

Financial Information MFR 1 - Alternate Scenario

Resubmit electric-only IFF15 Scenario 2 to show equal annual rate increases that result in a 75:25 debt-to-equity ratio at the end of fiscal year 2033/34.

Response:

Please see attached Scenario 2(b) projected financial statements for electric operations assuming 3.49% even annual rate increases from 2016/17 to 2028/29 to achieve a debt-to-equity ratio of 75:25 by 2033/34, assuming the amortization of the regulatory asset through other comprehensive income. As outlined in the initial response to Financial Information MFR 1 (Attachment 28), Manitoba Hydro's position is that the amortization of regulatory deferral balances through other comprehensive income is an inappropriate accounting treatment.

The reduction in the rate increases from the projected 3.95% in MH15 results in a further increase in net debt along with a corresponding increase in annual finance expense. The increase in net debt is the result of reductions in annual cash inflows from lower revenues in addition to increased cash outflows related to higher finance charges. Scenario 2(b) demonstrates that, while projected net income and retained earnings are initially higher in the seven year period to 2021/22, the 46 basis point reduction in annual even rate increases compared to MH15 results in net debt that is higher throughout the twenty year forecast period with lower equity levels beginning in 2026/27 through to 2034/35. By 2034/35, net debt is \$2.7 billion higher than MH15, resulting in a cumulative increase in finance expense of \$697 million compared to MH15.

Compared to Scenario 2 in Financial Information MFR 1 (Attachment 28), this scenario further increases the risk to future rate payers of rate instability and intergenerational inequity. The impact of reduced revenues in combination with increases in finance expense results in a cumulative reduction to retained earnings of \$2.6 billion by 2034/35. Should unfavourable conditions such as low water flows or higher interest rates occur, Manitoba Hydro will have reduced capacity in equity to absorb the resulting reductions in earnings increasing the likelihood that customer rates would need to be significantly higher than those projected in MH15. Under this scenario, not only will future ratepayers be responsible for the recovery of \$1.9 billion in regulatory deferral accounts by 2034/35 (consistent with Scenario 2 of Financial Information MFR 1), these same ratepayers may also be required to share a larger burden of the financial impact of the various risks the Corporation faces.

To be consistent with the initial response to Financial Information MFR 1 (Attachment 28), Manitoba Hydro has also provided Scenario 1(b). Under this scenario the regulatory asset is amortized through Depreciation & Amortization and the even annual rate increase from 2016/17 to 2028/29 to achieve a debt-to-equity ratio of 75:25 by 2033/34 is 3.49%, the same as Scenario 2(b). Regardless of the regulatory asset amortization assumption through either income or other comprehensive income both affect equity and the debt-to-equity ratio equally through either retained earnings or AOCI, respectively, and result in the same impact to the calculated even annual rate increases under both Scenario 1 and Scenario 2. Likewise, the reduction of even annual rate increases under Scenario 1(b) results in the same increase in net debt of \$2.7 billion to 2034/35 and the increased risk of rate instability to customers as Scenario 2(b). Scenario 1(b) is also attached.

ELECTRIC OPERATIONS (MH15)
PROJECTED OPERATING STATEMENT
Financial Information MFR #1 - Scenario 2 (OCI Scenario) – Alternate Scenario
(In Millions of Dollars)

