

(in millions of dollars)

|                                                                     | Total Project Cost | 2023  | 2024  | 2025  | 2026  | 2027  | 2028  | 2029  | 2030  | 2031  | 2032  | 20 Year Total |
|---------------------------------------------------------------------|--------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------------|
| <b>Transmission</b>                                                 |                    |       |       |       |       |       |       |       |       |       |       |               |
| Winnipeg - Brandon Transmission System Improvements                 | 43.1               | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 35.9          |
| Transcona East 230 - 66 kV Station                                  | 37.6               | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 13.5          |
| Brandon Area Transmission Improvements                              | 11.5               | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 9.1           |
| V38R 230kV Transmission Line ROW in RMNP                            | 2.6                | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 2.6           |
| Neepawa 230 - 66 kV Station                                         | 29.1               | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 20.2          |
| Transmission Line Re-Rating                                         | 31.7               | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 6.9           |
| St Vital-Steinbach 230 kV Transmission                              | 32.2               | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 32.2          |
| Transcona Station 66 kV Breaker Replacement                         | 5.6                | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 5.6           |
| 13.2kV Shunt Reactor Replacements                                   | 15.9               | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 13.7          |
| Rockwood East 230-115kV Station                                     | 53.3               | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 52.5          |
| Lake Winnipeg East System Improvements                              | 64.6               | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 64.1          |
| Canexus Load Addition                                               | (0.3)              | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | (1.3)         |
| Letellier - St. Vital 230kV Transmission                            | 59.0               | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 58.9          |
| Breaker Failure Protection Implementation                           | 4.4                | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 4.4           |
| D602F 500kV T/L Footing Replacements                                | 4.4                | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 1.8           |
| Stanley Station 230-66 kV Transformer Addition                      | 19.4               | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 19.4          |
| Enbridge Pipelines: Clipper Project Load Addition Phase 2           | 7.4                | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 1.8           |
| Ashern Station Bank Addition                                        | 10.0               | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 9.9           |
| Ashern Station 230 kV Shunt Reactor Replacement                     | 1.2                | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 0.3           |
| Tadoules Lake DGS Diesel Tank Farm Upgrade                          | 0.9                | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 0.5           |
| Energy Management System (EMS) Upgrade                              | 6.5                | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 1.2           |
| Transmission Line Protection & Teleprotection Replacement           | 20.5               | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 14.8          |
| Mobile Radio System Modernization                                   | 30.6               | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 30.0          |
| Site Remediation of Diesel Generating Stations                      | 13.3               | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 1.8           |
| Oil Containment - Transmission                                      | 7.4                | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 0.1           |
| Station Battery Bank Capacity & System Reliability Increase         | 46.4               | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 20.7          |
| Waverley Service Centre Oil Tank Farm Replacement                   | 2.9                | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 0.4           |
| 115 kV Transmission Lines                                           | 298.9              | 16.1  | 18.8  | 21.1  | 25.8  | 23.7  | 25.5  | 28.4  | 28.9  | 31.5  | 32.9  | 264.1         |
| 230 kV Transmission Lines                                           | 171.1              | 9.2   | 11.3  | 12.1  | 14.8  | 13.6  | 14.6  | 16.3  | 16.5  | 18.0  | 18.8  | 151.2         |
| Sub-Transmission                                                    | 124.8              | 6.7   | 8.3   | 8.8   | 10.8  | 9.9   | 10.6  | 11.9  | 12.1  | 13.1  | 13.7  | 110.3         |
| Communications                                                      | 425.8              | 23.0  | 28.2  | 30.0  | 36.8  | 33.8  | 36.3  | 40.5  | 41.2  | 44.8  | 46.9  | 376.2         |
| Transmission Domestic                                               | NA                 | 38.0  | 38.8  | 39.6  | 40.4  | 41.2  | 42.0  | 42.8  | 43.7  | 44.6  | 45.5  | 758.3         |
| Target Adjustment                                                   | NA                 | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | (24.0)        |
|                                                                     |                    | 93.1  | 106.4 | 111.6 | 128.6 | 122.2 | 129.1 | 139.9 | 142.4 | 152.1 | 157.9 | 2 057.3       |
| <b>Customer Service &amp; Distribution</b>                          |                    |       |       |       |       |       |       |       |       |       |       |               |
| Winnipeg Distribution Infrastructure Requirements                   | 24.5               | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 5.7           |
| Rover Substation Replace 4 kV Switchgear                            | 12.7               | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 7.5           |
| Martin New Outdoor Station                                          | 27.3               | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 21.7          |
| Burrows New 66 kV/ 12 kV Station                                    | 42.6               | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 21.6          |
| Winnipeg Central 12&4kV Manhole Oil Switches                        | 9.8                | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 0.5           |
| William New 66 kV/ 12 kV Station                                    | 10.3               | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 9.9           |
| Waverley West Sub Division Supply - Stage 1                         | 6.5                | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 0.1           |
| St. James New Station & 24 kV Conversion                            | 65.9               | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 62.4          |
| Distribution                                                        | 887.5              | 47.9  | 58.8  | 62.6  | 76.7  | 70.5  | 75.7  | 84.4  | 85.8  | 93.5  | 97.8  | 784.1         |
| Health Sciences Centre Service Consolidation & Distribution Upgrade | 13.9               | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 12.7          |
| Waverley South DSC Installation                                     | 3.9                | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 1.3           |
| Southdale DK732 Cable Replacement                                   | 2.6                | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 1.1           |
| Royal Canadian Mint Expansion                                       | 2.3                | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 1.2           |
| IKEA/Seasons of Tuxedo DSC Installation                             | 4.6                | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 4.6           |
| Line 27 66 kV Extension and Arborg North Distribution Supply Centre | 6.0                | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 3.5           |
| Melrose DSC                                                         | 3.5                | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 1.6           |
| Starbuck DSC                                                        | 3.0                | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 1.5           |
| Blumenort Distribution Supply Centre                                | 3.0                | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 2.8           |
| Teulon East 66-12 kV Station                                        | 4.6                | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 1.2           |
| Kiefield Distribution Supply Centre                                 | 2.8                | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 2.8           |
| Cromer North Station & Reston RE 12-4 25kV Conversion               | 4.2                | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 0.3           |
| Brandon Crocus Plains 115-25 kV Bank Addition                       | 5.8                | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 5.7           |
| Brandon Highland Park Station Capacity Increase                     | 3.2                | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 3.1           |
| Birtle South - Rossburn 66kV Line                                   | 4.9                | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 4.9           |
| TCPL Keystone Project                                               | 8.0                | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 4.0           |
| Line 98 Rebuild milita to Waskada                                   | 3.8                | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 0.0           |
| Waskada North-Line 98 2X8MVAR Cap Bank                              | 3.9                | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 3.9           |
| Steinbach Area 66kV Capacity Upgrade                                | 6.3                | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 4.5           |
| Enbridge Pipelines Clipper-66kV Supply I                            | 0.9                | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 1.9           |
| Waverley West 66 kV Supply Upgrade                                  | 3.2                | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 3.2           |
| Winpac 7 MVA Expansion                                              | 9.4                | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 6.0           |
| Bissett L48-DSC & Cap Bank Installation                             | 3.9                | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 2.8           |
| Customer Service & Distribution Domestic                            | NA                 | 159.7 | 162.9 | 166.2 | 169.5 | 172.9 | 176.3 | 179.9 | 183.5 | 187.1 | 190.9 | 3 182.4       |
| Target Adjustment                                                   | NA                 | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | (15.6)        |
|                                                                     |                    | 207.6 | 221.7 | 228.8 | 246.2 | 243.4 | 252.0 | 264.3 | 269.2 | 280.6 | 288.6 | 4 155.0       |

