

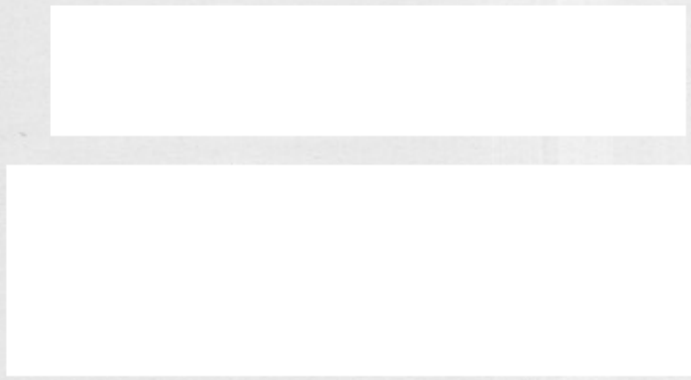
ACCEPTANCE OF FINAL LICENSE

Manitoba Hydro hereby accepts the Final License authorizing the development of water power at the Kelsey Site (formerly known as the Grand Rapid Site) on the Nelson River and the development of storage in the watershed of the said River, a copy of which Final License is attached hereto and marked Exhibit "A", and hereby undertakes to observe and fulfill all conditions which the licensee is required to observe and fulfill under said Final License and under The Water Power Act and Regulations thereunder.

The aforesaid acceptance and undertaking shall bind the said Manitoba Hydro, its successors and assigns.

IN WITNESS WHEREOF the Corporate seal of Manitoba Hydro is hereto affixed attested by the hands of its proper officers in that behalf at *Winnipeg* in *Manitoba* this *11<sup>th</sup>* day of *February*, 19*66*.

MANITOBA HYDRO



PROVINCE OF MANITOBA  
DEPARTMENT OF AGRICULTURE AND CONSERVATION  
WATER CONTROL AND CONSERVATION BRANCH

---

FINAL LICENSE FOR THE DEVELOPMENT OF WATER POWER

Kelsey Site, Nelson River

Issued in accordance with the provisions of the Water Power Act, Chapter 288, Revised Statutes of Manitoba, 1954, and amendments, and of the Regulations in force thereunder to govern the mode of granting and administering Provincial water-power rights.

---

WHEREAS Manitoba Hydro, a corporation duly incorporated by Act of the Legislature of the Province of Manitoba, and whose head office address is 820 Taylor Avenue in the City of Winnipeg, (hereinafter called "the Licensee") has completed and is operating a hydro-electric development at the Kelsey Site (formerly known as the Grand Rapid Site) on the Nelson River, in the Province of Manitoba;

AND WHEREAS the said development has been constructed in accordance with plans filed with and approved by the Director of Provincial Water Powers at Winnipeg, (hereinafter called "the Director") but without the issue to the Licensee of an Interim License under the provisions of the Water Power Act, R.S.M. 1954, Cap. 288 (hereinafter called "the Act"), and the Manitoba Water Power Regulations being Manitoba Regulation 95/45 and all amendments thereto (hereinafter called "the Regulations");

AND WHEREAS it is considered desirable to issue a Final License for the said development, and the Licensee has done all those things which in the opinion of the Director are required to be done prior to the issue of the said Final License;

AND WHEREAS the Licensee has duly executed an acceptance of the terms and conditions of this Final License and has undertaken to observe and fulfill all the terms and conditions which under this Final License and under the Act and Regulations thereunder the Licensee is required to observe and fulfill;

NOW THEREFORE, under authority of and subject to the provisions of the Act and Regulations thereunder this Final License is issued, granting to the Licensee:

- (a) The right to impound, divert and use waters of the Nelson River at and near the Kelsey Site (formerly known as the Grand Rapid Site),
- (b) The right to develop electric power and energy from the said waters,
- (c) The right to generate, transmit, distribute, sell and deliver the said electric power and energy and for that purpose to use and occupy the lands of the Province hereinafter described, and
- (d) The right to operate and maintain the undertaking the location and description of which is shown upon the record plans numbered and filed in the office of the Director at Winnipeg.

Subject, nevertheless, to the provisions of the Regulations and any other regulations now or hereafter in force governing the granting or administering of Provincial water-powers and the lands required in connection with the development and use thereof, and to the following special terms and conditions, namely:

1. The Licensee may divert and use continuously for the development of power at the said Kelsey Site all the water of the Nelson River which may be flowing at the said Site from time to time during the term of this Final License, subject, however, to the provisions of Section 72 of the Regulations.
2. The undertaking authorized to be maintained and operated by the Licensee under this Final License shall comprise the following: at the north end of an intake channel cut across neck of land on the west bank of the river, a reinforced concrete powerhouse with five vertical turbines each of 42,000 horsepower capacity (which may ultimately be extended to 10 vertical turbines subject to such extension being authorized by separate license in accordance with Section 67 of the Regulations) and a concrete structure completed in which a sixth

vertical turbine may be installed in the future; at the east end of this powerhouse, a timber crib; a concrete dam with sluiceways on a channel cut across neck of land on the east bank of the river; a rockfill dam across the main river channel; a concrete headblock section and earth and sand dykes; a standard gauge railway connecting the power site with the Hudson Bay Railway at Pitt Siding; a transmission line from the powerhouse to Thompson; and all plant machinery and equipment for the complete development, generation and transmission of the electric power available at the said Kelsey Site, all as shown by plans and descriptions thereof filed in the office of the Director at Winnipeg, as follows:

