

Finance Expense-Debt Levels MFR 4

A schedule that details for the last fiscal year through the 20 year current forecast a summary of total interest and finance cost incurred/ forecasted by major category [debt charges, foreign currency gains/losses etc.] both capitalized and expended in a similar level of detail provided in PUB/MH 1-35 (2010 GRA).

The attached schedule for the fiscal years 2014/15 to 2034/35 conforms to the categorization of finance expense as shown in the Application in Schedule 5.1.5. This schedule groups the components of finance expense into three primary categories:

1. Total Interest on Short & Long Term Debt,
2. Interest Allocated to Construction, and
3. Sinking Fund and Other Adjustments.

The Corporation's net interest expense is the total interest on short & long term debt minus the interest allocated to construction.

Please note that the forecast presentation of Finance Expense conforms to the Electric Operations Financial Forecast IFRS compliant statements in IFF15.

MANITOBA HYDRO
Summary of Total Finance Expense
(\$ millions CAD)

	Actual 2015	Forecast 2016	Forecast 2017	Forecast 2018	Forecast 2019	Forecast 2020	Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024	Forecast 2025
Interest on Short & Long Term Debt											
Gross Interest	\$ 552	\$ 638	\$ 735	\$ 833	\$ 897	\$ 957	\$ 982	\$ 986	\$ 963	\$ 966	\$ 964
Provincial Guarantee Fee	105	118	139	170	196	213	224	230	228	229	230
Amortization of (Premiums), Discounts, and Transaction Costs	2	2	2	2	2	2	3	4	3	1	2
Intercompany Interest Receivable	(23)	(23)	(25)	(30)	(37)	(41)	(44)	(35)	(29)	(30)	(31)
Total Interest on Short & Long Term Debt	637	736	851	975	1,058	1,130	1,165	1,184	1,166	1,166	1,165
Interest Allocated to Construction	(146)	(176)	(288)	(410)	(348)	(306)	(106)	(15)	(15)	(12)	(11)
Interest Earned on Sinking Fund	0	(0)	(2)	(11)	(19)	(22)	(19)	(17)	(2)	(2)	(5)
Realized Foreign Exchange (Gains) or Losses on Debt in Cash Flow Hedges	(6)	(6)	16	12	11	9	4	5	2	-	-
Revaluation of Dual Currency Bonds	1	1	1	1	1	1	1	2	2	2	2
Corporate Allocation	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)
Other Amortization	26	31	30	30	31	30	52	49	47	45	44
Total Finance Expense	\$ 495	\$ 566	\$ 589	\$ 579	\$ 716	\$ 824	\$ 1,079	\$ 1,188	\$ 1,180	\$ 1,181	\$ 1,177

	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031	Forecast 2032	Forecast 2033	Forecast 2034	Forecast 2035
Interest on Short & Long Term Debt										
Gross Interest	\$ 958	\$ 961	\$ 959	\$ 954	\$ 937	\$ 917	\$ 841	\$ 825	\$ 807	\$ 791
Provincial Guarantee Fee	230	229	226	224	222	220	217	215	213	211
Amortization of (Premiums), Discounts, and Transaction Costs	2	2	2	2	2	2	3	3	3	4
Intercompany Interest Receivable	(32)	(34)	(35)	(36)	(38)	(39)	(40)	(40)	(40)	(41)
Total Interest on Short & Long Term Debt	1,158	1,157	1,152	1,144	1,123	1,101	1,021	1,003	984	965
Interest Allocated to Construction	(10)	(10)	(10)	(9)	(8)	(8)	(8)	(8)	(9)	(12)
Interest Earned on Sinking Fund	(6)	(14)	(30)	(42)	(49)	(60)	(42)	(53)	(65)	(78)
Realized Foreign Exchange (Gains) or Losses on Debt in Cash Flow Hedges	-	-	-	-	-	-	-	-	-	-
Revaluation of Dual Currency Bonds	1	-	-	-	-	-	-	-	-	-
Corporate Allocation	(19)	(19)	(19)	(19)	(16)	(14)	(14)	(14)	(14)	(14)
Other Amortization	43	41	40	39	38	37	36	35	34	33
Total Finance Expense	\$ 1,167	\$ 1,157	\$ 1,134	\$ 1,114	\$ 1,088	\$ 1,055	\$ 994	\$ 963	\$ 929	\$ 894