CONSOLIDATED INTEGRATED FINANCIAL FORECAST (IFF12)

**CAPITAL EXPENDITURE FORECAST (CEF12)**

(in millions of dollars)

|                                                                       | Total Project Cost | 2023           | 2024           | 2025           | 2026           | 2027           | 2028         | 2029           | 2030           | 2031         | 2032         | 20 Year Total   |
|-----------------------------------------------------------------------|--------------------|----------------|----------------|----------------|----------------|----------------|--------------|----------------|----------------|--------------|--------------|-----------------|
| <b>Customer Care &amp; Marketing</b>                                  |                    |                |                |                |                |                |              |                |                |              |              |                 |
| Advanced Metering Infrastructure                                      | 30.9               | -              | -              | -              | -              | -              | -            | -              | -              | -            | -            | 28.8            |
| Customer Care & Marketing Domestic                                    | NA                 | 4.5            | 4.6            | 4.7            | 4.8            | 4.9            | 5.0          | 5.1            | 5.2            | 5.3          | 5.4          | 88.2            |
| Target Adjustment                                                     | NA                 | -              | -              | -              | -              | -              | -            | -              | -              | -            | -            | -               |
|                                                                       |                    | 4.5            | 4.6            | 4.7            | 4.8            | 4.9            | 5.0          | 5.1            | 5.2            | 5.3          | 5.4          | 117.1           |
| <b>Finance &amp; Administration</b>                                   |                    |                |                |                |                |                |              |                |                |              |              |                 |
| Corporate Buildings                                                   | NA                 | 8.0            | 8.0            | 8.0            | 8.0            | 8.0            | 8.0          | 8.0            | 8.0            | 8.0          | 8.0          | 160.0           |
| 1840 Chevier Apparatus Maintenance Shop Ancillary Processing Facility | 4.0                | -              | -              | -              | -              | -              | -            | -              | -              | -            | -            | 4.0             |
| EAM Phase 2                                                           | 18.6               | -              | -              | -              | -              | -              | -            | -              | -              | -            | -            | 12.7            |
| Workforce Management (Phase 1 to 4)                                   | 17.7               | -              | -              | -              | -              | -              | -            | -              | -              | -            | -            | 1.4             |
| Fleet                                                                 | NA                 | 17.1           | 17.5           | 17.8           | 18.2           | 18.6           | 18.9         | 19.3           | 19.7           | 20.1         | 20.5         | 340.6           |
| Finance & Administration Domestic                                     | NA                 | 31.0           | 31.6           | 32.3           | 32.9           | 33.6           | 34.2         | 34.9           | 35.6           | 36.3         | 37.1         | 614.7           |
| Target Adjustment                                                     | NA                 | -              | -              | -              | -              | -              | -            | -              | -              | -            | -            | (8.3)           |
|                                                                       |                    | 56.2           | 57.1           | 58.1           | 59.1           | 60.1           | 61.2         | 62.2           | 63.3           | 64.4         | 65.5         | 1 125.0         |
| <b>ELECTRIC CAPITAL SUBTOTAL</b>                                      |                    | <b>2 286.3</b> | <b>2 040.1</b> | <b>1 845.1</b> | <b>1 576.7</b> | <b>1 431.9</b> | <b>887.9</b> | <b>1 085.5</b> | <b>1 005.5</b> | <b>951.0</b> | <b>815.9</b> | <b>33 316.4</b> |
| <b>GAS</b>                                                            |                    |                |                |                |                |                |              |                |                |              |              |                 |
| <b>Customer Service &amp; Distribution</b>                            |                    |                |                |                |                |                |              |                |                |              |              |                 |
| Ile Des Chenes NG Transmission Network Upgrade                        | 1.2                | -              | -              | -              | -              | -              | -            | -              | -              | -            | -            | 1.1             |
| Gas SCADA Replacement                                                 | 4.6                | -              | -              | -              | -              | -              | -            | -              | -              | -            | -            | 2.6             |
| Customer Service & Distribution Domestic                              | NA                 | 31.3           | 31.9           | 32.6           | 33.2           | 33.9           | 34.6         | 35.3           | 36.0           | 36.7         | 37.4         | 620.6           |
| Target Adjustment                                                     | NA                 | -              | -              | -              | -              | -              | -            | -              | -              | -            | -            | (7.4)           |
|                                                                       |                    | 31.3           | 31.9           | 32.6           | 33.2           | 33.9           | 34.6         | 35.3           | 36.0           | 36.7         | 37.4         | 616.9           |
| <b>Customer Care &amp; Marketing</b>                                  |                    |                |                |                |                |                |              |                |                |              |              |                 |
| Advanced Metering Infrastructure                                      | 15.0               | -              | -              | -              | -              | -              | -            | -              | -              | -            | -            | 14.7            |
| Demand Side Management                                                | NA                 | -              | -              | -              | -              | -              | -            | -              | -              | -            | -            | 18.1            |
| Customer Care & Marketing Domestic                                    | NA                 | 5.9            | 6.0            | 6.1            | 6.2            | 6.4            | 6.5          | 6.6            | 6.8            | 6.9          | 7.0          | 117.4           |
| Target Adjustment                                                     | NA                 | -              | -              | -              | -              | -              | -            | -              | -              | -            | -            | -               |
|                                                                       |                    | 5.9            | 6.0            | 6.1            | 6.2            | 6.4            | 6.5          | 6.6            | 6.8            | 6.9          | 7.0          | 150.2           |
| <b>GAS CAPITAL SUBTOTAL</b>                                           |                    | <b>37.2</b>    | <b>37.9</b>    | <b>38.7</b>    | <b>39.5</b>    | <b>40.3</b>    | <b>41.1</b>  | <b>41.9</b>    | <b>42.7</b>    | <b>43.6</b>  | <b>44.5</b>  | <b>767.1</b>    |
| <b>CONSOLIDATED CAPITAL</b>                                           |                    | <b>2 323.5</b> | <b>2 078.1</b> | <b>1 883.8</b> | <b>1 616.2</b> | <b>1 472.2</b> | <b>929.0</b> | <b>1 127.4</b> | <b>1 048.3</b> | <b>994.6</b> | <b>860.4</b> | <b>34 083.5</b> |
| G911 Fall Update Base Capitalized Interest Revision                   | NA                 | (0.8)          | (1.0)          | (1.2)          | (0.9)          | (0.9)          | (0.5)        | (0.7)          | (0.8)          | (0.9)        | (1.0)        | (13.2)          |
| <b>CEF12 TOTAL</b>                                                    |                    | <b>2 322.7</b> | <b>2 077.0</b> | <b>1 882.6</b> | <b>1 615.3</b> | <b>1 471.3</b> | <b>928.5</b> | <b>1 126.7</b> | <b>1 047.5</b> | <b>993.7</b> | <b>859.4</b> | <b>34 070.4</b> |

