

INSTRUCTIONS: A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements; or, where no contract exists, a full statement of all the circumstances, by reason of which the registrant is acting as an agent of a foreign principal. This form shall be filed in duplicate for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

Name of Registrant

ARNOLD & PORTER

Name of Foreign Principal

Manitoba Energy Authority

Check Appropriate Boxes:

- The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach two copies of the contract to this exhibit.
- There is no formal written contract between the registrant and foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach two copies of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.
- The agreement or understanding between the registrant and foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and the expenses, if any, to be received.

4. Describe fully the nature and method of performance of the above indicated agreement or understanding.

As described in the attached amended agreement, the Registrant will monitor developments and render advice on U.S. laws, regulations and policies that may affect or relate to Manitoba electrical power exports to the United States. The fee for such representation is to be determined periodically, as set forth in the attached amended agreement, based on hourly charges, plus out-of-pocket expenses. Total fees for the period prior to July 31, 1987 shall not exceed \$74,000, without the prior consent of the foreign principal. The duration of the agreement is until July 31, 1987.

5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

The Registrant will monitor developments and render legal advice to the foreign principal with respect to U.S. laws, regulations and policies that may affect or relate to Manitoba electrical power exports to the United States and will engage in other activities as required in legal representation of the principal.

6. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act?
Yes No

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

The Registrant may engage in political activities on behalf of the foreign principal. The Registrant's activities may on occasion include communications on behalf of the foreign principal with Executive Branch officials, officials of government agencies, and with members of the U.S. Senate and House of Representatives and their staffs relating to legislation and actions of the Executive Branch and government agencies that may affect or relate to Manitoba electrical power exports to the United States.

Date of Exhibit B

May 27, 1987

Name and Title

Robert F. Herzstein
Partner

Signature



¹Political activity as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

**MANITOBA
ENERGY
AUTHORITY**

12th Floor, 191 Lombard Avenue / Winnipeg, Manitoba, Canada / R3B 0X1
Telephone: (204) 945-0193 FAX: (204) 945-8808

May 15, 1987

G. Philip Nowak
Arnold & Porter
1200 New Hampshire Avenue N.W.
Washington, D.C. 20036

Dear Mr. Nowak:

Please find enclosed an executed copy of a Letter of Amendment to our Agreement for Consulting Services which was dated October 27, 1986. Please retain this for your files.

Thank you.

Yours sincerely,



Wendy Granger
Administrative Officer

Enclosure

LETTER OF AMENDMENT TO AN AGREEMENT FOR
CONSULTING SERVICES dated as of May 14, 1987.

BETWEEN: THE MANITOBA ENERGY AUTHORITY
(called "the Authority"),
OF THE FIRST PART

- and -

ARNOLD & PORTER in the City of
Washington, D.C., United States of
America
(called the "Consultant"),
OF THE SECOND PART.

THIS AMENDMENT confirms that the Agreement for Consulting Services dated as of October 27, 1986 between the Authority and the Consultant (the "Agreement") is extended and amended pursuant to Section 21 thereof in the following respects:

1. Section 1, Clause 1 is hereby amended to provide that the term of the Agreement shall be extended from February 28, 1987 to July 31, 1987.
2. Schedule "A" referred to in Section 2, Clause 2(1) of the Agreement is rescinded effective February 28, 1987 and a revised Schedule A attached hereto is hereby substituted effective February 28, 1987.

3. Section 6, Clause 6(1) is hereby amended to provide that the fee shall be increased by an amount not to exceed \$50,000 (U.S.), to an amount which shall not exceed in total \$74,000 (U.S.), unless previously agreed to by the Authority. The Consultant's services under this Agreement shall be provided by the following individuals: Robert Herzstein, Jim Fitzpatrick, Philip Nowak, Claire Reade, David Greenberg, Eric Biel, Anne McCaskill, Legal Assistants, and Alex Radin.
4. Section 6, Clause 6(5) is hereby amended to provide that the total fee paid under this Agreement shall not exceed \$74,000 (U.S.) without the prior consent of the Authority.
5. Section 24, Clause 24(2) is hereby amended to provide that any notice or other communication to the Authority shall be sent to the following address: 191 Lombard Avenue, Winnipeg, Manitoba, Canada R3B 0X1

IN WITNESS WHEREOF the parties have executed this
Letter of Amendment this 14th day of May, 1987.