For the year ended March 31

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
REVENUES										
General Consumers										
at approved rates	1,517	1,556	1,553	1,552	1,542	1,566	1,570	1,583	1,596	1,610
additional*	0	54	110	168	227	293	359	430	504	583
BP/III Reserve Account	(54)	(66)	(69)	(21)	0	0	0	0	0	0
Extraprovincial	395	406	449	474	548	825	966	979	983	986
Other	29	28	28	29	116	118	118	32	32	33
	<u>1,887</u>	<u>1,978</u>	<u>2,072</u>	<u>2,202</u>	<u>2,433</u>	<u>2,802</u>	<u>3,013</u>	<u>3,023</u>	<u>3,115</u>	<u>3,212</u>
EXPENSES										
Operating and Administrative	522	532	537	551	565	581	587	599	611	624
Finance Expense	566	588	580	717	826	1,084	1,196	1,192	1,198	1,197
Depreciation and Amortization	379	393	416	495	546	640	688	707	725	743
Water Rentals and Assessments	126	116	113	113	115	124	127	132	132	132
Fuel and Power Purchased	120	151	182	180	174	206	228	227	230	242
Capital and Other Taxes	108	123	137	146	147	151	158	158	166	167
Other Expenses	2	2	2	2	2	2	2	3	3	3
Corporate Allocation	8	8	8	8	8	8	8	8	8	8
	<u>1,831</u>	<u>1,913</u>	<u>1,976</u>	<u>2,213</u>	<u>2,384</u>	<u>2,796</u>	<u>2,994</u>	<u>3,026</u>	<u>3,072</u>	<u>3,116</u>
Non-controlling Interest	10	9	4	3	0	2	(1)	(3)	(5)	(3)
Net Income	<u>66</u>	<u>74</u>	<u>100</u>	<u>(7)</u>	<u>49</u>	<u>8</u>	<u>17</u>	<u>(6)</u>	<u>37</u>	<u>93</u>
Other Comprehensive Income	(53)	(13)	99	37	27	54	(8)	(13)	(17)	(20)
Comprehensive Income	<u>13</u>	<u>61</u>	<u>199</u>	<u>30</u>	<u>75</u>	<u>62</u>	<u>9</u>	<u>(19)</u>	<u>20</u>	<u>74</u>
* Additional General Consumers Revenue										
Percent Increase	0.00%	3.49%	3.49%	3.49%	3.49%	3.49%	3.49%	3.49%	3.49%	3.49%
Cumulative Percent Increase	0.00%	3.49%	7.10%	10.84%	14.71%	18.71%	22.86%	27.14%	31.58%	36.17%
Financial Ratios										
Equity	16%	14%	15%	14%	14%	13%	12%	12%	13%	13%
Interest Coverage	1.09	1.08	1.10	0.99	1.04	1.01	1.01	1.00	1.03	1.08
EBITDA Interest Coverage	1.60	1.53	1.52	1.46	1.52	1.55	1.58	1.58	1.63	1.69
Capital Coverage	0.98	0.97	1.17	1.01	1.00	1.03	1.22	1.36	1.43	1.43

ELECTRIC OPERATIONS (MH15)
PROJECTED OPERATING STATEMENT
Financial Information MFR #1 - Scenario 2 (OCI Scenario) – Alternate Scenario
(In Millions of Dollars)

For the year ended March 31

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
REVENUES										
General Consumers										
at approved rates	1,626	1,641	1,655	1,669	1,683	1,706	1,734	1,763	1,795	1,831
additional*	665	752	843	938	999	1,066	1,141	1,218	1,301	1,390
BP/III Reserve Account	0	0	0	0	0	0	0	0	0	0
Extraprovincial	884	903	875	886	894	863	835	807	781	787
Other	34	35	35	36	37	38	38	39	40	40
	<u>3,209</u>	<u>3,330</u>	<u>3,408</u>	<u>3,529</u>	<u>3,613</u>	<u>3,673</u>	<u>3,748</u>	<u>3,828</u>	<u>3,917</u>	<u>4,049</u>
EXPENSES										
Operating and Administrative	637	649	663	677	686	699	713	728	743	758
Finance Expense	1,194	1,191	1,176	1,166	1,148	1,122	1,067	1,044	1,018	990
Depreciation and Amortization	761	777	793	804	815	827	839	852	871	891
Water Rentals and Assessments	132	133	133	134	134	135	135	135	136	136
Fuel and Power Purchased	231	241	239	249	257	255	263	271	281	318
Capital and Other Taxes	169	170	172	173	174	176	177	179	181	183
Other Expenses	3	3	3	3	3	3	3	3	3	3
Corporate Allocation	8	8	8	8	5	3	3	3	3	3
	<u>3,134</u>	<u>3,173</u>	<u>3,187</u>	<u>3,212</u>	<u>3,224</u>	<u>3,220</u>	<u>3,202</u>	<u>3,216</u>	<u>3,237</u>	<u>3,284</u>
Non-controlling Interest	(1)	(2)	(4)	(5)	(8)	(11)	(14)	(16)	(19)	(20)
Net Income	<u>74</u>	<u>155</u>	<u>218</u>	<u>311</u>	<u>381</u>	<u>442</u>	<u>533</u>	<u>595</u>	<u>662</u>	<u>745</u>
Other Comprehensive Income	(22)	(25)	(28)	(30)	(33)	(36)	(38)	(41)	(44)	(46)
Comprehensive Income	<u>51</u>	<u>130</u>	<u>190</u>	<u>281</u>	<u>348</u>	<u>407</u>	<u>494</u>	<u>554</u>	<u>618</u>	<u>698</u>
* Additional General Consumers Revenue										
Percent Increase	3.49%	3.49%	3.49%	3.49%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Cumulative Percent Increase	40.93%	45.85%	50.94%	56.20%	59.33%	62.51%	65.76%	69.08%	72.46%	75.91%
Financial Ratios										
Equity	13%	14%	14%	16%	17%	19%	20%	23%	25%	28%
Interest Coverage	1.06	1.13	1.18	1.26	1.33	1.39	1.50	1.57	1.64	1.74
EBITDA Interest Coverage	1.69	1.78	1.85	1.95	2.03	2.12	2.27	2.38	2.49	2.63
Capital Coverage	1.40	1.54	1.63	1.72	1.88	1.87	2.00	2.08	2.16	2.09