## 10.0 ELECTRIC OPERATIONS FINANCIAL FORECAST (MH12)

**ELECTRIC OPERATIONS (MH12)  
PROJECTED OPERATING STATEMENT  
(In Millions of Dollars)**

*For the year ended March 31*

|                                        | 2013         | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         |
|----------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>REVENUES</b>                        |              |              |              |              |              |              |              |              |              |              |
| General Consumers                      |              |              |              |              |              |              |              |              |              |              |
| at approved rates                      | 1 331        | 1 361        | 1 374        | 1 390        | 1 404        | 1 424        | 1 447        | 1 462        | 1 485        | 1 506        |
| additional*                            | 0            | 48           | 104          | 165          | 228          | 297          | 371          | 447          | 531          | 619          |
| Extraprovincial                        | 357          | 344          | 343          | 380          | 406          | 435          | 441          | 464          | 711          | 839          |
| Other                                  | 14           | 15           | 15           | 15           | 15           | 16           | 16           | 16           | 17           | 17           |
|                                        | <u>1 702</u> | <u>1 768</u> | <u>1 836</u> | <u>1 950</u> | <u>2 054</u> | <u>2 172</u> | <u>2 274</u> | <u>2 390</u> | <u>2 743</u> | <u>2 981</u> |
| <b>EXPENSES</b>                        |              |              |              |              |              |              |              |              |              |              |
| Operating and Administrative           | 455          | 471          | 544          | 556          | 567          | 590          | 601          | 617          | 639          | 653          |
| Finance Expense                        | 452          | 444          | 492          | 524          | 586          | 656          | 767          | 781          | 1 001        | 1 097        |
| Depreciation and Amortization          | 399          | 430          | 372          | 391          | 410          | 447          | 494          | 508          | 580          | 619          |
| Water Rentals and Assessments          | 117          | 116          | 112          | 112          | 112          | 112          | 112          | 113          | 121          | 126          |
| Fuel and Power Purchased               | 143          | 166          | 179          | 191          | 206          | 221          | 230          | 231          | 253          | 264          |
| Capital and Other Taxes                | 88           | 96           | 101          | 110          | 119          | 129          | 136          | 143          | 149          | 158          |
| Corporate Allocation                   | 9            | 9            | 8            | 8            | 8            | 8            | 8            | 8            | 8            | 8            |
|                                        | <u>1 664</u> | <u>1 732</u> | <u>1 808</u> | <u>1 892</u> | <u>2 009</u> | <u>2 163</u> | <u>2 349</u> | <u>2 401</u> | <u>2 753</u> | <u>2 926</u> |
| Non-controlling Interest               | 14           | 24           | 21           | 16           | 13           | 10           | 6            | 3            | 4            | (3)          |
| <b>Net Income</b>                      | <u>53</u>    | <u>60</u>    | <u>50</u>    | <u>73</u>    | <u>57</u>    | <u>19</u>    | <u>(68)</u>  | <u>(9)</u>   | <u>(7)</u>   | <u>52</u>    |
| * Additional General Consumers Revenue |              |              |              |              |              |              |              |              |              |              |
| Percent Increase                       | 0.00%        | 3.50%        | 3.95%        | 3.95%        | 3.95%        | 3.95%        | 3.95%        | 3.95%        | 3.95%        | 3.95%        |
| Cumulative Percent Increase            | 0.00%        | 3.50%        | 7.59%        | 11.84%       | 16.26%       | 20.85%       | 25.62%       | 30.58%       | 35.74%       | 41.10%       |

CONSOLIDATED INTEGRATED FINANCIAL FORECAST (IFF12)

