

**ELECTRIC OPERATIONS (MH01-1) WITH EXPOSURE MANAGEMENT AND SPECIAL PAYMENT**  
**PROJECTED OPERATING STATEMENT**  
(x 1,000,000)

For year ending March 31:

|  | 2002  | 2003  | 2004  | 2005  | 2006  | 2007  | 2008  | 2009  | 2010  | 2011  | 2012  |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>REVENUES:</b>                       |       |       |       |       |       |       |       |       |       |       |       |
| General Consumers Revenue              |       |       |       |       |       |       |       |       |       |       |       |
| at approved rates                      | 743   | 749   | 762   | 770   | 780   | 789   | 798   | 807   | 818   | 829   | 840   |
| additional*                            | -     | -     | 15    | 31    | 48    | 65    | 83    | 102   | 103   | 105   | 106   |
| Winnipeg Hydro                         | 48    | 48    | 50    | 51    | 52    | 53    | 55    | 56    | 57    | 58    | 58    |
| Extraprovincial                        | 628   | 553   | 528   | 467   | 454   | 448   | 430   | 425   | 404   | 425   | 427   |
| Other                                  | 5     | 5     | 5     | 5     | 5     | 5     | 5     | 6     | 6     | 5     | 5     |
|  | 1,424 | 1,355 | 1,360 | 1,324 | 1,339 | 1,360 | 1,371 | 1,396 | 1,388 | 1,422 | 1,436 |
| <b>EXPENSES:</b>                       |       |       |       |       |       |       |       |       |       |       |       |
| Finance Expense                        | 496   | 504   | 507   | 493   | 497   | 490   | 484   | 478   | 475   | 492   | 491   |
| Depreciation                           | 237   | 256   | 269   | 280   | 286   | 296   | 303   | 312   | 317   | 322   | 332   |
| Cost of Operations                     | 254   | 262   | 266   | 268   | 273   | 278   | 284   | 290   | 295   | 301   | 307   |
| Water Rentals                          | 112   | 101   | 97    | 97    | 97    | 97    | 98    | 98    | 98    | 98    | 98    |
| Tax Expense                            | 40    | 41    | 41    | 42    | 42    | 42    | 42    | 42    | 42    | 42    | 42    |
| Fuel & Power Purchased                 | 65    | 81    | 89    | 86    | 75    | 80    | 84    | 90    | 94    | 96    | 102   |
|  | 1,204 | 1,245 | 1,269 | 1,266 | 1,270 | 1,283 | 1,295 | 1,310 | 1,321 | 1,351 | 1,372 |
| Net Income                             | 220   | 110   | 91    | 58    | 69    | 77    | 76    | 86    | 67    | 71    | 64    |
| Special Payment                        | 150   | 75    | 63    |       |       |       |       |       |       |       |       |
| Contribution to Retained Earnings      | 70    | 35    | 28    | 58    | 69    | 77    | 76    | 86    | 67    | 71    | 64    |
| * Additional General Consumers Revenue |       |       | 15    | 31    | 48    | 65    | 83    | 102   | 103   | 105   | 106   |
| Percentage Increase                    |       |       | 2.0%  | 2.0%  | 2.0%  | 2.0%  | 2.0%  | 2.0%  | 12.6% | 12.6% | 12.6% |
| Cumulative percentage Increase         |       |       | 2.0%  | 4.0%  | 6.1%  | 8.2%  | 10.4% | 12.6% | 12.6% | 12.6% | 12.6% |
| <b>Financial Ratios</b>                |       |       |       |       |       |       |       |       |       |       |       |
| Debt:Equity                            | 77:23 | 78:22 | 78:22 | 77:23 | 77:23 | 76:24 | 75:25 | 74:26 | 74:26 | 73:27 | 71:29 |
| Interest Coverage                      | 1.43  | 1.21  | 1.18  | 1.12  | 1.13  | 1.15  | 1.15  | 1.17  | 1.13  | 1.14  | 1.13  |
| Capital Coverage                       | 1.10  | 1.05  | 0.99  | 1.05  | 1.06  | 1.17  | 0.99  | 1.20  | 1.07  | 1.24  | 1.61  |

