

Finance Expense-Debt Levels MFR 6

Term sheets related to long term debt issued in the last two fiscal years.

The attached information provides the terms for Manitoba Hydro's actual new and amended long term debt financings for fiscal years 2014/15 and 2015/16 up to November 30, 2015. For a complete summary listing of the entire debt portfolio at November 30, 2015, please see Finance Expense – Debt Levels MFR 7 (2016/17 Supplementary Filing).

Terms for New and Amended Long Term Debt (April 1, 2014 to November 30, 2015)

The terms for Manitoba Hydro's new and amended long term debt financings are provided for fiscal years 2014/15 and 2015/16 (up to November 30, 2015).

2014/15 Total long term financings for the year were CAD \$2,547.6, made up of:

- \$1,583.5 million for new borrowing requirements.
- \$583.1 million to refinance maturing long term debt.
- \$381.0 million to refinance maturing underlying debt issues associated with ongoing interest rate swaps.

The actual long term debt financings undertaken during this fiscal year, per quarter, were as follows:

Quarter 1 On April 10, 2014, Manitoba Hydro secured long term debt series **C136** for CAD \$50 million and a September 5, 2029 maturity date. The debt, which was swapped to floating rate debt, was issued to partially refinance debt series FS-2C (\$100 million). A forward fixed interest rate swap that was previously linked to debt issue FS-2C was re-linked to the C136 underlying refinancing, which amended the fixed rate on \$50 million of the debt stream to 5.020%.

On April 14, 2014, Manitoba Hydro secured long term debt series **C136-2** for CAD \$50 million and a September 5, 2029 maturity date. The debt, which was swapped to floating rate debt, was issued to partially refinance debt series FS-2C (\$100 million). A forward fixed interest rate swap that was previously linked to debt series FS-2C was re-linked to the C136-2 underlying refinancing, which amended the fixed rate on \$50 million of the debt stream to 4.882%.

On April 14, 2014, Manitoba Hydro secured long term debt series **C129-9** for CAD \$60 million and a September 5, 2052 maturity date. C129-9 was issued at a discount with proceeds of \$51.5 million (net of commissions), a fixed rate coupon of 3.150%, and an all-in yield of 3.858%. The debt was issued to finance new borrowing requirements.

On April 14, 2014, Manitoba Hydro secured long term debt series C138 for CAD \$200 million and a May 15, 2020 maturity date. The debt, which was a floating rate note, was issued to refinance debt series FS-2A (\$100 million) and FS-2B (\$100 million). Forward fixed interest rate swaps that were previously linked to debt series FS-2A and FS-2B were re-linked to the C138 underlying refinancing, which amended the fixed rate on the debt streams to 7.312% (**C138-A**) and 7.443% (**C138-B**).

On April 15, 2014, Manitoba Hydro secured long term debt series **C136-3** for CAD \$31 million and a September 5, 2029 maturity date. The debt, which was swapped to floating rate debt, was issued to partially refinance debt series FS-2D (\$81 million). A forward fixed interest rate swap that was previously linked to debt series FS-2D was re-linked to the C136-3 underlying refinancing, which amended the fixed rate on \$31 million of the debt stream to 5.058%.

On April 23, 2014, Manitoba Hydro secured long term debt series **C129-10** for CAD \$50 million and a September 5, 2052 maturity date. C129-10 was issued at a discount with proceeds of \$43.6 million (net of commissions), a fixed rate coupon of 3.150%, and an all-in yield of 3.786%. The debt was issued to finance new borrowing requirements.

On April 30, 2014, Manitoba Hydro secured long term debt series **GG-2** for CAD \$250 million and a September 5, 2045 maturity date. GG-2 was issued at a premium with proceeds of \$260.5 million (net of commissions), a fixed rate coupon of 4.050%, and an all-in yield of 3.819%. The debt was issued to finance new borrowing requirements.

On May 5, 2014, Manitoba Hydro secured long term debt series **C138-2** for CAD \$50 million and a May 15, 2020 maturity date. The debt, which was a floating rate note, was issued to partially refinance debt series FS-2D (\$81 million). A forward fixed interest rate swap that was previously linked to debt series FS-2D was re-linked to the C138-2 underlying refinancing, which amended the fixed rate on \$50 million of the debt stream to 4.897%.

On June 9, 2014, Manitoba Hydro secured long term debt series **C129-11** for CAD \$25 million and a September 5, 2052 maturity date. C129-11 was issued at a discount with proceeds of \$22.2 million (net of commissions), a fixed rate coupon of 3.150%, and an all-in yield of 3.702%. The debt was issued to finance new borrowing requirements.

On June 10, 2014, Manitoba Hydro secured long term debt series **C129-12** for CAD \$40 million and a September 5, 2052 maturity date. C129-12 was issued at a discount with proceeds of \$35.5 million (net of commissions), a fixed rate coupon of 3.150%, and an all-in yield of 3.699%. The debt was issued to finance new borrowing requirements.