**ELECTRIC OPERATIONS (MH12)**  
**PROJECTED OPERATING STATEMENT**  
(In Millions of Dollars)

*For the year ended March 31*

|                                                            | <b>2023</b>  | <b>2024</b>  | <b>2025</b>  | <b>2026</b>  | <b>2027</b>  | <b>2028</b>  | <b>2029</b>  | <b>2030</b>  | <b>2031</b>  | <b>2032</b>  |
|------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>REVENUES</b>                                            |              |              |              |              |              |              |              |              |              |              |
| General Consumers<br>at approved rates                     | 1 529        | 1 552        | 1 575        | 1 598        | 1 621        | 1 644        | 1 669        | 1 693        | 1 717        | 1 741        |
| additional*                                                | 713          | 814          | 921          | 1 035        | 1 155        | 1 283        | 1 419        | 1 564        | 1 716        | 1 878        |
| Extraprovincial                                            | 873          | 863          | 851          | 937          | 1 209        | 1 288        | 1 304        | 1 312        | 1 331        | 1 341        |
| Other                                                      | 17           | 18           | 18           | 18           | 19           | 19           | 19           | 20           | 20           | 21           |
|                                                            | <u>3 133</u> | <u>3 246</u> | <u>3 366</u> | <u>3 588</u> | <u>4 003</u> | <u>4 234</u> | <u>4 411</u> | <u>4 588</u> | <u>4 784</u> | <u>4 980</u> |
| <b>EXPENSES</b>                                            |              |              |              |              |              |              |              |              |              |              |
| Operating and Administrative                               | 667          | 681          | 696          | 727          | 741          | 757          | 775          | 789          | 805          | 823          |
| Finance Expense                                            | 1 087        | 1 086        | 1 076        | 1 193        | 1 440        | 1 622        | 1 589        | 1 546        | 1 552        | 1 482        |
| Depreciation and Amortization                              | 630          | 637          | 645          | 690          | 770          | 828          | 837          | 849          | 880          | 893          |
| Water Rentals and Assessments                              | 128          | 127          | 126          | 134          | 147          | 151          | 151          | 151          | 152          | 153          |
| Fuel and Power Purchased                                   | 278          | 292          | 318          | 281          | 277          | 291          | 304          | 318          | 328          | 341          |
| Capital and Other Taxes                                    | 167          | 176          | 183          | 188          | 192          | 193          | 196          | 198          | 203          | 203          |
| Corporate Allocation                                       | 8            | 8            | 8            | 8            | 8            | 8            | 8            | 8            | 7            | 7            |
|                                                            | <u>2 964</u> | <u>3 008</u> | <u>3 052</u> | <u>3 220</u> | <u>3 575</u> | <u>3 850</u> | <u>3 860</u> | <u>3 859</u> | <u>3 926</u> | <u>3 901</u> |
| Non-controlling Interest                                   | (5)          | (10)         | (13)         | (9)          | (11)         | (14)         | (16)         | (20)         | (22)         | (25)         |
| <b>Net Income</b>                                          | <u>163</u>   | <u>228</u>   | <u>301</u>   | <u>358</u>   | <u>418</u>   | <u>370</u>   | <u>534</u>   | <u>710</u>   | <u>835</u>   | <u>1 054</u> |
| * Additional General Consumers Revenue<br>Percent Increase | 3.95%        | 3.95%        | 3.95%        | 3.95%        | 3.95%        | 3.95%        | 3.95%        | 3.95%        | 3.95%        | 3.95%        |
| Cumulative Percent Increase                                | 46.68%       | 52.47%       | 58.49%       | 64.75%       | 71.26%       | 78.03%       | 85.06%       | 92.37%       | 99.97%       | 107.86%      |

CONSOLIDATED INTEGRATED FINANCIAL FORECAST (IFF12)

**ELECTRIC OPERATIONS (MH12)**  
**PROJECTED BALANCE SHEET**  
(In Millions of Dollars)

*For the year ended March 31*

|                                        | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    | 2019    | 2020    | 2021    | 2022    |
|----------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>ASSETS</b>                          |         |         |         |         |         |         |         |         |         |         |
| Plant in Service                       | 15 374  | 16 435  | 17 104  | 18 255  | 18 807  | 22 348  | 22 781  | 25 825  | 29 899  | 30 432  |
| Accumulated Depreciation               | (5 173) | (5 536) | (5 856) | (6 223) | (6 622) | (7 064) | (7 553) | (8 057) | (8 632) | (9 248) |
| Net Plant in Service                   | 10 201  | 10 899  | 11 248  | 12 032  | 12 185  | 15 285  | 15 228  | 17 769  | 21 267  | 21 184  |
| Construction in Progress               | 2 108   | 2 878   | 4 198   | 5 128   | 6 794   | 5 439   | 6 879   | 5 422   | 3 038   | 4 821   |
| Current and Other Assets               | 1 869   | 1 735   | 1 391   | 1 578   | 1 790   | 2 027   | 1 844   | 1 974   | 2 059   | 1 725   |
| Goodwill and Intangible Assets         | 180     | 165     | 150     | 134     | 123     | 113     | 105     | 98      | 92      | 88      |
| Regulated Assets                       | 231     | 225     | -       | -       | -       | -       | -       | -       | -       | -       |
|                                        | 14 590  | 15 902  | 16 988  | 18 873  | 20 892  | 22 864  | 24 056  | 25 262  | 26 456  | 27 816  |
| <b>LIABILITIES AND EQUITY</b>          |         |         |         |         |         |         |         |         |         |         |
| Long-Term Debt                         | 9 428   | 11 199  | 12 741  | 14 614  | 16 304  | 18 077  | 19 972  | 20 739  | 22 062  | 23 412  |
| Current and Other Liabilities          | 2 086   | 1 569   | 1 743   | 1 726   | 2 032   | 2 233   | 1 610   | 2 073   | 1 966   | 1 945   |
| Contributions in Aid of Construction   | 336     | 345     | 350     | 355     | 359     | 369     | 375     | 382     | 389     | 396     |
| Retained Earnings                      | 2 442   | 2 502   | 2 295   | 2 368   | 2 425   | 2 444   | 2 376   | 2 368   | 2 361   | 2 413   |
| Accumulated Other Comprehensive Income | 299     | 287     | (142)   | (189)   | (228)   | (259)   | (278)   | (298)   | (321)   | (349)   |
|                                        | 14 590  | 15 902  | 16 988  | 18 873  | 20 892  | 22 864  | 24 056  | 25 262  | 26 456  | 27 816  |

