

**Term Sheet
Between**

**Centra Gas Manitoba Inc., a wholly owned subsidiary of Manitoba Hydro,
(hereinafter "Centra")**

and

**Great Lakes Gas Transmission Limited Partnership,
(hereinafter "GLGT")**

and

**ANR Pipeline Company
(hereinafter "ANR")**

WHEREAS Centra, GLGT and ANR (collectively the "Parties") are parties to certain transportation and storage service contracts which are set to expire on March 31, 2013 (the "Existing Contracts");

AND WHEREAS the Parties have agreed to replace the Existing Contracts with certain transportation and storage service contracts, the contract quantities, rates and terms and conditions of which are contained within this Term Sheet;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is now hereby acknowledged, the Parties agree as follows:

1. "Term Sheet" means this Term Sheet and Exhibit A. It is mutually agreed by the parties hereto that each of the said documents are incorporated by reference herein.
2. Centra, GLGT and ANR will replace the Existing Contracts in accordance with the terms and conditions of this Term Sheet. The replacement of the Existing Contracts will be effectuated by the execution of the transportation and storage contracts referenced herein (the "Replacement Contracts"). Notwithstanding the date of execution and subject to any required approvals by the Federal Energy Regulatory Commission ("FERC"), the Replacement Contracts will take effect on the corresponding dates specified in Exhibit A.
3. The execution of the Replacement Contracts is subject to and contingent upon the approval of Centra's Board of Directors and shall be subject to and contingent upon Centra obtaining all necessary regulatory approvals from the Manitoba Public Utilities Board ("MPUB") as set forth in section 6 herein.

4. Upon execution of this Term Sheet, Centra, ANR and GLGT shall cooperate and work in good faith to effectuate the terms and conditions of this Term Sheet as will be reflected in the Replacement Contracts.
5. The Replacement Contracts shall be in accordance with the General Terms and Conditions of ANR's FERC Gas Tariff and GLGT's FERC Gas Tariff, as applicable.
6. The cost consequences arising from this Term Sheet are subject to regulatory approval by the MPUB and shall be sought by Centra as soon as is reasonably practical after the execution of this Term Sheet and approval of Centra's Board of Directors. Centra will use its best efforts to complete the regulatory process and obtain the necessary regulatory approvals on or before August 31, 2012.
7. ANR and GLGT will file, as necessary, any Replacement Contracts that contain non-conforming provisions in accordance with FERC regulations within 30 days of execution of said Replacement Contracts. Filings of Replacement Contracts referenced herein will include a request for waiver of any FERC regulations necessary to secure approval of said Replacement Contracts sufficiently in advance of the earliest commencement date of service contemplated in the Replacement Contracts. In the event that any Replacement Contracts filed with FERC for approval are not approved by FERC, ANR and GLGT will use any and all reasonable measures, including but not limited to regulatory, contractual, commercial or operational measures, available to ANR and GLGT as necessary to ensure that the services contemplated herein are provided for at the rates and terms contained herein.
8. Save and except for section 7 herein, this Term Sheet shall terminate upon the date of the execution of the Replacement Contracts by the parties herein.

Effective this 12th day of March, 2012.

Centra Gas Manitoba Inc., a wholly owned subsidiary of Manitoba Hydro

By:

Title:

V.A. Warden

SENIOR VP FINANCE & ADMINISTRATION
and CHIEF FINANCIAL OFFICER

[SIGNATURES CONTINUED ON THE NEXT PAGE]

ANR PIPELINE COMPANY

By: 
Title: Dean Patry
VP US Pipelines Central

ANR PIPELINE COMPANY

By: 
Title: Gary Charette
VP US Commercial Operations

Legal
2/12/12
Date

GREAT LAKES GAS TRANSMISSION LIMITED PARTNERSHIP

By: 
Title: Dean Patry
VP US Pipelines Central

GREAT LAKES GAS TRANSMISSION LIMITED PARTNERSHIP

By: 
Title: Gary Charette
VP US Commercial Operations

Legal
2/12/12
Date

**ANR Pipeline Company ("ANR")
Great Lakes Gas Transmission Limited Partnership ("GLGT")
Centra Gas Manitoba Inc. ("Centra")**