SIGNED IN THE PRESENCE OF

FOR THE MANITOBA ENERGY
AUTHORITY

W. Granger

WITNESS

M. Gibson

DATE May 15, 1987

FOR THE CONSULTANT

Lucella A. Stratzel

WITNESS

G. Philip Dawick

DATE May 14, 1987

SCHEDULE A

This is Schedule A to the Letter of Amendment dated as of May 14, 1987 to the Agreement for Consulting Services dated as of October 27, 1986 between the Authority and the Consultant.

The Consultant shall provide the following services relating to Manitoba electrical power exports to the United States:

- Monitor the activities of groups and individuals interested in Canadian electrical power exports to the United States.
- Provide information requested by groups and individuals interested in Canadian electrical power exports to the United States.
- Complete and/or prepare a background paper, a response to the Ad Hoc Coalition and a position paper for the Authority.
- Prepare an analysis of the basis for a countervailing duty petition under United States trade laws.
- Prepare two status reports (on June 1 and July 31) for the Authority.

Should the Authority ask the Consultant to perform services not specified in this Schedule A, the Authority and Consultant shall mutually agree on the additional fee to be paid the Consultant for such services. The Agreement does not cover services provided in connection with a trade case, an effort to enact, defeat or modify legislation, or other activities not described in this Schedule A.

An Agreement for Consulting Services dated ^{as of} October 27, 1986. *ME J.P.M.*

BETWEEN:

THE MANITOBA ENERGY AUTHORITY

(called "the Authority"),

- and -

ARNOLD & PORTER in the City of Washington, D.C.,
United States of America

(called the "Consultant"),

Manitoba and the Consultant agree as follows:

SECTION 1 - TERM OF AGREEMENT

1. This Agreement comes into effect ^{as of} ~~on~~ October 27, 1986 and shall continue until February 28, 1987, unless delayed, suspended or extended beyond that date under Section 14 or terminated before that date under Section 15. *ME J.P.M.*

SECTION 2 - SERVICES TO BE PROVIDED

- 2(1) The Authority agrees to retain the Consultant to provide the services outlined in the attached Schedule "A" (called the "Services" and the Consultant agrees to provide the Services on the terms and conditions set out in this Agreement.
- 2(2) Schedule "A" forms part of this Agreement.

- 2(3) The Authority and the Consultant agree that any work performed by the Consultant outside the scope of Schedule "A" without the prior written approval of the Authority shall be deemed to be gratuitous on the Consultant's part, and the Authority has no liability with respect to such work.

SECTION 3 - PERFORMANCE OF CONSULTANT'S OBLIGATIONS

- 3(1) The Consultant represents and warrants that
- (a) the Consultant possesses the necessary skills, expertise and experience to perform the Services in accordance with the provisions of this Agreement; and
 - (b) the Consultant understands the Authority's requirements under this Agreement and will be able to satisfy these requirements.
- 3(2) The Consultant agrees:
- (a) that the Services shall be provided regularly during the contract period unless the Authority agrees otherwise in writing;
 - (b) that the person or persons designated ^{in Section 6.1} ~~under clause 6.1~~ shall devote the time, attention, abilities and expertise necessary to properly perform the Consultant's obligations under this Agreement;
 - (c) to perform all obligations and provide the Services in a professional manner satisfactory to the Authority; and
- ME*
S.T.N.

(d) to comply with all reasonable directions and requests of the Authority.

SECTION 4 - RESTRICTION ON OTHER WORK

4. While this Agreement is in effect, the Consultant and any officers, employees or agents of the Consultant shall not provide services to any other person, firm, corporation or organization in a manner which might interfere or conflict with the proper performance of the Consultant's obligations under this Agreement.

SECTION 5 - PROGRESS REPORTS

5. The Consultant shall provide progress reports, satisfactory in form and content to the Authority, with respect to the provision of the Services at the request of the Authority.

SECTION 6 - CONSULTANT'S FEES

- 6(1) Subject to the following subsections, in consideration of Services performed to the satisfaction of the Authority, the Authority shall pay the Consultant the following fees:

The fee shall not exceed the sum of \$24,000 (U.S.), unless previously agreed to by the Authority, for the contract period to be paid on a monthly basis.