CONSOLIDATED INTEGRATED FINANCIAL FORECAST (IFF12)

**ELECTRIC OPERATIONS (MH12)**  
**PROJECTED BALANCE SHEET**  
(In Millions of Dollars)

*For the year ended March 31*

|                                        | 2023    | 2024     | 2025     | 2026     | 2027     | 2028     | 2029     | 2030     | 2031     | 2032     |
|----------------------------------------|---------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| <b>ASSETS</b>                          |         |          |          |          |          |          |          |          |          |          |
| Plant in Service                       | 30 962  | 31 525   | 32 212   | 37 906   | 43 040   | 44 544   | 45 284   | 45 838   | 47 824   | 48 551   |
| Accumulated Depreciation               | (9 876) | (10 512) | (11 157) | (11 848) | (12 618) | (13 446) | (14 284) | (15 135) | (16 016) | (16 911) |
| Net Plant in Service                   | 21 086  | 21 013   | 21 055   | 26 059   | 30 422   | 31 098   | 31 000   | 30 703   | 31 808   | 31 640   |
| Construction in Progress               | 6 576   | 8 048    | 9 200    | 5 077    | 1 364    | 737      | 1 070    | 1 513    | 464      | 539      |
| Current and Other Assets               | 1 802   | 2 215    | 2 362    | 2 205    | 2 492    | 2 880    | 3 337    | 3 663    | 3 749    | 4 896    |
| Goodwill and Intangible Assets         | 85      | 83       | 82       | 82       | 81       | 80       | 79       | 78       | 77       | 76       |
| Regulated Assets                       | -       | -        | -        | -        | -        | -        | -        | -        | -        | -        |
|                                        | 29 548  | 31 359   | 32 699   | 33 422   | 34 359   | 34 794   | 35 486   | 35 957   | 36 099   | 37 151   |
| <b>LIABILITIES AND EQUITY</b>          |         |          |          |          |          |          |          |          |          |          |
| Long-Term Debt                         | 25 414  | 27 217   | 27 770   | 28 572   | 28 974   | 29 115   | 29 066   | 28 369   | 28 358   | 27 931   |
| Current and Other Liabilities          | 1 520   | 1 293    | 1 771    | 1 325    | 1 436    | 1 352    | 1 551    | 2 001    | 1 310    | 1 726    |
| Contributions in Aid of Construction   | 403     | 411      | 418      | 426      | 433      | 441      | 449      | 457      | 466      | 474      |
| Retained Earnings                      | 2 576   | 2 804    | 3 105    | 3 463    | 3 881    | 4 251    | 4 785    | 5 495    | 6 330    | 7 384    |
| Accumulated Other Comprehensive Income | (365)   | (365)    | (365)    | (365)    | (365)    | (365)    | (365)    | (365)    | (365)    | (365)    |
|                                        | 29 548  | 31 359   | 32 699   | 33 422   | 34 359   | 34 794   | 35 486   | 35 957   | 36 099   | 37 151   |



**ELECTRIC OPERATIONS (MH12)**  
**PROJECTED CASH FLOW STATEMENT**  
(In Millions of Dollars)

*For the year ended March 31*

|                                                     | 2013           | 2014           | 2015           | 2016           | 2017           | 2018           | 2019           | 2020           | 2021           | 2022           |
|-----------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>OPERATING ACTIVITIES</b>                         |                |                |                |                |                |                |                |                |                |                |
| Cash Receipts from Customers                        | 1 692          | 1 768          | 1 836          | 1 950          | 2 054          | 2 172          | 2 274          | 2 390          | 2 743          | 2 981          |
| Cash Paid to Suppliers and Employees                | (782)          | (822)          | (909)          | (941)          | (975)          | (1 020)        | (1 047)        | (1 069)        | (1 126)        | (1 162)        |
| Interest Paid                                       | (466)          | (476)          | (509)          | (556)          | (608)          | (700)          | (816)          | (826)          | (1 050)        | (1 144)        |
| Interest Received                                   | 28             | 17             | 24             | 26             | 31             | 39             | 41             | 39             | 35             | 32             |
|                                                     | <u>472</u>     | <u>486</u>     | <u>442</u>     | <u>478</u>     | <u>502</u>     | <u>491</u>     | <u>453</u>     | <u>533</u>     | <u>602</u>     | <u>707</u>     |
| <b>FINANCING ACTIVITIES</b>                         |                |                |                |                |                |                |                |                |                |                |
| Proceeds from Long-Term Debt                        | 1 036          | 1 970          | 1 760          | 2 190          | 2 180          | 2 580          | 2 190          | 1 390          | 1 980          | 1 790          |
| Sinking Fund Withdrawals                            | 129            | 393            | 102            | 26             | -              | 16             | 416            | 187            | 269            | 676            |
| Retirement of Long-Term Debt                        | (180)          | (808)          | (176)          | (312)          | (347)          | (530)          | (829)          | (306)          | (635)          | (679)          |
| Other                                               | (42)           | (7)            | (17)           | (19)           | (17)           | (13)           | (24)           | (13)           | (34)           | (9)            |
|                                                     | <u>943</u>     | <u>1 548</u>   | <u>1 670</u>   | <u>1 886</u>   | <u>1 817</u>   | <u>2 053</u>   | <u>1 753</u>   | <u>1 258</u>   | <u>1 580</u>   | <u>1 777</u>   |
| <b>INVESTING ACTIVITIES</b>                         |                |                |                |                |                |                |                |                |                |                |
| Property, Plant and Equipment, net of contributions | (1 381)        | (1 922)        | (2 028)        | (2 083)        | (2 214)        | (2 174)        | (1 863)        | (1 666)        | (1 799)        | (2 299)        |
| Sinking Fund Payment                                | (107)          | (208)          | (124)          | (188)          | (166)          | (227)          | (219)          | (224)          | (248)          | (343)          |
| Other                                               | (21)           | (20)           | (21)           | (20)           | (32)           | (42)           | (28)           | (28)           | (33)           | (38)           |
|                                                     | <u>(1 509)</u> | <u>(2 151)</u> | <u>(2 173)</u> | <u>(2 291)</u> | <u>(2 412)</u> | <u>(2 443)</u> | <u>(2 111)</u> | <u>(1 919)</u> | <u>(2 080)</u> | <u>(2 679)</u> |
| <b>Net Increase (Decrease) in Cash</b>              | (94)           | (117)          | (62)           | 73             | (94)           | 101            | 96             | (128)          | 102            | (195)          |
| <b>Cash at Beginning of Year</b>                    | <u>43</u>      | <u>(51)</u>    | <u>(168)</u>   | <u>(230)</u>   | <u>(157)</u>   | <u>(251)</u>   | <u>(150)</u>   | <u>(54)</u>    | <u>(182)</u>   | <u>(80)</u>    |
| <b>Cash at End of Year</b>                          | <u>(51)</u>    | <u>(168)</u>   | <u>(230)</u>   | <u>(157)</u>   | <u>(251)</u>   | <u>(150)</u>   | <u>(54)</u>    | <u>(182)</u>   | <u>(80)</u>    | <u>(275)</u>   |