ELECTRIC OPERATIONS (MH15)
PROJECTED BALANCE SHEET
Financial Information MFR #1 - Scenario 2 (OCI Scenario) – Alternate Scenario
(In Millions of Dollars)

For the year ended March 31

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
ASSETS										
Plant in Service	12,702	13,384	14,151	19,119	22,740	27,521	28,289	28,981	29,672	30,356
Accumulated Depreciation	(697)	(1,056)	(1,428)	(1,871)	(2,352)	(2,926)	(3,543)	(4,171)	(4,818)	(5,470)
Net Plant in Service	12,005	12,328	12,723	17,248	20,388	24,595	24,746	24,810	24,855	24,886
Construction in Progress	4,880	7,548	9,242	6,227	4,001	192	242	223	179	181
Current and Other Assets	2,391	2,645	2,887	3,035	3,207	2,682	2,018	2,317	2,487	2,566
Goodwill and Intangible Assets	237	287	396	563	675	952	916	881	846	813
Regulated Assets	375	445	949	1,034	1,112	1,191	1,270	1,319	1,355	1,390
	19,888	23,253	26,196	28,107	29,383	29,612	29,192	29,549	29,722	29,836
LIABILITIES AND EQUITY										
Long-Term Debt	14,487	17,586	19,499	21,929	22,629	22,803	22,958	23,452	23,432	23,120
Current and Other Liabilities	2,889	3,005	3,585	2,966	3,504	3,547	3,023	2,893	3,051	3,389
Provisions	53	52	52	52	53	53	53	54	54	54
Deferred Revenue	418	440	460	480	513	526	538	551	565	578
BPIII Reserve Account	103	170	238	259	173	86	-	-	-	-
Retained Earnings	2,712	2,786	2,886	2,879	2,927	2,936	2,953	2,947	2,984	3,078
Accumulated Other Comprehensive Income	(773)	(786)	(524)	(458)	(416)	(340)	(333)	(347)	(364)	(384)
	19,888	23,253	26,196	28,107	29,383	29,612	29,192	29,549	29,722	29,836

ELECTRIC OPERATIONS (MH15)
PROJECTED BALANCE SHEET
Financial Information MFR #1 - Scenario 2 (OCI Scenario) - Alternate Scenario
(In Millions of Dollars)

