

PROVINCE OF MANITOBA  
MANITOBA CONSERVATION AND WATER STEWARDSHIP

SHORT-TERM EXTENSION LICENCE  
FOR THE DEVELOPMENT OF WATER POWER  
Kelsey Site, Nelson River

Issued to Manitoba Hydro ("the Licensee"), 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. The Licensee is the holder of a Final Licence for the development of water power at the Kelsey Site, a licence under *The Water Power Act*, 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 (a copy of that Final Licence, First Amending Licence and Second Amending Licence are attached as Schedule "A" of this Short-Term Extension Licence);
- B. The Licensee by letter dated December 17, 2010, signed by W.V. Penner, Manager, Hydraulic Operations Department, applied for a renewal of the Final Licence for the Kelsey Site in accordance with subsection 46(1) of the Water Power Regulation.
- C. The Final Licence has not yet been renewed, and the Licensee has applied by letter dated October 30, 2014 signed by W. V. Penner, Manager, Hydraulic Operations Department, to the Manager of Water Use Licensing of Manitoba Conservation and Water Stewardship for a Short-Term Extension Licence for the Kelsey development in accordance with section 92 of the Water Power Regulation and has done all things which, in the opinion of the Director, are required to be done by the Licensee prior to the issuance of a Short-Term Extension Licence;
- D. It is contemplated that decisions will be made about the application for a Renewal of the Final Licence during the term of this Short-Term Extension Licence;
- E. The Licensee has duly executed an acceptance of the terms and conditions of this Short-Term Extension Licence and has undertaken to observe and fulfill all the terms and conditions which the Licensee is required to observe and fulfill under this Short-Term Extension Licence:

This Short-Term Extension Licence is issued, granting to the Licensee:

- (a) the right to impound divert and use water of the Nelson River at and near the Kelsey 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 described in the Final Licence; and

- (d) the right to operate and maintain the undertaking, the location and description of which is shown upon the recorded plans numbered and filed in the office of the Executive Director at Winnipeg.

on the same terms and conditions as set out in the Final Licence dated March 10, 1966, as amended by the First Amending Licence dated April 29, 1971 and the Second Amending Licence dated April 8, 1983 subject to the following specific terms and conditions:

1. This Short-Term Extension Licence shall apply from January 1, 2015 to and including January 1, 2020.
2. On the second day of January in each year the Licensee shall pay an annual rental in advance for the use and occupation of lands of the Province described in paragraphs 3 (a), (b), (c) and (d) of the Final Licence at the rates set from time to time by Regulation under *The Water Power Act*.<sup>1</sup>
3. The Licensee shall pay an annual rental for the use of water for the development of power at the rates set from time to time by Regulation under *The Water Power Act* and payable at the times and in the manner provided for by Regulation under *The Water Power Act*.<sup>2</sup>
4. The terms and conditions set out in the Final Licence dated March 10, 1966 as amended by the First Amending Licence dated April 29, 1971, and the Second Amending Licence dated the April 8, 1983 apply as if set out specifically in this Short-Term Extension Licence, except:
  - (a) in the Final Licence dated March 10, 1966 under Article 2, "42,000 horsepower capacity" is replaced by "60,500 horsepower capacity"
  - (b) in the First Licence Amending the Final Licence dated April 29, 1971 and Second Amending Licence dated April 8, 1983 all instances of "42,000 horsepower capacity" is replaced by "60,500 horsepower capacity" and all instances of "forty-two thousand (42,000) horsepower" is replaced by "sixty thousand five hundred (60,500) horsepower"


<sup>1</sup> Rental rates for land use are currently set out in s. 48(3.1) of the Water Power Regulation.

<sup>2</sup> Rental rates for the use of water for the development of power are currently set out in s. 48(3.2) of the Water Power Regulation.

5. The Licensee shall comply with *The Water Power Act* and the Water Power Regulation.

ISSUED at Winnipeg this 12<sup>th</sup> day of December, 2014.

**Original Signed By: Gord Mackintosh**

  
Minister of Conservation and  
Water Stewardship

**Schedule "A" –**

**Final License signed March 10, 1966;  
Licence Amending Final License signed April 29, 1971 ((referred to as First Amending  
Licence); and  
Second Amending License signed April 8, 1983**