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May 24, 2023

THE PUBLIC UTILITIES BOARD OF MANITOBA
400-330 Portage Avenue
Winnipeg, Manitoba
R3C 0C4

ATTENTION: Dr. D. Christle, Board Secretary and Executive Director

Dear Dr. Christle:

RE: MANITOBA HYDRO'S 2023/24 & 2024/25 GENERAL RATE APPLICATION – UNDERTAKING'S 2 AND 4

Please find enclosed Manitoba Hydro's undertakings 2 and 4.

Should you have any questions with respect to the foregoing, please do not hesitate to contact the writer at 204-360-3257.

Yours truly,
MANITOBA HYDRO LEGAL SERVICES

Per:

A handwritten signature in blue ink, appearing to read 'Brent Czarnecki', with a stylized flourish at the end.

Brent Czarnecki
Senior Counsel

2023/24 & 2024/25 GENERAL RATE APPLICATION

Manitoba Hydro Undertaking #2

Confirm the date the situation in May 2021 (below average potential hydraulic energy from inflows and below average potential energy in storage) was reported to Manitoba Hydro executives.

Response:

Updates on water supply conditions are provided to Manitoba Hydro executive in the Energy Resources Review and Outlook Report. An example of this report is included starting at page 40 of Manitoba Hydro's Drought Management Planning Document, filed as Appendix 5.3.

In addition to regular reporting, water conditions updates were shared directly to executive via internal communications throughout the 2021/22 drought. Briefing materials around the May 2021 timeframe were provided to executive on May 12th and June 15th, 2021.

Forecast projections of net export revenues are provided quarterly. Please refer to Undertaking #4 for details on the timing of when the forecast was prepared for inclusion in Manitoba Hydro's 2021 First Quarterly Report.

2023/24 & 2024/25 GENERAL RATE APPLICATION

Manitoba Hydro Undertaking #4

Manitoba Hydro to provide the Board with the dates of the water flow data that were used in the Q1 report.

Response:

In preparing its quarterly reports, Manitoba Hydro has a process to close its accounting systems and generate results, with preliminary results being available approximately two weeks following the end of the quarter. Based on the actual results for the quarter and updated forecast information at that time, Manitoba Hydro prepares a forecast of the projected financial results for the remainder of the fiscal year. Once results and projections are finalized, the quarterly report is submitted to the Manitoba Hydro-Electric Board for approval. In accordance with Section 11 of *The Crown Corporations Governance and Accountability Act*, Manitoba Hydro is required to submit its quarterly report to the Minister responsible for Manitoba Hydro within 45 days of the end of the quarter.

For the period ended June 30, 2021, Manitoba Hydro completed its generation system model runs on July 22, 2021 based on water conditions up to July 18, 2021 to project Net Export Revenues for the July 1, 2021 through March 31, 2022 period. This forecast was combined with actuals up to June 30, 2021 for the projected financial results for 2021/22 in the 2021/22 First Quarterly Report. This report was submitted to the Minister on August 13, 2021 and was publicly released on September 23, 2021, coinciding with the release of the 2020/21 Annual Report. Pursuant to the Act, the quarterly financial statements must be made public within a reasonable time, which timing is at the discretion of the Minister.