For the year ended March 31

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
ASSETS										
Plant in Service	31,081	31,760	32,474	33,199	33,909	34,645	35,389	36,152	36,984	37,813
Accumulated Depreciation	(6,141)	(6,818)	(7,513)	(8,216)	(8,936)	(9,677)	(10,405)	(11,151)	(11,930)	(12,671)
Net Plant in Service	24,941	24,942	24,961	24,983	24,973	24,968	24,984	25,001	25,054	25,142
Construction in Progress	146	172	162	152	140	153	141	138	143	259
Current and Other Assets	2,687	3,038	3,469	3,924	4,231	3,973	4,494	5,038	5,640	6,167
Goodwill and Intangible Assets	781	749	717	686	655	624	593	563	532	501
Regulated Assets	1,427	1,465	1,508	1,558	1,607	1,660	1,716	1,773	1,830	1,888
	29,982	30,366	30,818	31,303	31,607	31,379	31,929	32,512	33,199	33,957
LIABILITIES AND EQUITY										
Long-Term Debt	23,888	24,090	24,232	24,355	23,627	23,617	23,620	23,614	23,617	21,936
Current and Other Liabilities	2,702	2,740	2,847	2,916	3,586	2,948	2,987	3,008	3,059	4,784
Provisions	54	54	54	54	54	54	54	54	54	54
Deferred Revenue	592	607	619	632	646	659	673	687	702	717
BPIII Reserve Account	-	-	-	-	-	-	-	-	-	-
Retained Earnings	3,151	3,306	3,524	3,835	4,216	4,659	5,191	5,786	6,448	7,193
Accumulated Other Comprehensive Income	(406)	(431)	(459)	(489)	(522)	(558)	(596)	(637)	(681)	(727)
	29,982	30,366	30,818	31,303	31,607	31,379	31,929	32,512	33,199	33,957

ELECTRIC OPERATIONS (MH15)
PROJECTED CASH FLOW STATEMENT
Financial Information MFR #1 - Scenario 2 (OCI Scenario) – Alternate Scenario
(In Millions of Dollars)

For the year ended March 31

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
OPERATING ACTIVITIES										
Cash Receipts from Customers	1,974	2,034	2,130	2,212	2,335	2,704	2,914	3,011	3,102	3,199
Cash Paid to Suppliers and Employees	(856)	(899)	(945)	(964)	(976)	(1,036)	(1,067)	(1,089)	(1,111)	(1,137)
Interest Paid	(561)	(547)	(553)	(716)	(832)	(1,095)	(1,189)	(1,163)	(1,177)	(1,180)
Interest Received	9	3	11	19	22	19	17	2	2	5
	567	591	643	551	549	593	676	760	816	887
FINANCING ACTIVITIES										
Proceeds from Long-Term Debt	2,457	3,370	2,970	2,800	1,590	990	600	780	380	390
Sinking Fund Withdrawals	114	62	-	244	194	296	754	174	16	295
Retirement of Long-Term Debt	(361)	(320)	(330)	(984)	(329)	(865)	(757)	(450)	(290)	(412)
Other	82	(34)	(35)	(46)	(35)	(116)	(40)	(58)	(49)	(50)
	2,292	3,078	2,605	2,014	1,420	305	556	446	56	224
INVESTING ACTIVITIES										
Property, Plant and Equipment, net of contributions	(2,614)	(3,437)	(3,085)	(2,211)	(1,645)	(1,149)	(829)	(730)	(694)	(745)
Sinking Fund Payment	(133)	(174)	(256)	(220)	(247)	(271)	(328)	(202)	(248)	(261)
Other	(21)	(21)	(21)	(21)	(21)	(32)	(31)	(32)	(32)	(32)
	(2,768)	(3,632)	(3,362)	(2,452)	(1,912)	(1,452)	(1,188)	(964)	(974)	(1,038)
Net Increase (Decrease) in Cash	91	36	(114)	113	57	(555)	44	243	(102)	73
Cash at Beginning of Year	482	572	608	494	608	664	110	153	396	294
Cash at End of Year	572	608	494	608	664	110	153	396	294	367

ELECTRIC OPERATIONS (MH15)
PROJECTED CASH FLOW STATEMENT
Financial Information MFR #1 - Scenario 2 (OCI Scenario) - Alternate Scenario
(In Millions of Dollars)