Manitoba Water Control and Conservation Branch File Number	Licensee's File Number	Description
51-4-1029	724-D-1003 (Rev. 3)	General Plan of Powerhouse Sluiceway and Dam
51-4-3002	111-R-413 (Rev. 0)	Plan Showing Location of Structures and Cross Sections of Structures
51-4-3003	724-C-2006 (Rev. 2)	Sluiceway and Wingwall Plan Elevation and Sections General Arrangement
51-4-3004	724-C-3211 (Rev. 2)	Powerhouse Plan Above Elevation 586'-6" Units 3, 4 and 5 Architectural Arrangement
51-4-3005	724-C-3213 (Rev. 1)	Powerhouse Plan of Powerhouse Roof Units 3, 4, and 5 Architectural Arrangement
51-4-3009	724-C-3210 (Rev. 1)	Powerhouse Plan Above Elevation 586'-6" Service Area and Units 1 and 2 Architectural Arrangement
51-4-3011	724-C-3216 (Rev. 1)	Powerhouse Cross Section at $\phi$ of Main Units Architectural Arrangement
51-4-3010	724-C-3212 (Rev. 1)	Powerhouse Plan of Powerhouse Roof Service Area and Units 1 and 2 Architectural Arrangement
51-4-3012	724-C-3219 (Rev. 1)	Powerhouse Longitudinal Section Units 3, 4 and 5 Architectural Arrangement
51-4-3006	724-C-3215 (Rev. 1)	Powerhouse Cross Section at C.L. of House Units Architectural Arrangement

Manitoba Water Control  
and Conservation Branch  
File Number

Licensee's  
File Number

Description

51-4-3007	724-C-3218 (Rev. 1)	Powerhouse Longitudinal Section Service Area and Units 1 and 2 Architectural Arrangement
51-4-3008	724-C-5002 (Rev. 4)	Plans and Typical Section of Dykes No. 2 East and No. 2 West

3. Lands of the Province which may be entered upon, used or occupied for the maintenance and operation of the said undertaking shall be the following:

(a) Lands of the Province not covered by water required for main diverting works, powerhouses, etc.

All those parts of the following lands not covered by the waters of the Nelson River as shown outlined in green on Record Plan 51-4-1032 filed in the office of the Director at Winnipeg and which is the Licensee's No. 0111 R-0207 (Rev. 0):

(i) Sections Nine (9), Ten (10), Eleven (11), Thirteen (13) and Twenty-four (24) in Township Eighty-one (81) and Range Six (6) East of the Principal Meridian in Manitoba.

(ii) Sections Eighteen (18) and Nineteen (19) in Township Eighty-one (81) and Range Seven (7) East of the Principal Meridian in Manitoba.

(b) Lands of the Province covered by water required for main diverting works, powerhouses, etc.

All those parts of the North Half of Section Twenty-four (24) in Township Eighty-one (81) and Range Six (6) East of the Principal Meridian in Manitoba covered by the waters of the Nelson River as shown outlined in red on the said Plan No. 51-4-1032.

(c) Lands of the Province required only to be flooded in connection with the storage or pondage of water

All those portions of the following Townships shown outlined in brown on Record Plan No. 51-4-1033 filed in the office of the Director at Winnipeg and which is the Licensee's No. 0111-E-0206 (Rev.0), excepting thereout all those lands heretofore described as required for works:

(i) Townships Seventy-six (76) and Seventy-seven (77) in Range Nine (9) East of the Principal Meridian in Manitoba.

- (ii) Townships Seventy-four (74), Seventy-five (75), Seventy-six (76) and Seventy-seven (77) in Range Eight (8) East of the Principal Meridian in Manitoba.
- (iii) Townships Seventy-three (73), Seventy-four (74), Seventy-five (75), Seventy-six (76), Eighty (80) and Eighty-one (81) in Range Seven (7) East of the Principal Meridian in Manitoba.
- (iv) Townships Seventy-three (73), Seventy-four (74), Seventy-five (75), Seventy-six (76), Seventy-seven (77), Seventy-eight (78), Seventy-nine (79), Eighty (80) and Eighty-one (81) in Range Six (6) East of the Principal Meridian in Manitoba.
- (v) Townships Seventy-two (72), Seventy-three (73), Seventy-four (74), Seventy-five (75), Seventy-six (76), Seventy-seven (77), Seventy-eight (78) and Eighty (80) in Range Five (5) East of the Principal Meridian in Manitoba.
- (vi) Townships Seventy-two (72), Seventy-three (73), Seventy-four (74), Seventy-five (75) and Seventy-six (76) in Range Four (4) East of the Principal Meridian in Manitoba.
- (vii) Township Seventy-two (72) in Range Three (3) East of the Principal Meridian in Manitoba.
- (viii) Townships Sixty-nine (69), Seventy (70), Seventy-one (71), and Seventy-two (72) in Range Two (2) East of the Principal Meridian in Manitoba.
- (ix) Townships Sixty-nine (69), Seventy (70), Seventy-one (71) and Seventy-two (72) in Range One (1) East of the Principal Meridian in Manitoba.
- (x) Townships Sixty-nine (69), Seventy (70), Seventy-one (71) and Seventy-two (72) in Range One (1) West of the Principal Meridian in Manitoba.
- (xi) Townships Sixty-nine (69), Seventy (70) and Seventy-one (71) in Range Two (2) West of the Principal Meridian in Manitoba.
- (xii) Townships Sixty-eight (68), Sixty-nine (69) and Seventy (70) in Range Three (3) West of the Principal Meridian in Manitoba.
- (xiii) Townships Sixty-eight (68) and Sixty-nine (69) in Range Four (4) West of the Principal Meridian in Manitoba.

