

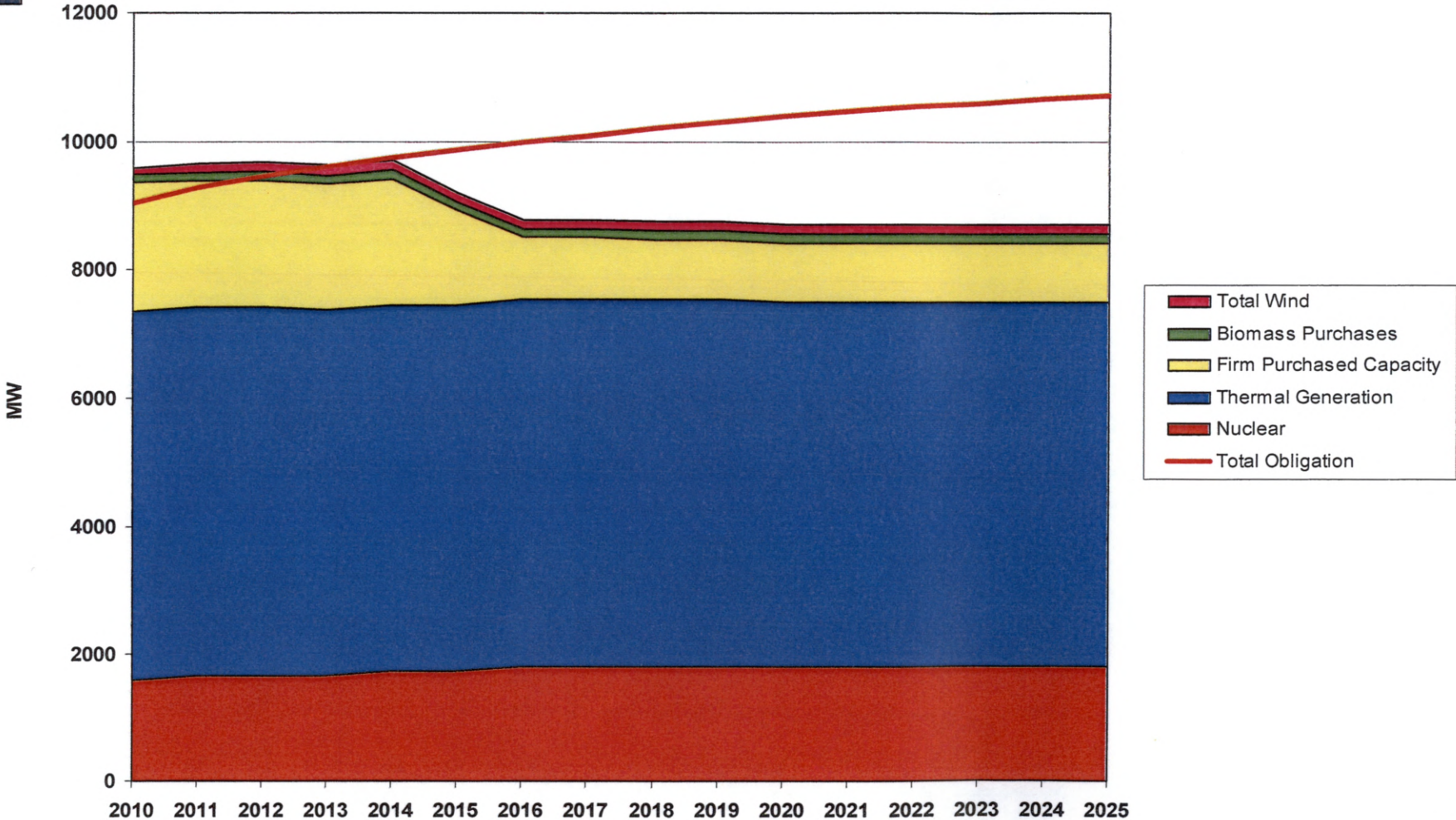


Manitoba Hydro ADP

Laura McCarten, Regional Vice President

**NDPSC Informal Hearing
Case No. PU-12-70
July 11, 2012**

NSP System Resource Needs (2010)



Benefits MH Contract Extension

- Helps meet capacity needs beginning in 2015
- Contract refined to fit our load profile better
- Price competitive with alternatives
- Preserves fuel diversity
- Fixed price with inflation protections
- Uses existing transmission facilities

MH Contract Overview

- Agreement extended 10 years to 2025
- 375 MW summer / 325 MW winter capacity
- Potential for add'l 125 MW in 2021
- Seasonal exchange of 350 MW
- Intermediate energy