On June 24, 2014, Manitoba Hydro secured long term debt series **C139** for CAD \$50 million and a September 5, 2054 maturity date. C139 was issued at a discount with proceeds of \$49.8 million (net of commissions), a fixed rate coupon of 3.650%, and an all-in yield of 3.666%. The debt was issued to finance new borrowing requirements.

Quarter 2 On July 11, 2014, Manitoba Hydro secured long term debt series **C139-2** for CAD \$25 million and a September 5, 2054 maturity date. C139-2 was issued at a premium with proceeds of \$25.1 million (net of commissions), a fixed rate coupon of 3.650%, and an all-in yield of 3.625%. The debt was issued to refinance HydroBonds.

On September 1, 2014, existing floating rate debt series FA for \$150 million and a March 3, 2037 maturity date was linked to forward fixed interest rate swaps that were previously linked to maturing debt series FM-1 (\$25 million), FM-2 (\$75 million) and FM-3 (\$50 million). Debt series FA, as an underlying debt issue, reduced the fixed rate on the FM swap streams by 0.423% to the swap maturity date of September 1, 2029. The amended fixed rates are 6.211% (**FA-1**), 6.311% (**FA-2**) and 6.266% (**FA-3**).

On September 3, 2014, Manitoba Hydro secured long term debt series **C140** for AUD \$100 million and a March 3, 2025 maturity date. The issue was swapped to CAD \$101.6 million and a fixed rate coupon of 2.916%. The debt was issued to refinance \$101.6 million of maturing debt series FM (FM-1, FM-2, FM-3 and FM-4 totaling \$250 million).

On September 5, 2014, Manitoba Hydro secured long term debt series **GH** for CAD \$300 million and a June 2, 2024 maturity date. GH was issued at a premium with proceeds of \$312.1 million (net of commissions), a fixed rate coupon of 3.300%, and an all-in yield of 2.825%. The debt was issued to refinance \$148.4 million of debt series FM (FM-1, FM-2, FM-3 and FM-4 totaling \$250 million), \$68.1 million of HydroBonds, as well as to finance \$83.5 million of new borrowing requirements.

On September 23, 2014, Manitoba Hydro secured long term debt series **GG-3** for CAD \$300 million and a September 5, 2045 maturity date. GG-3 was issued at a premium with proceeds of \$322.6 million (net of commissions), a fixed rate coupon of 4.050%, and an all-in yield of 3.642%. The debt was issued to finance new borrowing requirements.

Quarter 3 On November 20, 2014, Manitoba Hydro secured long term debt series **GG-4** for CAD \$400 million and a September 5, 2045 maturity date. GG-4 was issued at a premium with proceeds of \$434.2 million (net of commissions), a fixed rate coupon of 4.050%, and an all-in yield of 3.589%. The debt was issued to refinance maturing debt series FC-3 (\$200 million) as well as to finance new borrowing requirements (\$200 million).

On November 25, 2014, Manitoba Hydro executed a currency swap to create dual currency bond **EE** by converting USD \$200 million of principal for debt series EE to CAD \$228.4 million. The fixed coupon rate on EE remains at 9.500% on USD \$200 million.

On December 3, 2014, existing floating rate debt series **CO77-2** for \$100 million and **CO77-3** for \$50 million, each with a February 11, 2020 maturity date, were linked to a forward fixed interest rate swap that was previously linked to debt series FC-3 (\$200 million). Debt series CO77-2 and CO77-3, as underlying debt issues, reduced the fixed rate on \$150 million of the FC-3 swap stream by 0.221% to the swap maturity date of June 2, 2018. The amended fixed rate for both CO77-2 and CO77-3 is 6.927%.

On December 3, 2014, existing floating rate debt series **CO68** for \$50 million and a March 5, 2044 maturity date was linked to a forward fixed interest rate swap that was previously linked to maturing debt series FC-3 (\$200 million). Debt series CO68, as an underlying debt issue, reduced the fixed rate on \$50 million of the FC-3 swap stream by 0.111% to the swap maturity date of June 2, 2018. The amended fixed rate for CO68 is 7.037%.

On December 4, 2014, Manitoba Hydro secured long term debt series **C137-5** for CAD \$50 million and a March 5, 2063 maturity date. C137-5 was issued at a premium with proceeds of \$51.1 million (net of commissions), a fixed rate coupon of 3.450%, and an all-in yield of 3.354%. The debt was issued to finance new borrowing requirements.

On December 31, 2014, Manitoba Hydro secured mitigation bond **5C-1** for CAD \$10 million and a December 31, 2024 maturity date. 5C-1 was issued at par, a fixed rate coupon, and all-in yield of 3.723%. The debt was issued to refinance \$10 million of maturing mitigation bond 5A (\$40 million).

On December 31, 2014, Manitoba Hydro secured mitigation bond **5C-2** for CAD \$10 million and a December 31, 2029 maturity date. 5C-2 was issued at par, a fixed rate coupon, and all-in yield of 4.049%. The debt was issued to refinance \$10 million of maturing mitigation bond 5A (\$40 million).