The Authority's fees shall be based upon the time spent by the following individuals and will be charged at the Consultant's usual and customary hourly rates: Robert Herzstein, Jim Fitzpatrick, Patrick Macrory, Philip Nowak Steve Owens, Legal Assistants, Anne McCaskill, APCO & Associates, and Alex Radin.

- 6(2) The Consultant shall provide a monthly invoice to the Chairperson of the Authority.
- 6(3) All invoices shall be in writing and satisfactory to the Authority in both form and content. The Consultant shall also provide to the Authority such supporting documents, vouchers, statements and receipts as may be requested by the Authority.
- 6(4) The Authority shall endeavour to pay the Consultant any fees due within thirty (30) days after the receipt and approval of an invoice and any supporting materials requested under subsection (3).
- 6(5) The total fees paid under this Agreement shall not exceed \$24,000 (U.S.) without the prior consent of the Authority.

SECTION 7 - REIMBURSEMENT OF CONSULTANT'S EXPENSES

- 7(1) The Authority shall reimburse the Consultant for reasonable out-of-pocket expenses relating to the provision of the Services if:
- (a) prior written permission to incur the expense was obtained from the Authority, and
 - (b) the Consultant provides satisfactory receipts or supporting documents to the Authority.
- 7(2) The Authority shall not be responsible for payment of any other expenses incurred by the Consultant in the performance of this Agreement.
- 7(3) Payment of expenses shall be made, upon receipt and approval of an invoice and satisfactory receipts or supporting documents, in accordance with the provisions of subsection 6(4) and 6(5).

SECTION 8 - ASSISTANCE FROM THE AUTHORITY

8. The Authority agrees to make reasonably available to the Consultant such documents, records and assistance from officers and employees of the Authority as may, in the opinion of the Authority, be reasonably necessary to assist the Consultant in the performance of this Agreement.

SECTION 9 - CONFIDENTIALITY OF INFORMATION ETC. ACQUIRED

9. While this Agreement is in effect, and at all times thereafter, the Consultant and any officers, employees or agents of the Consultant
- (a) shall treat as confidential all information, data, documents and materials acquired or to which access has been given in the course of, or incidental to, the performance of this Agreement, and
 - (b) shall not disclose, or permit to be disclosed, to any person, corporation or organization such information, data, documents or materials without first obtaining written permission from the Authority;
 - (c) shall comply with any rules or directions made or given by the Authority with respect to safeguarding or ensuring the confidentiality of such information, data, documents or materials.

SECTION 10 - OWNERSHIP OF INFORMATION, ETC.

- 10(1) All information, data, research, documents, photographs and materials discovered or produced by the Consultant, or any officers, employees or agents of the Consultant, in the performance of this Agreement, and all copyright therein, shall be the exclusive property of the Authority, and shall be delivered without cost to the Authority upon request.

- 10(2) While this Agreement is in effect, and at all times thereafter, the Consultant, and any officers, employees or agents of the Consultant, shall not use, publish or disclose any information, data, research, documents, photographs or materials discovered or produced by the Consultant in the performance of this Agreement without first obtaining written permission from the Authority.
- 10(3) Any equipment, materials, and supplies provided by the Authority to the Consultant for use in the performance of this Agreement shall remain the property of the Authority and shall be returned without cost to the Authority upon request.

SECTION 11 - USE OF THE AUTHORITY'S PREMISES

11. When using the premises of the Authority, the Consultant and all officers, employees and agents of the Consultant shall comply with all security regulations in effect from time to time.

SECTION 12 - THE AUTHORITY NOT LIABLE FOR INJURY, ETC. TO CONSULTANT

- 12(1) The Authority shall not be liable for any injury to the Consultant, or to any officers, employees or agents of the Consultant, or for any damage to or loss of property of the Consultant, or of the officers, employees or agents of the Consultant, caused by or in any way related to the performance of this Agreement.

12(2) Subsection (1) does not apply if the injury, damage or loss was caused by the wrongful or negligent act of an officer or employee of the Authority while acting within the scope of his or her employment.