Resource Selection Process

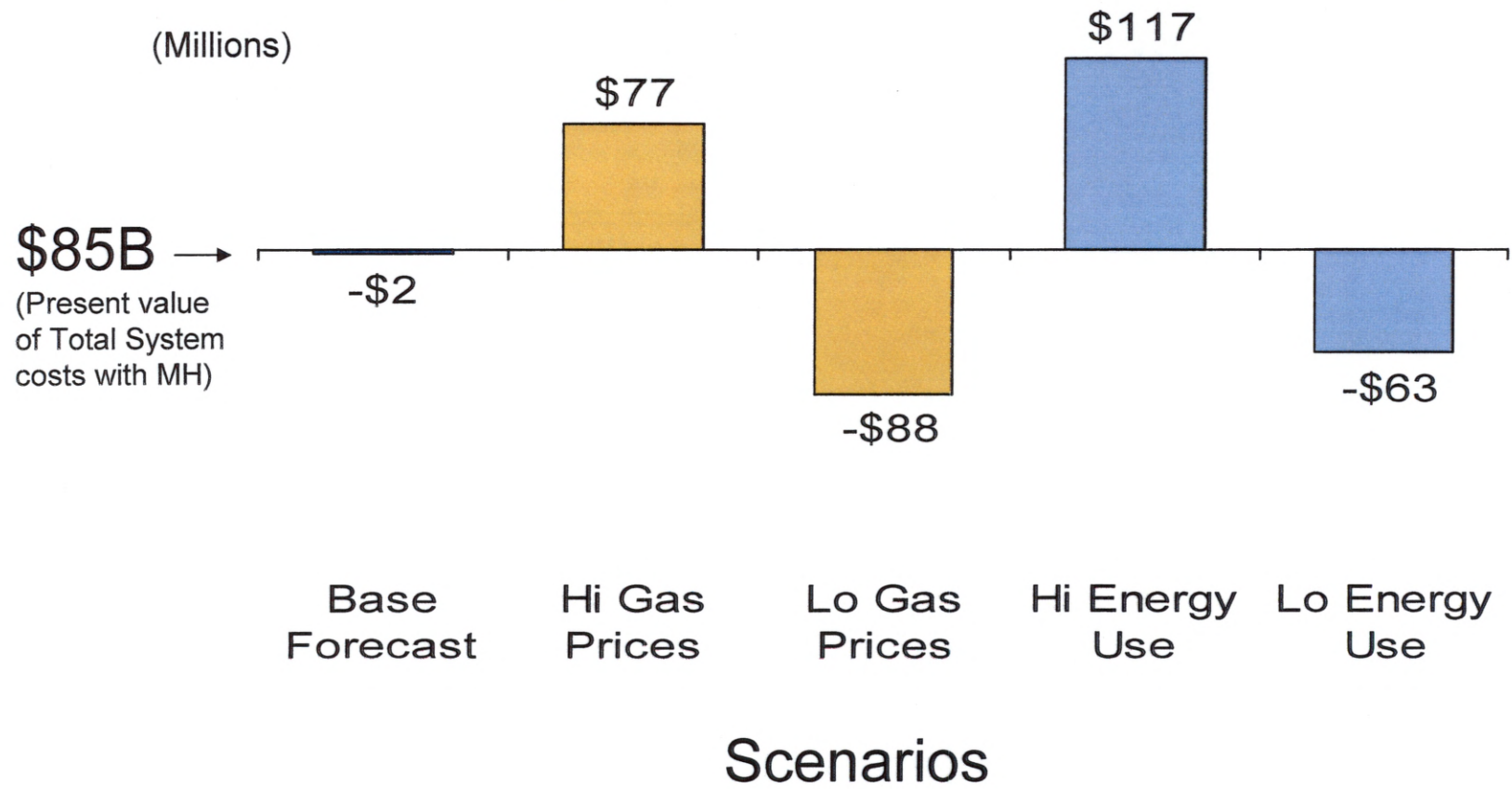
- Screening of non-generation alternatives
- Evaluation of generation alternatives
- Comparison to market proposals

Screen Non-generation Alternatives

- Demand side management
- Plant efficiency gains
- Power purchases
- Reduced project size

Evaluate Generation Alternatives

Strategist Model of Total System Costs (2011-2049)
 - Incremental Impact of selecting Nat Gas instead of MH