For the year ended March 31

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
OPERATING ACTIVITIES										
Cash Receipts from Customers	3,196	3,317	3,395	3,515	3,599	3,659	3,733	3,813	3,902	4,034
Cash Paid to Suppliers and Employees	(1,139)	(1,163)	(1,175)	(1,199)	(1,218)	(1,229)	(1,253)	(1,276)	(1,303)	(1,356)
Interest Paid	(1,188)	(1,189)	(1,192)	(1,196)	(1,191)	(1,179)	(1,103)	(1,093)	(1,080)	(1,067)
Interest Received	6	14	31	43	52	63	44	57	69	83
	875	979	1,059	1,163	1,242	1,313	1,422	1,500	1,589	1,694
FINANCING ACTIVITIES										
Proceeds from Long-Term Debt	750	190	190	190	(30)	(10)	(10)	(30)	(30)	(50)
Sinking Fund Withdrawals	100	-	-	60	110	700	13	30	-	10
Retirement of Long-Term Debt	(715)	-	-	(60)	(80)	(700)	(13)	-	20	20
Other	(47)	(46)	(45)	(44)	(42)	(42)	(41)	(39)	(36)	(37)
	89	144	145	146	(42)	(52)	(51)	(39)	(46)	(57)
INVESTING ACTIVITIES										
Property, Plant and Equipment, net of contributions	(756)	(782)	(787)	(810)	(788)	(836)	(849)	(874)	(941)	(1,108)
Sinking Fund Payment	(259)	(267)	(279)	(292)	(303)	(309)	(287)	(297)	(308)	(320)
Other	(32)	(33)	(28)	(28)	(29)	(29)	(29)	(29)	(30)	(30)
	(1,047)	(1,081)	(1,094)	(1,130)	(1,119)	(1,174)	(1,165)	(1,201)	(1,278)	(1,458)
Net Increase (Decrease) in Cash	(84)	43	110	179	81	87	206	260	265	179
Cash at Beginning of Year	367	284	327	436	616	697	784	990	1,250	1,515
Cash at End of Year	284	327	436	616	697	784	990	1,250	1,515	1,694

ELECTRIC OPERATIONS (MH15)
PROJECTED OPERATING STATEMENT
Financial Information MFR #1 - Scenario 1 – Alternate Scenario
(In Millions of Dollars)

For the year ended March 31

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
REVENUES										
General Consumers										
at approved rates	1,517	1,556	1,553	1,552	1,542	1,566	1,570	1,583	1,596	1,610
additional*	0	54	110	168	227	293	359	430	504	583
BP III Reserve Account	(54)	(66)	(69)	(21)	0	0	0	0	0	0
Extraprovincial	395	406	449	474	548	825	966	979	983	986
Other	29	28	28	29	116	118	118	32	32	33
	<u>1,887</u>	<u>1,978</u>	<u>2,072</u>	<u>2,202</u>	<u>2,433</u>	<u>2,802</u>	<u>3,013</u>	<u>3,023</u>	<u>3,115</u>	<u>3,212</u>
EXPENSES										
Operating and Administrative	522	532	537	551	565	581	587	599	611	624
Finance Expense	566	588	580	717	826	1,084	1,196	1,192	1,198	1,197
Depreciation and Amortization	381	397	421	503	555	652	701	723	743	763
Water Rentals and Assessments	126	116	113	113	115	124	127	132	132	132
Fuel and Power Purchased	120	151	182	180	174	206	228	227	230	242
Capital and Other Taxes	108	123	137	146	147	151	158	158	166	167
Other Expenses	2	2	2	2	2	2	2	3	3	3
Corporate Allocation	8	8	8	8	8	8	8	8	8	8
	<u>1,834</u>	<u>1,917</u>	<u>1,981</u>	<u>2,220</u>	<u>2,393</u>	<u>2,808</u>	<u>3,008</u>	<u>3,042</u>	<u>3,090</u>	<u>3,136</u>
Non-controlling Interest	10	9	4	3	0	2	(1)	(3)	(5)	(3)
Net Income	<u>63</u>	<u>70</u>	<u>94</u>	<u>(15)</u>	<u>40</u>	<u>(3)</u>	<u>4</u>	<u>(22)</u>	<u>19</u>	<u>73</u>
Other Comprehensive Income	(51)	(9)	105	45	36	65	5	2	1	1
Comprehensive Income	<u>13</u>	<u>61</u>	<u>199</u>	<u>30</u>	<u>75</u>	<u>62</u>	<u>9</u>	<u>(19)</u>	<u>20</u>	<u>74</u>
* Additional General Consumers Revenue										
Percent Increase	0.00%	3.49%	3.49%	3.49%	3.49%	3.49%	3.49%	3.49%	3.49%	3.49%
Cumulative Percent Increase	0.00%	3.49%	7.10%	10.84%	14.71%	18.71%	22.86%	27.15%	31.58%	36.18%
Financial Ratios										
Equity	16%	14%	15%	14%	14%	13%	12%	12%	13%	13%
Interest Coverage	1.09	1.08	1.10	0.99	1.03	1.00	1.00	0.98	1.02	1.06
EBITDA Interest Coverage	1.60	1.53	1.52	1.46	1.52	1.55	1.58	1.58	1.63	1.69
Capital Coverage	0.98	0.97	1.17	1.01	1.00	1.03	1.22	1.36	1.43	1.43