**ELECTRIC OPERATIONS (MH12)**  
**PROJECTED CASH FLOW STATEMENT**  
(In Millions of Dollars)

*For the year ended March 31*

|                                                     | 2023    | 2024    | 2025    | 2026    | 2027    | 2028    | 2029    | 2030    | 2031    | 2032    |
|-----------------------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>OPERATING ACTIVITIES</b>                         |         |         |         |         |         |         |         |         |         |         |
| Cash Receipts from Customers                        | 3 133   | 3 246   | 3 366   | 3 588   | 4 003   | 4 234   | 4 411   | 4 588   | 4 784   | 4 980   |
| Cash Paid to Suppliers and Employees                | (1 198) | (1 233) | (1 276) | (1 281) | (1 305) | (1 337) | (1 368) | (1 394) | (1 422) | (1 450) |
| Interest Paid                                       | (1 115) | (1 101) | (1 108) | (1 239) | (1 490) | (1 689) | (1 668) | (1 640) | (1 661) | (1 567) |
| Interest Received                                   | 18      | 19      | 29      | 34      | 42      | 57      | 73      | 81      | 92      | 73      |
|                                                     | 837     | 932     | 1 011   | 1 102   | 1 251   | 1 265   | 1 448   | 1 635   | 1 793   | 2 037   |
| <b>FINANCING ACTIVITIES</b>                         |         |         |         |         |         |         |         |         |         |         |
| Proceeds from Long-Term Debt                        | 1 970   | 1 780   | 990     | 790     | 390     | 190     | 190     | (50)    | (10)    | (10)    |
| Sinking Fund Withdrawals                            | 156     | -       | -       | 450     | -       | -       | 60      | 250     | 700     | 13      |
| Retirement of Long-Term Debt                        | (432)   | -       | -       | (450)   | -       | -       | (60)    | (220)   | (700)   | (13)    |
| Other                                               | (1)     | (0)     | (1)     | (1)     | (0)     | 0       | 2       | 2       | 3       | (16)    |
|                                                     | 1 693   | 1 780   | 989     | 789     | 390     | 190     | 192     | (18)    | (7)     | (26)    |
| <b>INVESTING ACTIVITIES</b>                         |         |         |         |         |         |         |         |         |         |         |
| Property, Plant and Equipment, net of contributions | (2 268) | (2 018) | (1 822) | (1 553) | (1 403) | (858)   | (1 054) | (977)   | (918)   | (781)   |
| Sinking Fund Payment                                | (249)   | (269)   | (295)   | (317)   | (316)   | (334)   | (348)   | (359)   | (361)   | (341)   |
| Other                                               | (29)    | (32)    | (25)    | (25)    | (28)    | (26)    | (26)    | (26)    | (26)    | (26)    |
|                                                     | (2 546) | (2 319) | (2 142) | (1 896) | (1 746) | (1 217) | (1 428) | (1 362) | (1 305) | (1 148) |
| <b>Net Increase (Decrease) in Cash</b>              | (16)    | 393     | (141)   | (5)     | (106)   | 238     | 211     | 254     | 481     | 862     |
| <b>Cash at Beginning of Year</b>                    | (275)   | (291)   | 102     | (39)    | (44)    | (150)   | 89      | 300     | 555     | 1 036   |
| <b>Cash at End of Year</b>                          | (291)   | 102     | (39)    | (44)    | (150)   | 89      | 300     | 555     | 1 036   | 1 898   |

## 11.0 GAS OPERATIONS FINANCIAL FORECAST (CGM12)

**GAS OPERATIONS (CGM12)  
PROJECTED OPERATING STATEMENT  
(In Millions of Dollars)**

*For the year ended March 31*

|                                        | 2013     | 2014     | 2015     | 2016     | 2017     | 2018     | 2019     | 2020     | 2021     | 2022     |
|----------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| <b>REVENUES</b>                        |          |          |          |          |          |          |          |          |          |          |
| General Consumers<br>at approved rates | 319      | 312      | 356      | 351      | 349      | 348      | 349      | 349      | 350      | 350      |
| additional revenue requirement*        | 0        | 7        | 7        | 7        | 7        | 9        | 11       | 13       | 15       | 18       |
|                                        | 319      | 319      | 363      | 358      | 356      | 357      | 360      | 362      | 365      | 368      |
| Cost of Gas Sold                       | 176      | 168      | 212      | 203      | 202      | 201      | 201      | 201      | 201      | 201      |
| Gross Margin                           | 143      | 151      | 151      | 155      | 154      | 156      | 159      | 161      | 164      | 167      |
| Other                                  | 2        | 2        | 2        | 2        | 2        | 2        | 2        | 2        | 2        | 2        |
|                                        | 145      | 153      | 153      | 156      | 156      | 158      | 161      | 163      | 166      | 169      |
| <b>EXPENSES</b>                        |          |          |          |          |          |          |          |          |          |          |
| Operating and Administrative           | 67       | 69       | 77       | 77       | 78       | 78       | 79       | 79       | 81       | 82       |
| Finance Expense                        | 18       | 17       | 21       | 22       | 23       | 25       | 25       | 26       | 27       | 28       |
| Depreciation and Amortization          | 28       | 30       | 20       | 21       | 22       | 22       | 23       | 23       | 24       | 25       |
| Capital and Other Taxes                | 18       | 19       | 15       | 15       | 16       | 16       | 16       | 17       | 17       | 17       |
| Corporate Allocation                   | 12       | 12       | 12       | 12       | 12       | 12       | 12       | 12       | 12       | 12       |
|                                        | 143      | 147      | 144      | 147      | 151      | 153      | 155      | 158      | 161      | 165      |
| <b>Net Income</b>                      | <b>2</b> | <b>6</b> | <b>9</b> | <b>9</b> | <b>5</b> | <b>5</b> | <b>6</b> | <b>6</b> | <b>5</b> | <b>4</b> |