Assess Competitive Proposals

- Uses MPUC “Track Two” process
- Provides comparative cost information
- Allows other entities opportunity to propose alternative projects
- No proposals were submitted in this case

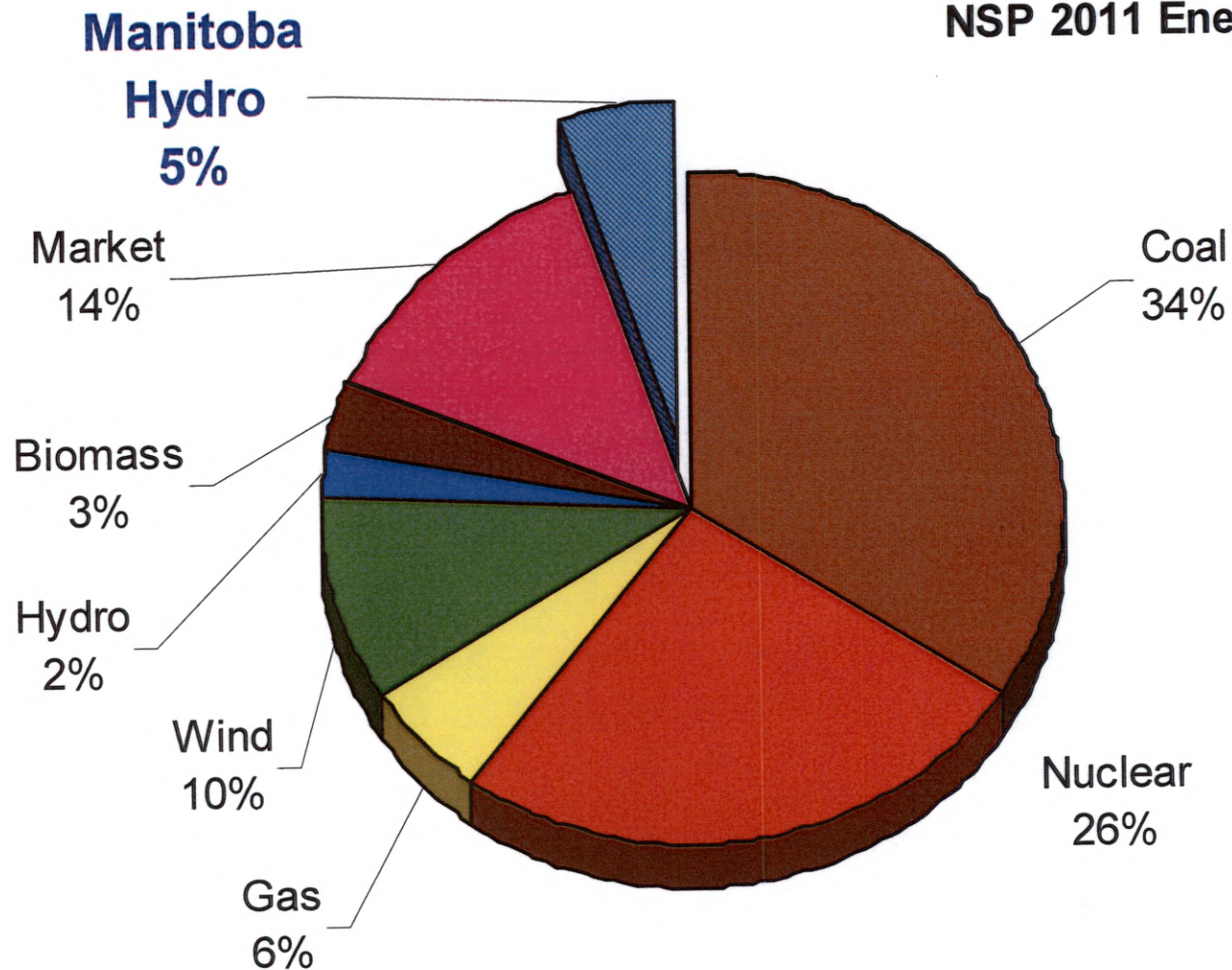
Rate Impacts

	Current MH Contract	Revised MH Contract
Annual ND Juris. Rev. Requirements	\$6.8 million	\$6.4 million
Typical Customer Bill Impact (850 kWh/mo.)	\$2.50/month	\$2.33/month

Note: Comparison reflects 2014 costs for the current contract and 2016 costs for the new contract.

Our Diverse Energy Portfolio

NSP 2011 Energy Mix



Summary

- Addresses capacity needs in 2015
- Price competitive
- Fuel diversity
- Fixed price, inflation protections