

**PROVINCE OF MANITOBA
MANITOBA WATER STEWARDSHIP**

**THIRD SHORT-TERM AMENDING LICENCE
FOR THE DEVELOPMENT OF WATER POWER
Kelsey Site, Nelson River**

Issued to Manitoba Hydro, being a duly incorporated by Act of the Legislature of the Province of Manitoba whose head office address is at 360 Portage Avenue, Winnipeg, Manitoba, R3C 2P4
Issued in accordance with The Water Power Act (C.C.S.M. c. W60)
and the Water Power Regulation (M.R. 25/88R).

WHEREAS:

- A. Manitoba Hydro is the holder of a Final Licence for the development of water power at the Kelsey Site, dated March 10, 1966 and which has been amended by a First Amending Licence dated April 29, 1971, by a Second Amending Licence dated April 8, 1983;
- B. Manitoba Hydro has applied for a Third Amending Licence for the purpose of authorizing the increased generating capacity for the undertaking as a result of upgrading the turbines of the Generating Station, called the “Kelsey Re-running project” and Manitoba Hydro has filed with the Director plans and descriptions of the elements of the Kelsey Re-running project;
- C. The Final Licence was also amended by a Short-Term Amending Licence, dated July 16, 2010 and a Second Short-Term Amending Licence, dated December 29, 2010 to address the effect of the Kelsey Re-running project to March 31, 2011;
- D. The Licensee has duly executed an acceptance of the terms and conditions of this Third Short-Term Amending Licence and has undertaken to observe and fulfill all the terms and conditions which the Licensee is required to observe and fulfill under this Third Short-Term Amending Licence.

This Third Short-Term Amending Licence is issued to the Licensee:

- 1. This Third Short-Term Amending Licence is effective from April 1, 2011 to and including February 29, 2012.
- 2. The Final Licence (as previously amended) is further amended by replacing in Article 2 the words “seven vertical turbines each of 42,000 horsepower” with the words “seven vertical turbines, five of which with a generating capacity of 45.1 megawatts¹ and two of which with a generating capacity of 31.32 megawatts²”

¹ 45.1 megawatts equals approximately 60,500 horsepower.

² 31.32 megawatts equals approximately 42,000 horsepower.

3. The Final Licence (as previously amended) is further amended by adding the following paragraph between paragraph 2 and paragraph 3 in Article 2 of the Final Licence:
 - 2.1 The plans and descriptions of the undertaking set out in paragraph 2 are modified to the extent of any plans and descriptions of the Kelsey Re-running Project filed with the Director either before or after the date of this Third Short-Term Amending Licence.
4. Except as set out in paragraphs 2 and 3 of this Third Short-Term Amending Licence, all terms of the Final Licence (as previously amended) remain unaltered.
5. Upon the expiry of this Third Short-Term Amending Licence the terms and conditions of the Final Licence (as previously amended) shall apply without the amendments set out in this Third Short-Term Amending Licence, except to the extent that the Final Licence is amended further before that time.

ISSUED at Winnipeg this 31st day of March, 2011.

Original Signed By:
Minister Christine Melnick

Minister of Water Stewardship