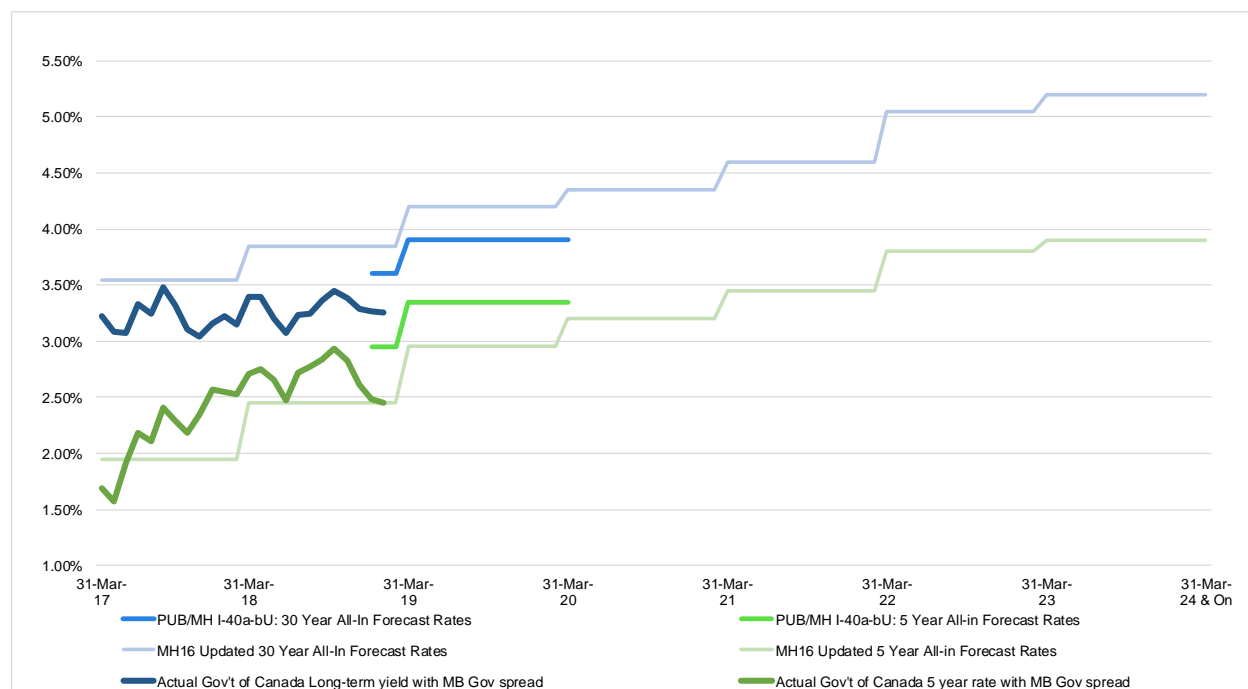


At this time, both actual and forecast long-term rates are down considerably compared to MH-93 interest rates. This is shown in the Figure below which shows actual monthly rates for Manitoba Hydro long-term and 5-year bond yields from March 31, 2017 to February 28, 2019. The figure compares to forecast amounts included in MH-93 long-term financial forecast to Manitoba Hydro's 2018/19 and 2019/20 forecasts underpinning Appendix 1 (Updated).

Figure 4: Manitoba Hydro All-in Borrowing Rates Actual Monthly Rates to February 28, 2019 & Forecast Fixed Debt Rate, Comparison to MH16 Long-Term Forecast³⁴



The key factor for considering long-term forecasts is the lines in blue (30 year rates). Compared to the MH16 forecast underlying Exhibit MH-93, actual long-term all-in forecast rates were an average of 0.5% lower for 2018/19. For 2019 year to date (i.e. January and February 2019), all-in long-term rates are approximately 0.3% lower than Hydro's latest forecast (3.27% compared to Hydro's forecast of 3.60% for 30 year) and over 0.5% lower than Hydro's forecast underpinning Exhibit MH-93. Starting April 1, 2019, Manitoba Hydro's 30 year all-in forecast rate jumps up by over 0.6% from actuals as of February 28, 2019 (3.90% compared to 3.26% with Mb spread). Consider that monthly long-term rates have remained within

³⁴ MH16 Updated 30 Year & 5 Year All-In Forecast Rates as of MH-68 in the 2017/18 and 2018/19 GRA, slide 64; Current 30 Year & 5 Year All-In Forecast Rates as of PUB/MH I-40(a-b) Updated; Actual monthly rates as per PUB/MH I-40 and extended for January and February 2019 from Bank of Canada Benchmark bond yields long-term (V122544) and 5 year (V122540) with added Province of Manitoba spreads as provided for those months in PUB/MH I-40(a-b) Updated.