On December 31, 2014, Manitoba Hydro secured mitigation bond **5C-3** for CAD \$10 million and a December 31, 2034 maturity date. 5C-3 was issued at par, a fixed rate coupon, and all-in yield of 4.245%. The debt was issued to refinance \$10 million of maturing mitigation bond 5A (\$40 million).

On December 31, 2014, Manitoba Hydro secured mitigation bond **5C-4** for CAD \$10 million and a December 31, 2039 maturity date. 5C-4 was issued at par, a fixed rate coupon, and all-in yield of 4.311%. The debt was issued to refinance \$10 million of maturing mitigation bond 5A (\$40 million).

Quarter 4 On January 14, 2015, Manitoba Hydro secured long term debt series **FR-3** for CAD \$175 million and a March 5, 2041 maturity date. FR-3 was issued at a premium with proceeds of \$202.2 million (net of commissions), a fixed rate coupon of 4.100%, and an all-in yield of 3.215%. The debt was issued to finance new borrowing requirements.

On March 2, 2015, Manitoba Hydro secured long term debt series **GK** for CAD \$300 million and a September 5, 2046 maturity date. GK was issued at a discount with proceeds of \$296.8 million (net of commissions), a fixed rate coupon of 2.850%, and an all-in yield of 2.902%. The debt was issued to finance new borrowing requirements.

2015/16 Total long term financings for the fiscal year to November 30, 2015 are CAD \$1,612.4, made up of:

- \$1,497.0 million for new borrowing requirements.
- \$115.4 million to refinance maturing long term debt.

The actual long term debt financings undertaken during this fiscal year to date, per quarter, are as follows:

Quarter 1 On April 15, 2015, Manitoba Hydro secured long term debt series **GK-2** for CAD \$300 million and a September 5, 2046 maturity date. GK-2 was issued at a discount with proceeds of \$297.0 million (net of commissions), a fixed rate coupon of 2.850%, and an all-in yield of 2.898%. The debt was issued to finance new borrowing requirements.

On June 11, 2015, Manitoba Hydro secured long term debt series **GJ-3** for CAD \$150 million and a June 2, 2025 maturity date. GJ-3 was issued at a discount with proceeds of \$148.7 million (net of commissions), a fixed rate coupon of 2.450%, and an all-in yield of 2.549%. The debt was issued to finance new borrowing requirements.

Quarter 2 On July 24, 2015, Manitoba Hydro secured long term debt series **GK-3** for CAD \$150 million and a September 5, 2046 maturity date. GK-3 was issued at a discount with proceeds of \$139.9 million (net of commissions), a fixed rate coupon of 2.85%, and an all-in yield of 3.227%. The debt was issued to finance new borrowing requirements.

On September 16, 2015, Manitoba Hydro secured long term debt series **GJ-4** for CAD \$150 million and a June 2, 2025 maturity date. GJ-4 was issued at a discount with proceeds of \$148.9 million (net of commissions), a fixed rate coupon of 2.450%, and an all-in yield of 2.539%. The debt was issued to refinance \$49.5 million of HydroBonds, as well as to finance \$100.5 million of new borrowing requirements.

On September 29, 2015, Manitoba Hydro secured long term debt series **C137-6** for CAD \$62 million and a March 5, 2063 maturity date. C137-6 was issued at a premium with proceeds of \$63.0 million (net of commissions), a fixed rate coupon of 3.450% and an all-in yield of 3.378%. The debt was issued to finance new borrowing requirements.

Quarter 3

On October 15, 2015, Manitoba Hydro secured long term debt series **GK-4** for CAD \$300 million and a September 5, 2046 maturity date. GK-4 was issued at a discount with proceeds of \$262.0 million (net of commissions), a fixed rate coupon of 2.85% and an all-in yield of 3.526%. The debt was issued to finance new borrowing requirements.

On November 6, 2015, Manitoba Hydro executed a currency swap to create dual currency bond **BU-1** by converting USD \$66 million (of total \$200 million) of principal for debt series BU to CAD \$87.1 million. The fixed coupon rate on BU and BU-1 remains at 9.625% on USD \$200 million.

On November 10, 2015, Manitoba Hydro secured long term debt series **C109-5** for CAD \$50 million and a March 5, 2063 maturity date. C109-5 was issued at a premium with proceeds of \$61.6 million (net of commissions), a fixed rate coupon of 4.625% and an all-in yield of 3.597%. The debt was issued to finance new borrowing requirements.

On November 20, 2015, Manitoba Hydro secured long term debt series **C109-6** for CAD \$50 million and a March 5, 2063 maturity date. C109-6 was issued at a premium with proceeds of \$62.2 million (net of commissions), a fixed rate coupon of 4.625% and an all-in yield of 3.555%. The debt was issued to finance new borrowing requirements.

On November 30, 2015, Manitoba Hydro secured long term debt series **GM** for USD \$300 million and a November 30, 2020 maturity date. The issue was swapped to CAD \$400.4 million and a fixed rate coupon of 1.773%. The debt was issued to refinance \$65.9 million of maturing debt series EY. The remaining \$334.5 million of the debt was issued to finance new borrowing requirements.