

MH/NEW 1011



EXHIBIT # MH/NEW-1011
WUSKWATIM GENERATION
& TRANSMISSION PROJECT
D. G.
CLEAN ENVIRONMENT COMMISSION

May 25, 2001

The Honorable Gary Doer
204 Legislative Building
Winnipeg, Manitoba R3C 0V8
Canada

Bob Brennan, President
Manitoba Hydro
820 Taylor Avenue
P.O. Box 815
Winnipeg, Manitoba R3C 2P4
Canada

Re: Minnesota Energy Security and Reliability Act of 2001 (SF 722)

Dear Premier Doer and Mr. Brennan:

As you know, the Minnesota legislature recently passed comprehensive energy policy legislation. As the chief authors of this legislation and chairmen of the committees responsible for setting Minnesota's energy policy, we want to correct certain statements made in a press release by Pimicikamak Cree Nation representatives concerning this legislation.

First, we recognize the critical role Manitoba's hydroelectric power plays in supplying electricity to Minnesotans. Minnesota and Manitoba have both benefitted from the longstanding relationship between Manitoba and Minnesota's utilities. As our State and region face tightening energy supplies in the next decade, we hope to continue this beneficial relationship.

The 2001 Energy Security and Reliability Act confirms that hydroelectricity is classified as a renewable energy source in the state. In fact, the Act directs utilities to file "green pricing" tariffs for renewable energy utilizing current statutory definitions of renewable energy, which includes all hydroelectric power.

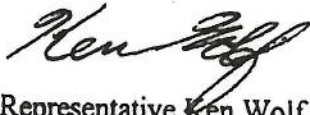


Premier Doer
Mr. Brennan
May 25, 2001
Page 2

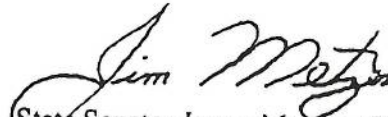
The Act also sets goals for the development of "eligible energy technologies." This section of the Act focuses on a subset of renewable technologies that currently do not play a major role in utilities' portfolios. This is intended to encourage development of emerging technologies and less economically competitive sources of energy. For this purpose, the Act sets a limit of 60 megawatts for any hydroelectric "eligible energy technology." The Act specifically defined the emerging technologies in this way to ensure that larger hydroelectric facilities and other "non-eligible" technologies would still be considered "renewable energy" in Minnesota.

We hope that this letter answers any concerns you may have regarding this legislation and we look forward to continued trade and a strong working relationship with Manitoba.

Warm regards,



State Representative Ken Wolf, Chairman
Regulated Industries Committee



State Senator James Metzen, Chairman
Telecommunications, Energy and Utilities Committee

cc: Speaker of the House, Steve Sviggum
Senate Majority Leader, Roger Moe