

Manitoba Hydro Undertaking #85

Manitoba Hydro to determine whether there is an adverse water clause in the contract that currently exists with NSP.

The 500 MW System Participation Power Sale Agreement between Manitoba Hydro and NSP that covers the period May 1, 2005 until April 30, 2015 does not contain an adverse water clause that can be exercised by Manitoba Hydro to reduce its energy supply obligations under low water flow conditions.

However as exists in all of MH's export sale agreements, MH has the right to curtail energy deliveries to NSP to the extent necessary to continue deliveries to higher priority loads including domestic load in Manitoba, under supply shortage conditions.