

**MANITOBA HYDRO 2023/24 & 2024/25 GENERAL RATE APPLICATION
CONSUMERS COALITION
RESPONSE TO UNDERTAKING**

UNDERTAKING 53:

To update the graph on slide 13 by using the current data referred to you from MFR-41 amended at page 6.

RESPONSE:

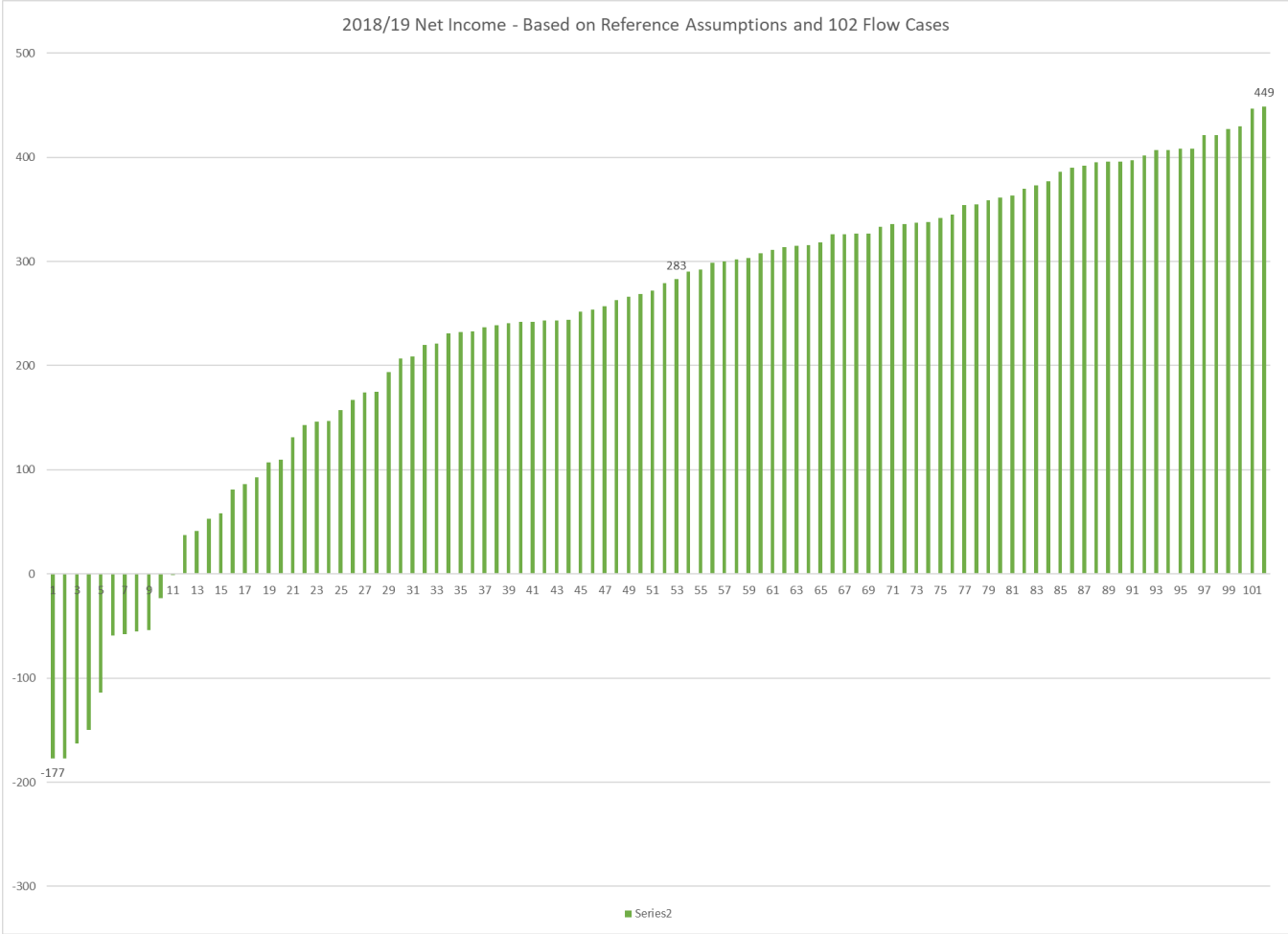
MPA has prepared charts which on the same basis compare evidence with respect to estimated Net Income in 2023/24 for Manitoba Hydro using historical hydrological flow cases, provided in MFR 41 in the current GRA, with similar data that was analyzed for 2018/19 as part of the 2017 /18 & 2018/19 GRA.