\* Additional Revenue Requirement

|                             |       |       |       |       |       |       |       |       |       |
|-----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Percent Increase            | 2.00% | 0.00% | 0.00% | 0.00% | 0.50% | 0.75% | 0.50% | 0.50% | 0.75% |
| Cumulative Percent Increase | 2.00% | 2.00% | 2.00% | 2.00% | 2.51% | 3.28% | 3.80% | 4.31% | 5.10% |

CONSOLIDATED INTEGRATED FINANCIAL FORECAST (IFF12)

**GAS OPERATIONS (CGM12)**  
**PROJECTED BALANCE SHEET**  
(In Millions of Dollars)

*For the year ended March 31*

|                                      | 2013  | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  |
|--------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>ASSETS</b>                        |       |       |       |       |       |       |       |       |       |       |
| Plant in Service                     | 656   | 679   | 705   | 735   | 767   | 788   | 811   | 835   | 860   | 886   |
| Accumulated Depreciation             | (232) | (240) | (245) | (252) | (260) | (269) | (278) | (288) | (299) | (310) |
| Net Plant in Service                 | 424   | 439   | 460   | 483   | 507   | 520   | 533   | 546   | 561   | 576   |
| Construction in Progress             | 2     | 2     | 2     | 2     | 2     | 4     | 6     | 8     | 8     | 8     |
| Current and Other Assets             | 73    | 68    | 68    | 68    | 68    | 68    | 68    | 68    | 68    | 68    |
| Goodwill and Intangible Assets       | 9     | 8     | 6     | 5     | 4     | 3     | 3     | 3     | 3     | 3     |
| Regulated Assets                     | 79    | 78    | -     | -     | -     | -     | -     | -     | -     | -     |
|                                      | 586   | 594   | 536   | 557   | 580   | 595   | 610   | 625   | 640   | 655   |
| <b>LIABILITIES AND EQUITY</b>        |       |       |       |       |       |       |       |       |       |       |
| Long-Term Debt                       | 295   | 290   | 330   | 340   | 360   | 380   | 390   | 400   | 420   | 410   |
| Current and Other Liabilities        | 99    | 96    | 67    | 69    | 68    | 56    | 57    | 57    | 48    | 69    |
| Contributions in Aid of Construction | 35    | 45    | 45    | 45    | 44    | 45    | 44    | 43    | 42    | 41    |
| Share Capital                        | 121   | 121   | 121   | 121   | 121   | 121   | 121   | 121   | 121   | 121   |
| Retained Earnings                    | 36    | 41    | (27)  | (18)  | (13)  | (7)   | (2)   | 4     | 9     | 13    |
|                                      | 586   | 594   | 536   | 557   | 580   | 595   | 610   | 625   | 640   | 655   |

**GAS OPERATIONS (CGM12)**  
**PROJECTED CASH FLOW STATEMENT**  
(In Millions of Dollars)

*For the year ended March 31*

|                                                     | 2013  | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  |
|-----------------------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>OPERATING ACTIVITIES</b>                         |       |       |       |       |       |       |       |       |       |       |
| Cash Receipts from Customers                        | 355   | 357   | 401   | 392   | 390   | 391   | 394   | 397   | 399   | 403   |
| Cash Paid to Suppliers and Employees                | (291) | (335) | (347) | (347) | (348) | (347) | (348) | (349) | (352) | (354) |
| Interest Paid                                       | (19)  | (19)  | (20)  | (21)  | (23)  | (24)  | (25)  | (26)  | (26)  | (27)  |
|                                                     | 45    | 3     | 33    | 23    | 20    | 20    | 21    | 22    | 21    | 21    |
| <b>FINANCING ACTIVITIES</b>                         |       |       |       |       |       |       |       |       |       |       |
| Proceeds from Long-Term Debt                        | 60    | 30    | 40    | 10    | 20    | 20    | 10    | 10    | 20    | 10    |
| Retirement of Long-Term Debt                        | (63)  | -     | (35)  | -     | -     | -     | -     | -     | -     | -     |
| Other                                               | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     |
|                                                     | (3)   | 30    | 5     | 10    | 20    | 20    | 10    | 10    | 20    | 10    |
| <b>INVESTING ACTIVITIES</b>                         |       |       |       |       |       |       |       |       |       |       |
| Property, Plant and Equipment, net of contributions | (37)  | (39)  | (33)  | (37)  | (40)  | (32)  | (33)  | (33)  | (34)  | (34)  |
| Other                                               | (0)   | (1)   | (1)   | (1)   | (1)   | (1)   | (1)   | (1)   | (1)   | (1)   |
|                                                     | (37)  | (39)  | (33)  | (38)  | (41)  | (34)  | (34)  | (34)  | (34)  | (35)  |
| <b>Net Increase (Decrease) in Cash</b>              | 5     | (7)   | 5     | (4)   | (1)   | 7     | (2)   | (3)   | 7     | (4)   |
| <b>Cash at Beginning of Year</b>                    | (13)  | (9)   | (15)  | (10)  | (15)  | (16)  | (9)   | (12)  | (14)  | (7)   |
| <b>Cash at End of Year</b>                          | (9)   | (15)  | (10)  | (15)  | (16)  | (9)   | (12)  | (14)  | (7)   | (11)  |



