

**PROVINCE OF MANITOBA
MANITOBA WATER STEWARDSHIP**

**SHORT-TERM EXTENSION LICENCE
FOR THE DEVELOPMENT OF WATER POWER
McArthur Falls Site, Winnipeg 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 (hereinafter called "the Licensee") is the holder of a Final Licence for the development of water power at the McArthur Falls Site, dated November 30, 1965 (a copy of that Final Licence is attached as Schedule "A" to this Short-term Extension Licence);
- B. The term of the Final Licence was for a term of fifty (50) years from January 1, 1955;
- C. The Licensee by letter dated February 26, 1999 signed by H.S. Zbigniewicz, Manager of Hydraulic Engineering and Operations, applied for a renewal of the McArthur Falls Final Licence;
- D. The Final Licence has not yet been renewed, and the Licensee has applied by letter dated February 4, 2010 signed by W. V. Penner, Manager, Hydraulic Operations Department, to the Executive Director of Regulatory and Operational Services of Manitoba Water Stewardship for a Short-term Extension Licence for the McArthur Falls development in accordance with section 92 of the Water Power Regulation and has done all things which, in the opinion of the Executive Director, are required to be done by the Licensee prior to the issuance of a Short-term Extension Licence;
- E. 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.
- F. 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 Winnipeg River at and near the McArthur Falls 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 record 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, subject to the following specific terms and conditions:

1. This Short-term Extension Licence shall apply from January 1, 2005 to and including September 30, 2015.
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 parts (a), (b), and (c) of Article 3 of the Final Licence at the rates set from time to time by Regulation under *The Water Power Act*.¹
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*.²
4. The terms and conditions set out in the Final Licence apply as if set out specifically in this Short-term Extension Licences, except where inconsistent with the terms and conditions set out specifically in this document, in which case the terms and conditions set out in this document will apply.
5. The Licensee shall comply with *The Water Power Act* and the Water Power Regulation.

ISSUED at Winnipeg this 3rd day of November, 2010.

Original Signed By: Minister
Christine Melnick

Minister of Water Stewardship

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

² 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.

Schedule "A" – Final Licence dated November 30, 1965