Exhibit A to Term Sheet Dated March 12, 2012

Service	Term of Contract		Annual Reservation Charges		Contract Quantity		Months	Reservation Charges
	Start	End	Reservation Rates	Final				
Seasonal Storage Deliverability	4/1/2013	3/31/2020	\$	1.6000	89,400	Dth/d MDWQ	12	\$1,716,480
Storage Capacity Reservation			\$	0.3020	7,677,318	MDth	12	\$2,318,550
Annual Storage Deliverability	4/1/2013	3/31/2020	\$	1.6000	117,000	Dth/d MDWQ	12	\$2,246,400
Storage Capacity Reservation			\$	0.3125	7,013,846	MDth	12	\$2,191,827
Summer Service:								
GLGT Transport Emerson to Fortune Lake/Crystal Falls 100% LF Reservation	2/ 14/	4/1/2013	3/31/2020	\$	3.0420	50,500 Dth/d MDQ	7	\$1,075,347
				\$	0.1000			
ANR Transport Fortune Lake/Crystal Falls (ID: 11661) to Storage (ID: 153808) 100% LF Reservation	3/	4/1/2013	10/31/2019	\$	3.9250	50,200 Dth/d MDQ	7	\$1,379,245
				\$	0.1290			
ANR Transport Joliet Hub Logical Point (ID: 243097) to Storage (ID: 153808) 100% LF Reservation	4/	4/1/2013	10/31/2019	\$	3.9250	7,000 Dth/d MDQ	7	\$192,325
				\$	0.1290			
Winter Service:								
ANR Transport Storage (ID: 153808) to Deward (ID: 40785) 100% LF Reservation	5/	11/1/2013	3/31/2020	\$	0.3040	204,363 Dth/d MDQ	5	\$310,632
				\$	0.0100			
GLGT Transport Deward/Farwell to Emerson 100% LF Reservation	6/ 14/	4/1/2013	3/31/2020	\$	2.2800	224,363 Dth/d MDQ	5	\$2,557,738
				\$	0.0750			
ANR Transport Joliet Hub Logical Point (ID: 243097) to Storage (ID: 153808)	7/	11/1/2013	3/31/2020	\$	0.3040	40,000 Dth/d MDQ	5	\$60,800
				\$	0.0100			
Total Reservation								<u>\$14,049,344</u>

- Notes:
- 1/ This is a package deal and is not severable into individual services.
 - 2/ Route at discount with secondary deliveries in path with \$0.005 /dth uptick, FL/CF Secondary Receipt, Emerson Secondary Del at same rate as primary, no other secondaries at discount.
 - 3/ Route at discount, secondary receipt at Joliet Hub Logical Point (ID: 243097), ANR storage (ID: 153808), secondary delivery at CF (ID: 11661) and Joliet Hub Logical Point (ID: 243097) at discount, no other secondaries at discount.
 - 4/ Route at discount, secondary receipts CF (ID: 11661), ANR storage (ID: 153808), secondary deliveries CF (ID: 11661), Joliet Hub Logical Point (ID: 243097) at discount, no other secondaries at discount.
 - 5/ ANR Winter route Storage (ID: 153808) to Deward (ID: 40785) primary, secondary delivery to Farwell (ID: 11616) at discount, no other secondaries at discount. ANR will have ability to put gas into Deward or Farwell, at ANR's sole discretion.
 - 6/ GLGT backhaul contract will have primary receipts at Deward and Farwell, with secondary deliveries at Crystal Falls at \$0.02 uptick, no other secondaries at discount.
 - 7/ Route at discount, with secondary delivery at Farwell (ID: 11616) at discount, no other secondaries at discount.
 - 8/ Contractual ROFR on all contracts.
 - 9/ All contracts will be pro-forma agreements with discounted rates, with the exception of ANR's contract from ANR storage to GLGT, which will contain non conforming provisions that will require approval by the Federal Energy Regulatory Commission.
 - 10/ All services will be subject to commodity and utilization charges, as well as appropriate fuel and ACA.
 - 11/ Deal subject to approval by the Centra Board of Directors and the Manitoba Public Utilities Board prior to contract execution.
 - 12/ Deal subject to the terms and conditions of ANR's FERC Gas Tariff.
 - 13/ Deal subject to the terms and conditions of GLGT's FERC Gas Tariff.
 - 14/ GLGT Transport will be on the same contract with Winter and Summer Routes as detailed in footnotes 2/ and 6/.