## 12.0 CORPORATE SUBSIDIARIES FINANCIAL FORECAST (CS12)

**CORPORATE SUBSIDIARIES (CS12)  
PROJECTED OPERATING STATEMENT  
(In Millions of Dollars)**

*For the year ended March 31*

|                               | 2013     | 2014     | 2015     | 2016     | 2017     | 2018     | 2019     | 2020     | 2021     | 2022     |
|-------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| <b>REVENUES</b>               |          |          |          |          |          |          |          |          |          |          |
| Revenue                       | 45       | 48       | 52       | 53       | 54       | 55       | 56       | 57       | 59       | 60       |
| Cost of Operations            | 25       | 27       | 29       | 30       | 30       | 31       | 32       | 32       | 33       | 33       |
|                               | 20       | 22       | 23       | 24       | 24       | 24       | 25       | 25       | 26       | 26       |
| <b>EXPENSES</b>               |          |          |          |          |          |          |          |          |          |          |
| Operating and Administrative  | 13       | 14       | 14       | 15       | 15       | 15       | 16       | 16       | 16       | 16       |
| Finance Expense               | (0)      | (0)      | 0        | -        | -        | -        | -        | -        | -        | -        |
| Depreciation and Amortization | 1        | 1        | 1        | 1        | 1        | 1        | 1        | 1        | 1        | 1        |
| Capital and Other Taxes       | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 1        | 1        | 1        |
|                               | 14       | 15       | 16       | 16       | 17       | 17       | 17       | 17       | 17       | 18       |
| <b>Net Income</b>             | <b>6</b> | <b>6</b> | <b>7</b> | <b>7</b> | <b>7</b> | <b>8</b> | <b>8</b> | <b>8</b> | <b>8</b> | <b>9</b> |

**CORPORATE SUBSIDIARIES (CS12)**  
**PROJECTED BALANCE SHEET**  
(In Millions of Dollars)

*For the year ended March 31*

|                                      | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--------------------------------------|------|------|------|------|------|------|------|------|------|------|
| <b>ASSETS</b>                        |      |      |      |      |      |      |      |      |      |      |
| Plant in Service                     | 11   | 11   | 12   | 12   | 12   | 12   | 12   | 12   | 12   | 12   |
| Accumulated Depreciation             | (3)  | (4)  | (5)  | (6)  | (7)  | (8)  | (8)  | (9)  | (10) | (10) |
| Net Plant in Service                 | 8    | 7    | 7    | 6    | 5    | 4    | 3    | 3    | 2    | 2    |
| Construction in Progress             | -    | -    | -    | -    | -    | -    | -    | -    | -    | -    |
| Current and Other Assets             | 30   | 37   | 44   | 53   | 61   | 70   | 79   | 88   | 97   | 106  |
| Goodwill and Intangible Assets       | 1    | 1    | 1    | 1    | 0    | 0    | 0    | 0    | 0    | 0    |
| Regulated Assets                     | 0    | 0    | -    | -    | -    | -    | -    | -    | -    | -    |
|                                      | 39   | 45   | 52   | 59   | 67   | 75   | 83   | 91   | 99   | 108  |
| <b>LIABILITIES AND EQUITY</b>        |      |      |      |      |      |      |      |      |      |      |
| Long-Term Debt                       | -    | -    | -    | -    | -    | -    | -    | -    | -    | -    |
| Current and Other Liabilities        | 6    | 6    | 6    | 6    | 6    | 6    | 6    | 6    | 6    | 6    |
| Contributions in Aid of Construction | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| Share Capital                        | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| Retained Earnings                    | 33   | 39   | 46   | 53   | 61   | 69   | 77   | 85   | 93   | 102  |
|                                      | 39   | 45   | 52   | 59   | 67   | 75   | 83   | 91   | 99   | 108  |



**CORPORATE SUBSIDIARIES (CS12)**  
**PROJECTED CASH FLOW STATEMENT**  
(In Millions of Dollars)

*For the year ended March 31*

|                                                     | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|-----------------------------------------------------|------|------|------|------|------|------|------|------|------|------|
| <b>OPERATING ACTIVITIES</b>                         |      |      |      |      |      |      |      |      |      |      |
| Cash Receipts from Customers                        | 45   | 48   | 52   | 53   | 54   | 55   | 56   | 57   | 59   | 60   |
| Cash Paid to Suppliers and Employees                | (39) | (41) | (44) | (45) | (46) | (47) | (48) | (48) | (49) | (50) |
| Interest Paid                                       | 0    | 0    | (0)  | -    | -    | -    | -    | -    | -    | -    |
|                                                     | 7    | 7    | 8    | 8    | 9    | 9    | 9    | 9    | 9    | 9    |
| <b>FINANCING ACTIVITIES</b>                         |      |      |      |      |      |      |      |      |      |      |
| Proceeds from Long-Term Debt                        | -    | -    | -    | -    | -    | -    | -    | -    | -    | -    |
| Retirement of Long-Term Debt                        | -    | -    | -    | -    | -    | -    | -    | -    | -    | -    |
| Other                                               | -    | -    | -    | -    | -    | -    | -    | -    | -    | -    |
|                                                     | -    | -    | -    | -    | -    | -    | -    | -    | -    | -    |
| <b>INVESTING ACTIVITIES</b>                         |      |      |      |      |      |      |      |      |      |      |
| Property, Plant and Equipment, net of contributions | (1)  | (0)  | (1)  | -    | -    | -    | -    | -    | -    | -    |
| Other                                               | -    | -    | -    | -    | -    | -    | -    | -    | -    | -    |
|                                                     | (1)  | (0)  | (1)  | -    | -    | -    | -    | -    | -    | -    |
| <b>Net Increase (Decrease) in Cash</b>              | 5    | 7    | 8    | 8    | 9    | 9    | 9    | 9    | 9    | 9    |
| <b>Cash at Beginning of Year</b>                    | 7    | 13   | 20   | 27   | 36   | 44   | 53   | 62   | 71   | 80   |
| <b>Cash at End of Year</b>                          | 13   | 20   | 27   | 36   | 44   | 53   | 62   | 71   | 80   | 89   |