**ELECTRIC OPERATIONS (MH01-1) WITH EXPOSURE MANAGEMENT AND SPECIAL PAYMENT**  
**PROJECTED BALANCE SHEET**  
(x 1,000,000)

| For year ending March 31:            | 2002    | 2003    | 2004    | 2005    | 2006    | 2007    | 2008    | 2009    | 2010    | 2011    | 2012    |
|--------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>ASSETS:</b>                       |         |         |         |         |         |         |         |         |         |         |         |
| Plant in Service                     | 8,720   | 9,267   | 9,592   | 9,912   | 10,206  | 10,473  | 10,776  | 11,110  | 11,336  | 11,948  | 12,221  |
| Accumulated Depreciation             | (2,800) | (3,038) | (3,287) | (3,545) | (3,808) | (4,082) | (4,361) | (4,649) | (4,945) | (5,243) | (5,550) |
| Net Plant in Service                 | 5,920   | 6,229   | 6,305   | 6,367   | 6,398   | 6,391   | 6,415   | 6,461   | 6,391   | 6,705   | 6,671   |
| Construction in Progress             | 352     | 179     | 218     | 224     | 248     | 294     | 368     | 355     | 472     | 149     | 84      |
| Current & Other Assets               | 2,502   | 2,456   | 2,372   | 2,300   | 2,272   | 2,263   | 2,256   | 2,267   | 2,279   | 2,309   | 2,363   |
|                                      | 8,774   | 8,864   | 8,895   | 8,891   | 8,918   | 8,948   | 9,039   | 9,083   | 9,142   | 9,163   | 9,118   |
| <b>LIABILITIES:</b>                  |         |         |         |         |         |         |         |         |         |         |         |
| Long Term Debt (Net)                 | 4,777   | 5,486   | 5,898   | 5,881   | 6,179   | 6,085   | 5,756   | 5,224   | 6,009   | 5,976   | 5,731   |
| Current & Other Liabilities          | 2,577   | 1,927   | 1,521   | 1,479   | 1,143   | 1,193   | 1,542   | 2,035   | 1,245   | 1,231   | 1,366   |
| Contributions in Aid of Construction | 269     | 265     | 262     | 259     | 255     | 251     | 247     | 244     | 241     | 238     | 240     |
| Retained Earnings                    | 1,151   | 1,186   | 1,214   | 1,272   | 1,341   | 1,419   | 1,494   | 1,580   | 1,647   | 1,718   | 1,781   |
|                                      | 8,774   | 8,864   | 8,895   | 8,891   | 8,918   | 8,948   | 9,039   | 9,083   | 9,142   | 9,163   | 9,118   |
| Debt:Equity Ratio                    | 77:23   | 78:22   | 78:22   | 77:23   | 77:23   | 76:24   | 75:25   | 74:26   | 74:26   | 73:27   | 71:29   |

**ELECTRIC OPERATIONS (MH01-1) WITH EXPOSURE MANAGEMENT AND SPECIAL PAYMENT**  
**PROJECTED FINANCING REQUIREMENTS STATEMENT**  
(x 1,000,000)

|                               | 2002         | 2003         | 2004       | 2005       | 2006       | 2007       | 2008       | 2009       | 2010         | 2011       | 2012       |
|-------------------------------|--------------|--------------|------------|------------|------------|------------|------------|------------|--------------|------------|------------|
| <b>FUNDS FROM OPERATIONS</b>  |              |              |            |            |            |            |            |            |              |            |            |
| Net Income                    | 220          | 110          | 91         | 58         | 69         | 77         | 76         | 86         | 67           | 71         | 64         |
| Provision for Depreciation    | 237          | 256          | 269        | 280        | 286        | 296        | 303        | 312        | 317          | 322        | 332        |
| Other                         | 9            | 19           | 13         | 16         | (6)        | (2)        | (4)        | (7)        | (5)          | (5)        | (11)       |
|                               | <u>466</u>   | <u>385</u>   | <u>373</u> | <u>354</u> | <u>349</u> | <u>371</u> | <u>375</u> | <u>391</u> | <u>379</u>   | <u>388</u> | <u>385</u> |
| <b>APPLICATION OF FUNDS</b>   |              |              |            |            |            |            |            |            |              |            |            |
| Capital Expenditures          | 425          | 367          | 376        | 338        | 330        | 318        | 380        | 325        | 355          | 312        | 239        |
| Refinancing of LTD            | 627          | 757          | -          | 211        | -          | 90         | 107        | 3          | 501          | -          | -          |
| Sinking Fund Deposit          | 116          | 123          | 87         | 121        | 139        | 137        | 128        | 128        | 206          | 192        | 205        |
| Other                         | 80           | 39           | 36         | 19         | 18         | 20         | 20         | 21         | 20           | 21         | 22         |
|                               | <u>-</u>     | <u>225</u>   | <u>63</u>  | <u>-</u>   | <u>-</u>   | <u>-</u>   | <u>-</u>   | <u>-</u>   | <u>-</u>     | <u>-</u>   | <u>-</u>   |
|                               | <u>1,248</u> | <u>1,511</u> | <u>562</u> | <u>689</u> | <u>487</u> | <u>565</u> | <u>635</u> | <u>477</u> | <u>1,082</u> | <u>525</u> | <u>466</u> |
| <b>FINANCING REQUIREMENTS</b> | <u>782</u>   | <u>1,126</u> | <u>189</u> | <u>335</u> | <u>138</u> | <u>194</u> | <u>260</u> | <u>86</u>  | <u>703</u>   | <u>137</u> | <u>81</u>  |