

1 Q. Has Hydro done any comparison to similarly situated Crown utilities in respect of
2 sinking funds. For example, is Hydro aware that BC Hydro no longer has a
3 requirement to maintain sinking funds?
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6 A. Hydro is aware that BC Hydro no longer has a requirement to maintain sinking
7 funds. However, Hydro is aware of several crown-owned Canadian utilities that still
8 have sinking funds requirements:

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- 10 • SaskPower is required to pay annually into debt retirement funds
11 administered by the Government of Saskatchewan Ministry of Finance,
12 amounts equal to 1% of certain debt outstanding¹;
 - 13 • Manitoba Hydro is legislated under *The Manitoba Hydro Act* to make annual
14 sinking fund payments to the Province of Manitoba of not less than 1% of
15 the outstanding debt on the preceding year end, and 4% of the balance in
16 the sinking fund at such date²; and
 - 17
 - 18 • Hydro Québec still maintains sinking funds for several of its long-term debt
19 issues³.

¹ Note 16 to the Consolidated Financial Statements for year ended December 31, 2012

² Note 8 to the Consolidated Financial Statements for the year ended March 31, 2013

³ Notes 16 and 19 to the Consolidated Financial Statements for the year ended December 31, 2013