July 16, 2013

Shannon Johnson, Manager
Licensing and Environmental Assessment Department
Manitoba Hydro
P.O. Box 7950 Stn Main
Winnipeg MB R3C 0J1

Dear Ms. Johnson:

Enclosed is Environment Act Licence No. 3051 dated July 16, 2013 issued to Manitoba Hydro for the construction and operation of the Development being approximately 14.5 km of new natural gas pipeline in the Rural Municipality of Montcalm from Provincial Road 201 four kilometers west of Letellier north to near St. Jean Baptiste, and the related construction of one new above ground valve assembly and the removal of two existing above ground valve assemblies, in accordance with the Proposal filed under The Environment Act dated May 3, 2013.

In addition to the enclosed Licence requirements, please be informed that all other applicable federal, provincial and municipal regulations and by-laws must be complied with. A Notice of Alteration must be filed with the Director for approval prior to any alteration to the Development as licensed.

For further information on the administration and application of the Licence, please feel free to contact Yvonne Hawryliuk, Environment Officer at 204-945-5305.

Pursuant to Section 27 of The Environment Act, this licensing decision may be appealed by any person who is affected by the issuance of this Licence to the Minister of Conservation and Water Stewardship within 30 days of the date of the Licence.

Yours truly,

"Original signed by"

Tracey Braun, M.Sc.
Director
Environment Act

c: Don Labossiere, Director, Environmental Compliance and Enforcement
Public Registries

NOTE: Confirmation of Receipt of this Licence No. 3051 (by the Licencee only) is required by the Director of Environmental Approvals. Please acknowledge receipt by signing in the space provided below and faxing a copy (letter only) to the Department by July 30, 2013.
In accordance with The Environment Act (C.C.S.M. c. E125) / Conformément à la Loi sur l'environnement (C.P.L.M. c. E125)

Pursuant to Section 11(1) / Conformément au Paragraphe 11(1)

THIS LICENCE IS ISSUED TO: / CETTE LICENCE EST DONNÉE À:

MANITOBA HYDRO:
"the Licencee"

for the construction and operation of the Development being approximately 14.5 km of new natural gas pipeline in the Rural Municipality of Montcalm from Provincial Road 201 four kilometers west of Letellier north to near St. Jean Baptiste, and the related construction of one new above ground valve assembly and the removal of two existing above ground valve assemblies, in accordance with the Proposal filed under The Environment Act dated May 3, 2013, and subject to the following specifications, limits, terms and conditions:

DEFINITIONS

In this Licence:

“accredited laboratory” means an analytical facility accredited by the Standard Council of Canada (SCC), or accredited by another accrediting agency recognized by Manitoba Conservation and Water Stewardship to be equivalent to the SCC, or be able to demonstrate, upon request, that it has the quality assurance/quality control (QA/QC) procedures in place equivalent to accreditation based on the international standard ISO/IEC 17025, or otherwise approved by the Director;

“Director” means an employee so designated pursuant to The Environment Act;

“Environment Officer” means an employee so designated pursuant to The Environment Act;

“record drawings” means engineering drawings complete with all dimensions which indicate all features of the pipeline as it has actually been built;

**A COPY OF THIS LICENCE MUST BE KEPT ON SITE AT THE DEVELOPMENT AT ALL TIMES**
"Standard Methods for the Examination of Water and Wastewater" means the most recent edition of Standard Methods for the Examination of Water and Wastewater published jointly by the American Public Health Association, the American Waterworks Association and the Water Environment Federation; and "waterbody" means any body of flowing or standing water, whether naturally or artificially created, and whether the flow or presence of water is continuous, intermittent or occurs only during a flood, including but not limited to a lake, river, creek, stream, slough, marsh, swamp and wetland, including ice on any of them.

**GENERAL TERMS AND CONDITIONS**

This Section of the Licence contains requirements intended to provide guidance to the Licencee in implementing practices to ensure that the environment is maintained in such a manner as to sustain a high quality of life, including social and economic development, recreation and leisure for present and future Manitobans.

1. The Licencee shall, in addition to any of the following specifications, limits, terms and conditions specified in this Licence, upon the request of the Director:
   a) sample, monitor, analyse and/or investigate specific areas of concern regarding any segment, component or aspect of pollutant storage, containment, treatment, handling, disposal or emission systems, for such pollutants or ambient quality, aquatic toxicity, leachate characteristics and discharge or emission rates, for such duration and at such frequencies as may be specified;
   b) determine the environmental impact associated with the release of any pollutant from the Development; and
   c) provide the Director, within such time as may be specified, with such reports, drawings, specifications, analytical data, descriptions of sampling and analytical procedures being used, bioassay data, flow rate measurements and such other information as may from time to time be requested.

2. The Licencee shall, unless otherwise specified in this Licence:
   a) carry out all preservations and analyses on liquid samples in accordance with the methods prescribed in the most current edition of Standard Methods for the Examination of Water and Wastewater or in accordance with equivalent preservation and analytical methodologies approved by the Director;
   b) carry out all sampling of, and preservation and analyses on, soil and air samples in accordance with methodologies approved by the Director;
   c) have all analytical determinations undertaken by an accredited laboratory; and
   d) report the results to the Director within 60 days of the samples being taken.

