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-runnering project” and Manitoba Hydro has filed with the Director plans and descriptions of the elements of the Kelsey Re-runnering project;

C. The Final Licence was also amended by a Short-Term Amending Licence, dated July 16, 2010 to address the effect of the Kelsey Re-runnering project to December 31, 2010;

D. The Licensee has duly executed an acceptance of the terms and conditions of this Second 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 Second Short-Term Amending Licence.

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

1. This Second Short-Term Amending Licence is effective from January 1, 2011 to and including March 31, 2011.

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, four of which with a generating capacity of 45.1 megawatts\(^1\) and three of which with a generating capacity of 31.32 megawatts\(^2\)”

\(^1\) 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-runnnering Project filed with the Director either before or after the date of this Second Short-Term Amending Licence.

4. Except as set out in paragraphs 2 and 3 of this Second Short-Term Amending Licence, all terms of the Final Licence (as previously amended) remain unaltered.

5. Upon the expiry of this Second Short-Term Amending Licence the terms and conditions of the Final Licence (as previously amended) shall apply without the amendments set out in this Second Short-Term Amending Licence, except to the extent that the Final Licence is amended further before that time.

ISSUED at Winnipeg this 29th day of December, 2010.

Original Signed By:
Minister Christine Melnick

Minister of Water Stewardship