ELECTRIC OPERATIONS (MH15)
PROJECTED OPERATING STATEMENT
Financial Information MFR #1 - Scenario 1 – Alternate Scenario
(In Millions of Dollars)

For the year ended March 31

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
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General Consumers										
at approved rates	1,626	1,641	1,655	1,669	1,683	1,706	1,734	1,763	1,795	1,831
additional*	665	752	843	938	999	1,066	1,141	1,218	1,301	1,390
BP/III Reserve Account	0	0	0	0	0	0	0	0	0	0
Extraprovincial	884	903	875	886	894	863	835	807	781	787
Other	34	35	35	36	37	38	38	39	40	40
	<u>3,209</u>	<u>3,330</u>	<u>3,408</u>	<u>3,529</u>	<u>3,613</u>	<u>3,673</u>	<u>3,748</u>	<u>3,828</u>	<u>3,918</u>	<u>4,049</u>
EXPENSES										
Operating and Administrative	637	649	663	677	686	699	713	728	743	758
Finance Expense	1,194	1,191	1,176	1,166	1,148	1,122	1,067	1,044	1,018	990
Depreciation and Amortization	784	803	821	834	848	863	877	893	915	938
Water Rentals and Assessments	132	133	133	134	134	135	135	135	136	136
Fuel and Power Purchased	231	241	239	249	257	255	263	271	281	318
Capital and Other Taxes	169	170	172	173	175	176	178	179	181	184
Other Expenses	3	3	3	3	3	3	3	3	3	3
Corporate Allocation	8	8	8	8	5	3	3	3	3	3
	<u>3,157</u>	<u>3,198</u>	<u>3,214</u>	<u>3,243</u>	<u>3,257</u>	<u>3,255</u>	<u>3,240</u>	<u>3,257</u>	<u>3,281</u>	<u>3,330</u>
Non-controlling Interest	(1)	(2)	(4)	(5)	(8)	(11)	(14)	(16)	(19)	(20)
Net Income	<u>51</u>	<u>130</u>	<u>190</u>	<u>281</u>	<u>348</u>	<u>407</u>	<u>494</u>	<u>554</u>	<u>618</u>	<u>698</u>
Other Comprehensive Income	1	-	-	-	-	-	-	-	-	-
Comprehensive Income	<u>51</u>	<u>130</u>	<u>190</u>	<u>281</u>	<u>348</u>	<u>407</u>	<u>494</u>	<u>554</u>	<u>618</u>	<u>698</u>
* Additional General Consumers Revenue										
Percent Increase	3.49%	3.49%	3.49%	3.49%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Cumulative Percent Increase	40.93%	45.85%	50.94%	56.21%	59.33%	62.52%	65.77%	69.08%	72.47%	75.92%
Financial Ratios										
Equity	13%	14%	14%	16%	17%	19%	20%	23%	25%	28%
Interest Coverage	1.04	1.11	1.16	1.24	1.30	1.36	1.46	1.53	1.60	1.70
EBITDA Interest Coverage	1.69	1.78	1.85	1.95	2.03	2.12	2.27	2.38	2.49	2.63
Capital Coverage	1.40	1.54	1.63	1.72	1.88	1.87	2.00	2.08	2.16	2.09

ELECTRIC OPERATIONS (MH15)
PROJECTED BALANCE SHEET
Financial Information MFR #1 - Scenario 1 – Alternate Scenario
(In Millions of Dollars)