3. The Licencee shall submit all information required to be provided to the Director under this Licence, in writing, in such form (including number of copies) and of such content as may be required by the Director, and each submission shall be clearly labeled with the Licence Number and Client File Number associated with this Licence.
SPECIFICATIONS, LIMITS, TERMS AND CONDITIONS

Respecting Pre-Construction

4. The Licencee shall, prior to construction, provide a copy of this Licence to the contractor and subcontractor(s) involved in the Development.

5. The Licencee shall, not less than two weeks prior to beginning construction of the Development, provide notification to the Environment Officer responsible for the administration of this Licence of the intended starting date of construction and the name of the contractor responsible for the construction.

Respecting Construction and Maintenance

6. The Licencee shall, on a daily basis throughout construction and restoration of the Development, have an environmental inspector monitor the work activity to ensure that all the environmental practices outlined in the Proposal are carried out.

7. The Licencee shall restrict construction and maintenance activities associated with the Development to land required for the right-of-way of the Development, including designated and landowner approved access locations to the right-of-way. Activities include but are not limited to clearing, compacting, grading or filling during construction. All construction related traffic shall be restricted to the right-of-way and approved access locations.

8. The Licencee shall establish any fuel storage areas required for the construction and maintenance of the Development:
   a) a minimum distance of 100 metres from any waterbody; and
   b) in compliance with the requirements of Manitoba Regulation 188/2001, or any future amendment thereof, respecting Storage and Handling of Petroleum Products and Allied Products.

9. The Licencee shall, during construction of the Development, operate, maintain, and store all materials and equipment in a manner that prevents any deleterious substances (fuel, oil, grease, hydraulic fluids, coolant, etc.) from entering any waterbodies, and have an emergency spill kit for in-water use available on site during construction.

10. The Licencee shall, in the case of physical or mechanical equipment breakdown or process upset where such breakdown or process upset results or may result in the release of a pollutant in an amount or concentration, or at a level or rate of release, that causes or may cause a significant adverse effect, immediately report the event by calling 204-944-4888 (toll-free 1-855-944-4888). The report shall indicate the nature of the event, the time and estimated duration of the event and the reason for the event.

11. The Licencee shall, following the reporting of an event pursuant to Clause 10,
   a) identify the repairs required to the mechanical equipment;
   b) undertake all repairs to minimize unauthorized discharges of a pollutant;
   c) complete the repairs in accordance with any written instructions of the Director; and
d) submit a report to the Director about the causes of breakdown and measures taken, within one week of the repairs being done.

12. The Licencee shall dispose of non-reusable construction debris and solid waste from the construction and maintenance of the Development at a waste disposal ground operating under the authority of a permit issued under Manitoba Regulation 150/91, or any future amendment thereof, respecting Waste Disposal Grounds or a licence issued pursuant to The Environment Act.

13. The Licencee shall, during construction, dispose of all sewage and septage from on-site sanitary facilities in accordance with Manitoba Regulation 83/2003, or any future amendment thereof, respecting Onsite Wastewater Management Systems.

14. The Licencee shall, during construction, maintenance, and restoration of the Development, implement all necessary measures to prevent the erosion of soil into any waterbodies.

15. The Licencee shall construct waterway crossings associated with the Development by augering, tunneling, or boring in accordance with the current version of the federal Department of Fisheries and Oceans High Pressure Directional Drilling Operational Statement.

16. The Licencee shall, during construction and maintenance of the Development, adhere to the general recommendations on design, construction, and maintenance of stream crossings as specified in the Manitoba Department of Natural Resources guidelines titled Manitoba Stream Crossing Guidelines for the Protection of Fish and Fish Habitat, May 1996.

17. The Licencee shall, during construction and maintenance of the Development, implement all necessary measures to prevent the introduction and spread of foreign aquatic and terrestrial biota along the pipeline right-of-way.

18. The Licencee shall, during construction and maintenance of the Development, not alter surface drainage patterns on adjacent properties.

19. The Licencee shall, during construction and maintenance of the Development, compact all excavated areas and re-establish the pre-existing profile. Follow-up grading shall be conducted in areas affected by settling after construction.

20. The Licencee shall install buried pipelines of the Development on cultivated land or land in its natural state in accordance with the methodology illustrated in Figures 1 to 3, attached to this Licence. These procedures do not apply when a plough, continuous trencher or directional drill is used to install a pipeline.

21. The Licencee shall, during hydrostatic testing of the Development, discharge hydrostatic test water only to vegetated land or dry waterways.
Respecting Post-Construction

22. The Licencee shall:
   a) prepare “record drawings” for the Development and shall label the drawings “record drawings”; and
   b) provide to the Director, within six months of the completion of construction of the Development, two sets of “record drawings” of the Development.

Respecting Alterations to the Development

23. The Licencee shall obtain written approval from the Director for any proposed alteration to the Development before proceeding with the alteration.

REVIEW AND REVOCATION

A. If, in the opinion of the Director, the Licencee has exceeded or is exceeding or has or is failing to meet the specifications, limits, terms, or conditions set out in this Licence, the Director may, temporarily or permanently, revoke this Licence.

B. If construction of the development has not commenced within three years of the date of this Licence, the Licence is revoked.

C. If, in the opinion of the Director, new evidence warrants a change in the specifications, limits, terms or conditions of this Licence, the Director may require the filing of a new proposal pursuant to Section 11 of The Environment Act.

ORIGINAL SIGNED BY

Tracey Braun
Director
Environment Act

File No. 5649.00