Please note:

- MFR 41 presents information for “Net Income”, without specifying whether that is “Net Income Attributable to Manitoba Hydro” or “Net Income” (overall). It has been assumed that the information is “Net Income” (overall). “Net Income” (overall) is used in the chart from the 2017/18 & 2018/19 GRA.
- MFR 41 information takes into account the recent reduction in Water Rental Fee and Debt Guarantee Fee that was announced by the Province of Manitoba in November, 2022. As a result, Net Income would be expected to be substantially higher than in earlier years, before the cut in fees took place.
- MFR 41 takes into account 110 historical flow cases, while in the earlier GRA only 102 historical flow cases were available.
- MFR 41 data reflects the fact that the Keeyask generating station is now in service, and the volume of energy production and exports is now larger than it was previously. This results in a general inflation of all of the dollar values on the chart (i.e., highs are higher, and lows are lower as compared to the chart for 2018/19).
- Note that the charts do not include references to bars corresponding to “average system inflows”, “average power production”, and other potentially interesting data points that might be depicted. Unfortunately this information was not available in MFR 41, so it has been similarly excluded from the earlier information.
- Also note that the initial system storage conditions for the two charts may be different. MFR 41 notes that initial conditions for 2023/24 data set were assumed to be the average of the end states of 2022/23 simulations. The initial system storage conditions for the 2018/19 data set is obviously different, which may have a bearing on the estimated profitability in that earlier year.

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2018/19 Net Income Results for Historical Hydrological Flow Cases

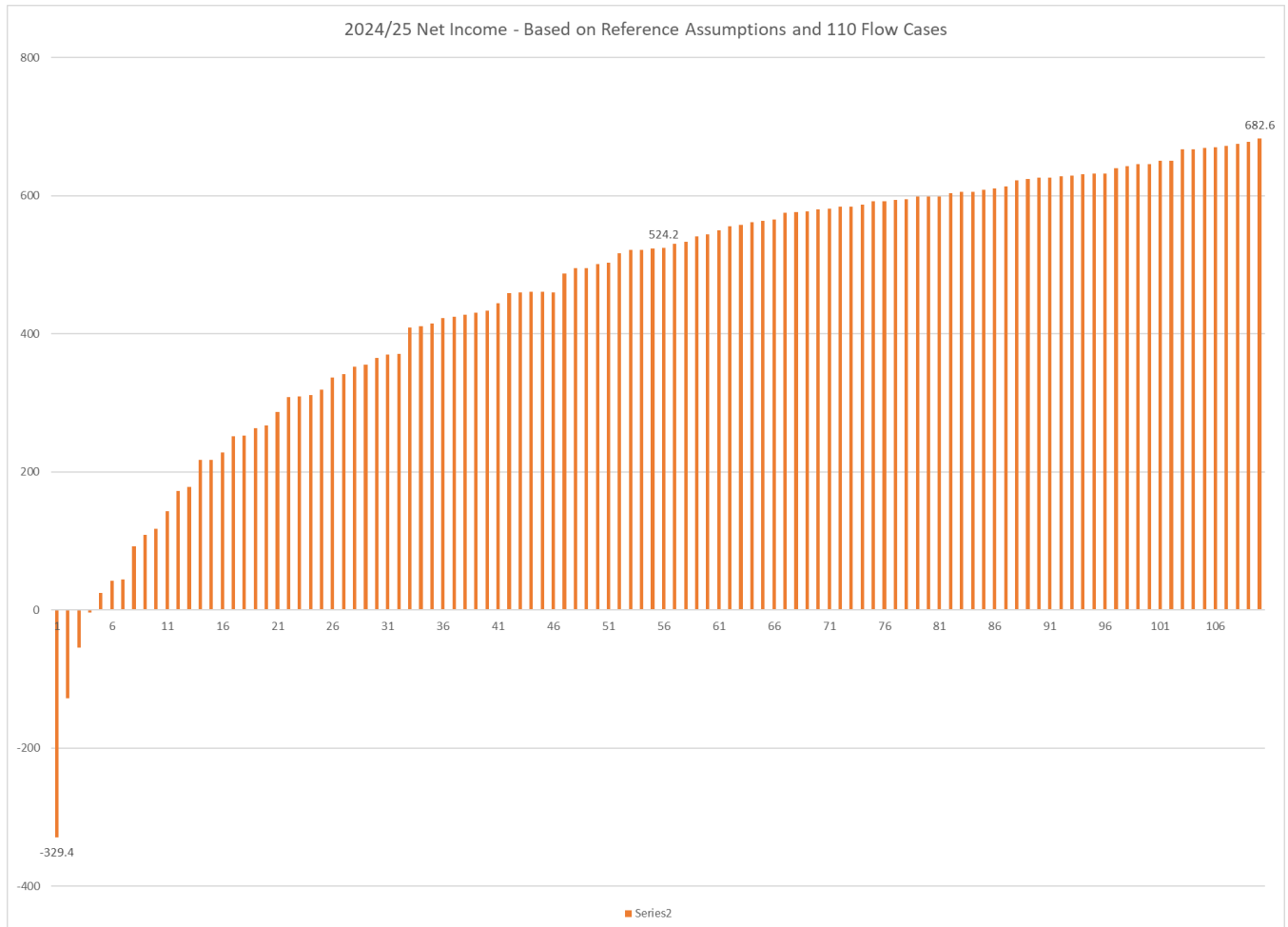


Information from the 2017/18 & 2018/19 GRA

Reference Assumptions used in all calculations

MANITOBA HYDRO 2023/24 & 2024/25 GENERAL RATE APPLICATION CONSUMERS COALITION RESPONSE TO UNDERTAKING

2023/24 Net Income Results for Historical Hydrological Flow Cases



Information from MFR 41 (Amended)

It is assumed that reference assumptions from the Manitoba Hydro Application were used in all calculations, but this has not been verified by MPA.