- (xiv) Townships Sixty-eight (68) and Sixty-nine (69) in Range Five (5) West of the Principal Meridian in Manitoba.
  - (xv) Townships Sixty-seven (67), Sixty-eight (68) and Sixty-nine (69) in Range Six (6) West of the Principal Meridian in Manitoba.
  - (xvi) Township Sixty-eight (68) in Range Seven (7) West of the Principal Meridian in Manitoba.
- (d) Lands of the Province required only for rights-of-way for transmission lines and railway

All those portions of the following Townships required as shown on plans entered and filed in the Neepawa Land Titles Office as Nos. 4640, 4643, 4647 and 758, copies of which are filed in the office of the Director at Winnipeg:

- (i) Townships Eighty (80) and Eighty-one (81) in Range Eight (8) East of the Principal Meridian in Manitoba.
- (ii) Township Eighty-one (81) in Range Seven (7) East of the Principal Meridian in Manitoba.
- (iii) Township Eighty-one (81) in Range Six (6) East of the Principal Meridian in Manitoba.
- (iv) Township Eighty-one (81) in Range Five (5) East of the Principal Meridian in Manitoba.
- (v) Township Eighty-one (81) in Range Four (4) East of the Principal Meridian in Manitoba.
- (vi) Townships Eighty (80) and Eighty-one (81) in Range Three (3) East of the Principal Meridian in Manitoba.
- (vii) Townships Eighty (80) and Eighty-one (81) in Range Two (2) East of the Principal Meridian in Manitoba.
- (viii) Township Eighty (80) in Range One (1) East of the Principal Meridian in Manitoba.
- (ix) Townships Seventy-nine (79) and Eighty (80) in Range One (1) West of the Principal Meridian in Manitoba.
- (x) Townships Seventy-eight (78) and Seventy-nine (79) in Range Two (2) West of the Principal Meridian in Manitoba.
- (xi) Township Seventy-eight (78) in Range Three (3) West of the Principal Meridian in Manitoba.

4. The Licensee shall not raise the headwater of its development to an elevation higher than 605.0 above mean sea level, Canadian Geodetic Datum, 1929 Adjustment. A higher elevation may be created only with prior written permission by the Director and in accordance with Section 72 of the Regulations.
5. In accordance with Section 45 of the Regulations, the term of this Final License shall be fifty (50) years from and after the first day of January, A.D., 1965, and the said term shall thereafter be subject to renewal or extension in accordance with the provisions of the laws and Regulations relating thereto and then in force.
6. On the second day of each and every year during the term of this Final License the Licensee shall pay an annual rental in advance of Five Hundred dollars (\$500.00) for the use and occupation of lands of the Province described in Article 3, parts (a) to (c) inclusive, hereof. On the second day of January in each and every year during the said term the Licensee shall in addition pay an annual rental in advance of One Dollar (\$1.00) per acre for the use and occupation of lands of the Province described in Article 3, part (d) hereof and not lying within the Local Government District of Mystery Lake.
7. The Licensee shall also pay an annual rental during the term of the Final License for the use of water for the development of power, determined in accordance with the principles set out in Section 48 of the Regulations, and payable at the times and in the manner therein provided, and at the following rates:
  - (a) The rentals in the first 20 years of the term of this License shall be the greater of:
    - (i) an annual rental of fifty (50) cents per installed horsepower;
    - (ii) an annual rental of one dollar and twenty-five cents (\$1.25) per horsepower year output.
  - (b) The annual rental to be paid after the expiry of the said twenty (20) year period shall be determined as provided in the regulations in force at such time.
8. The Severance Line as defined in Section 1 of the Regulations shall be as shown on Record Plan No. 51-4-1027 filed in the office of the



Director, and which is the Licensee's Drawing No. 111-E-396 (Rev. 2).

9. All record plans filed with the Director and referred to in this Final License are incorporated herewith and made a part hereof.
10. This Final License is issued upon the express condition that it shall be subject to the provisions of the Regulations and all subsequent amendments thereto.

Issued at Winnipeg this 10th day of March A.D., 1966 ,  
at the direction of the Honourable the Minister of Agriculture and Conservation

Original signed by George Hutton