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October 16, 2013

Client File No. 5433.00 Licence No. 3055

Ms. Tracey Braun Director Environmental Approvals Manitoba Conservation Suite 160, 123 Main Street Winnipeg, MB R3C 1A5

Dear Ms. Braun:

RE: Bipole III Transmission Project (Licence 3055) – Licence Condition # 33

Please find enclosed documentation outlining Manitoba Hydro's policy to provide an option for disposition of payments in an annual format where compensation is paid in agricultural areas, pursuant to the requirements of clause 33 of License No. 3055 respecting the Bipole III Transmission Project.

Should you have any questions or require further clarification of our comments please do not hesitate to contact me at 204-360-4394.

Regards,

Original signed by Shannon Johnson

Shannon Johnson Manager Licensing and Environmental Assessment Department Manitoba Hydro 820 Taylor Ave (3) Winnipeg, Manitoba R3M 3T1

Attachments: 1

Bipole III Transmission Project Environment Act License 3055 Condition No. 33

<u>Manitoba Hydro's Policy to Provide an Option for Disposition of Payments in an</u> <u>Annual Format where Compensation is Paid in Agricultural Areas</u>

Annual Payment Option – Bipole III

Landowners will be offered a one-time lump sum payment for the purchase of an easement and a one-time lump sum payment for bona-fide ancillary and construction damages. Landowners will be provided the option of a one-time lump sum or <u>annual</u> crop damage and impact payment as Structure Impact Compensation for structures located on agricultural lands.

- If the land owner opts to receive the Structure Impact Compensation" as an annual payment rather than a one-time lump sum payment it will be noted on the "Grant of Easement" agreement that will be registered at the Property Registry,
- The Structure Impact Compensation annual payment option will remain in effect as long as Manitoba Hydro's structures remain on the property,
- For those properties identified as Annual Structure Impact Compensation, only the property owner of record as of January 1st (as per Property Registry records) of each year will be eligible to receive payment,
- The Annual Structure Impact Compensation shall be in accordance with Manitoba Hydro's structure payment schedule that is in effect as of January 1st of each new year.

The Annual Impact Compensation calculations include:

- 1. crop losses on lands permanently removed from production,
- 2. reduced productivity in an area of overlap around each structure,
- 3. the additional time required to maneuver machinery around each structure,
- 4. double application of seed, fertilizer and chemicals in the area of overlap around each structure, and
- 5. weed control around each structure.