For the year ended March 31

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
ASSETS										
Plant in Service	12,702	13,384	14,151	19,119	22,740	27,521	28,289	28,981	29,672	30,356
Accumulated Depreciation	(697)	(1,056)	(1,428)	(1,871)	(2,352)	(2,926)	(3,543)	(4,171)	(4,818)	(5,470)
Net Plant in Service	12,005	12,328	12,723	17,248	20,388	24,595	24,746	24,810	24,855	24,886
Construction in Progress	4,880	7,548	9,242	6,227	4,001	192	242	223	179	181
Current and Other Assets	2,391	2,645	2,887	3,035	3,207	2,682	2,018	2,317	2,487	2,566
Goodwill and Intangible Assets	237	287	396	563	675	952	916	881	846	813
Regulated Assets	375	445	949	1,034	1,112	1,191	1,270	1,319	1,355	1,390
	19,888	23,253	26,196	28,107	29,383	29,612	29,192	29,549	29,722	29,836
LIABILITIES AND EQUITY										
Long-Term Debt	14,487	17,586	19,499	21,929	22,629	22,803	22,958	23,452	23,432	23,120
Current and Other Liabilities	2,889	3,005	3,585	2,966	3,504	3,547	3,023	2,893	3,051	3,389
Provisions	53	52	52	52	53	53	53	54	54	54
Deferred Revenue	418	440	460	480	513	526	538	551	565	578
BPIII Reserve Account	103	170	238	259	173	86	-	-	-	-
Retained Earnings	2,709	2,779	2,874	2,859	2,899	2,896	2,899	2,878	2,897	2,970
Accumulated Other Comprehensive Income	(771)	(780)	(512)	(438)	(388)	(300)	(280)	(277)	(276)	(276)
	19,888	23,253	26,196	28,107	29,383	29,612	29,192	29,549	29,722	29,836

ELECTRIC OPERATIONS (MH15)
PROJECTED BALANCE SHEET
Financial Information MFR #1 - Scenario 1 – Alternate Scenario
(In Millions of Dollars)

For the year ended March 31

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
ASSETS										
Plant in Service	31,081	31,760	32,474	33,199	33,909	34,645	35,389	36,152	36,984	37,813
Accumulated Depreciation	(6,141)	(6,818)	(7,513)	(8,216)	(8,936)	(9,677)	(10,405)	(11,151)	(11,930)	(12,671)
Net Plant in Service	24,941	24,942	24,961	24,983	24,973	24,968	24,984	25,001	25,054	25,142
Construction in Progress	146	172	162	152	140	153	141	138	143	259
Current and Other Assets	2,687	3,038	3,469	3,924	4,231	3,973	4,494	5,038	5,639	6,167
Goodwill and Intangible Assets	781	749	717	686	655	624	593	563	532	501
Regulated Assets	1,427	1,465	1,508	1,558	1,607	1,660	1,716	1,773	1,830	1,888
	29,982	30,366	30,818	31,303	31,607	31,379	31,929	32,512	33,199	33,956
LIABILITIES AND EQUITY										
Long-Term Debt	23,888	24,090	24,232	24,355	23,627	23,617	23,620	23,614	23,617	21,936
Current and Other Liabilities	2,702	2,740	2,847	2,916	3,586	2,948	2,987	3,008	3,059	4,784
Provisions	54	54	54	54	54	54	54	54	54	54
Deferred Revenue	592	607	619	632	646	659	673	687	702	717
BPIII Reserve Account	-	-	-	-	-	-	-	-	-	-
Retained Earnings	3,020	3,150	3,340	3,620	3,968	4,375	4,870	5,424	6,042	6,740
Accumulated Other Comprehensive Income	(275)	(275)	(275)	(275)	(275)	(275)	(275)	(275)	(275)	(275)
	29,982	30,366	30,818	31,303	31,607	31,379	31,929	32,512	33,199	33,956

ELECTRIC OPERATIONS (MH15)
PROJECTED CASH FLOW STATEMENT
Financial Information MFR #1 - Scenario 1 – Alternate Scenario
(In Millions of Dollars)

