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**2017/18 & 2018/19 ELECTRIC GENERAL RATE APPLICATION****Manitoba Hydro Undertaking #1**

**Manitoba Hydro to check to determine whether at the time of filing the integrated financial forecasts, as well as, whether the Manitoba Hydro Electric Board would have been provided scenario runs at rate increases higher than the 3.95 that exists in both of them.**

**Response:**

In connection with the approval of IFF14, Manitoba Hydro staff presented to the Audit Committee of the Manitoba Hydro Electric Board six alternate rate scenarios which included rate increase(s) in excess of 3.95% for consideration.

The scenarios presented were:

1. 5.15% 2015/16, 3.95% 2016/17 to 2030/31 then 2.0% 2031/32 to 2033/34;
2. 3.95% 2015/16 and 2016/17, 4.25% 2017/18 to 2023/24 then 3.18%;
3. 3.95% 2015/16 and 2016/17, 4.5% 2017/18 to 2023/24 then 2.70%;
4. 3.95% 2015/16 and 2016/17, 4.75% 2017/18 to 2023/24 then 2.20%;
5. 3.95% 2015/16 and 2016/17, 5.0% 2017/18 to 2022/23 then 2.31%;
6. 5.0% 2015/16 to 2022/23 then 2.0%.

These alternative rate scenarios were presented to reduce/minimize the net losses in the first ten years of the forecast.

The Audit Committee declined to present these alternative rate scenarios to the Manitoba Hydro Electric Board.

Alternative rate scenarios higher than 3.95% were not presented to the Manitoba Hydro Electric Board or the Audit Committee in connection with the approval of IFF15.