For the year ended March 31

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
OPERATING ACTIVITIES										
Cash Receipts from Customers	1,974	2,034	2,130	2,212	2,335	2,704	2,914	3,011	3,102	3,199
Cash Paid to Suppliers and Employees	(856)	(899)	(945)	(964)	(976)	(1,036)	(1,067)	(1,089)	(1,111)	(1,137)
Interest Paid	(561)	(547)	(553)	(716)	(832)	(1,095)	(1,189)	(1,163)	(1,177)	(1,180)
Interest Received	9	3	11	19	22	19	17	2	2	5
	567	591	643	551	549	593	676	760	816	887
FINANCING ACTIVITIES										
Proceeds from Long-Term Debt	2,457	3,370	2,970	2,800	1,590	990	600	780	380	390
Sinking Fund Withdrawals	114	62	-	244	194	296	754	174	16	295
Retirement of Long-Term Debt	(361)	(320)	(330)	(984)	(329)	(865)	(757)	(450)	(290)	(412)
Other	82	(34)	(35)	(46)	(35)	(116)	(40)	(58)	(49)	(50)
	2,292	3,078	2,605	2,014	1,420	305	556	446	56	224
INVESTING ACTIVITIES										
Property, Plant and Equipment, net of contributions	(2,614)	(3,437)	(3,085)	(2,211)	(1,645)	(1,149)	(829)	(730)	(694)	(745)
Sinking Fund Payment	(133)	(174)	(256)	(220)	(247)	(271)	(328)	(202)	(248)	(261)
Other	(21)	(21)	(21)	(21)	(21)	(32)	(31)	(32)	(32)	(32)
	(2,768)	(3,632)	(3,362)	(2,452)	(1,912)	(1,452)	(1,188)	(964)	(974)	(1,038)
Net Increase (Decrease) in Cash	91	36	(114)	113	57	(555)	44	243	(102)	73
Cash at Beginning of Year	482	572	608	494	608	664	110	153	396	294
Cash at End of Year	572	608	494	608	664	110	153	396	294	367

ELECTRIC OPERATIONS (MH15)
PROJECTED CASH FLOW STATEMENT
Financial Information MFR #1 - Scenario 1 – Alternate Scenario
(In Millions of Dollars)

For the year ended March 31

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
OPERATING ACTIVITIES										
Cash Receipts from Customers	3,196	3,317	3,395	3,515	3,599	3,659	3,733	3,813	3,903	4,034
Cash Paid to Suppliers and Employees	(1,139)	(1,163)	(1,175)	(1,199)	(1,218)	(1,229)	(1,253)	(1,276)	(1,303)	(1,356)
Interest Paid	(1,188)	(1,189)	(1,192)	(1,196)	(1,191)	(1,179)	(1,103)	(1,093)	(1,080)	(1,067)
Interest Received	6	14	31	43	52	63	44	57	69	83
	875	979	1,059	1,163	1,242	1,313	1,422	1,500	1,589	1,694
FINANCING ACTIVITIES										
Proceeds from Long-Term Debt	750	190	190	190	(30)	(10)	(10)	(30)	(30)	(50)
Sinking Fund Withdrawals	100	-	-	60	110	700	13	30	-	10
Retirement of Long-Term Debt	(715)	-	-	(60)	(80)	(700)	(13)	-	20	20
Other	(47)	(46)	(45)	(44)	(42)	(42)	(41)	(39)	(36)	(37)
	89	144	145	146	(42)	(52)	(51)	(39)	(46)	(57)
INVESTING ACTIVITIES										
Property, Plant and Equipment, net of contributions	(756)	(782)	(787)	(810)	(788)	(836)	(849)	(874)	(941)	(1,108)
Sinking Fund Payment	(259)	(267)	(279)	(292)	(303)	(309)	(287)	(297)	(308)	(320)
Other	(32)	(33)	(28)	(28)	(29)	(29)	(29)	(29)	(30)	(30)
	(1,047)	(1,081)	(1,094)	(1,130)	(1,119)	(1,174)	(1,165)	(1,201)	(1,278)	(1,458)
Net Increase (Decrease) in Cash	(84)	43	110	179	81	87	206	259	265	179
Cash at Beginning of Year	367	284	327	436	616	696	784	990	1,249	1,514
Cash at End of Year	284	327	436	616	696	784	990	1,249	1,514	1,693