~~SECTION 13 INDEMNIFICATION BY CONSULTANT~~

*MB
J.P.N.*

~~13(1) The Consultant shall use due care in the performance of the obligations under this Agreement to ensure that no person is injured, no property is damaged or lost and no rights are infringed.~~

13(2) The Consultant shall be solely responsible for

(a) any injury to persons (including death), damage or loss to property or infringement of rights caused by, or related to, the performance of this Agreement or the breach of any term or condition of this Agreement by the Consultant, or the officers, employees or agents of the Consultant, and

(b) any omission or wrongful or negligent act of the Consultant, or of the officers, employees or agents of the Consultant;

and shall save harmless and indemnify the Authority, its officers, employees and agents from and against all claims, liabilities and demands with respect to clauses (a) and (b).

SECTION 14 - SUSPENSION OR EXTENSION

- 14(1) The Authority may, at its sole option, from time to time, delay or suspend Services being provided under this Agreement, in whole or in part, in writing for such period of time as may, in the opinion of the Authority, be necessary.
- 14(2) The Authority may, at its sole option, extend the time in which the Services are to be provided in writing if necessary by reason of circumstances beyond the control of the Consultant or through no fault of the Consultant.
- 14(3) Where there is a delay or suspension under subsection (1) or an extension of time under subsection (2), all terms and conditions of this Agreement shall continue in full force and effect against the Consultant. The Consultant shall not be entitled to make any claim for damages by reason of the delay, suspension or extension.

SECTION 15 - TERMINATION

- 15(1) The Authority may terminate this Agreement at any time giving fourteen (14) days notice in writing to the Consultant.

15(2) In addition to its rights under subsection (1), and without restricting any other remedies available, the Authority may, at its sole option, immediately terminate this Agreement in writing if

(a) in the opinion of the Authority, the Services provided by the Consultant are unsatisfactory, inadequate, or are improperly performed; or

(b) in the opinion of the Authority, the Consultant has failed to comply with any term or condition of this Agreement; or

(c) the Consultant becomes bankrupt or insolvent.

15(3) Upon termination of this Agreement, the Consultant shall cease to perform any further work. The Authority shall be under no obligation to the Consultant other than to pay, upon receipt of an invoice and supporting documentation satisfactory to the Authority, such compensation as the Consultant may be entitled to receive under this Agreement for work completed to the satisfaction of the Authority up to the date of termination.

SECTION 16 - SURVIVAL OF TERMS

16. Sections 9, 10, 12 and 13 shall survive the termination or expiration of this Agreement.

SECTION 17 - INDEPENDENT CONTRACTOR

- 17(1) The Consultant is an independent contractor, and this Agreement does not create the relationship of employer and employee, or of principal and agent, between the Authority and the Consultant or between the Authority and any officers, employees or agents of the Consultant.
- 17(2) The Consultant is responsible for any deductions or remittances which may be required by law.
- 17(3) The Consultant shall not incur any expenses or debts on behalf of, nor make any commitments for, the Authority without first obtaining written permission from the Authority.

SECTION 18 - NO ASSIGNMENT OF AGREEMENT

- 18(1) The Consultant shall not assign or transfer this Agreement or any of the rights or obligations under this Agreement without first obtaining written permission from the Authority.
- 18(2) No assignment or transfer of this Agreement shall relieve the Consultant of any obligations under this Agreement, except to the extent they are properly performed by the Consultant's permitted assigns.
- 18(3) This Agreement shall be binding upon the executors, administrators, heirs, successors and any permitted assigns of the Consultant.

SECTION 19 - TIME OF ESSENCE

19. Time shall be of the essence of this Agreement.

SECTION 20 - ENTIRE AGREEMENT

20. This document and the attached Schedule contain the entire agreement between the parties. There are no undertakings, representations, or promises, express or implied, other than those contained in this Agreement.

SECTION 21 - AMENDMENTS

21. No amendment or change to, or modification of, this Agreement shall be valid unless it is in writing and signed by both parties.

SECTION 22 - SEVERABILITY

22. If any provision of this Agreement is for any reason invalid, that provision shall be considered separate and severable from this Agreement, and the other provisions of this Agreement shall remain in force and continue to be binding upon the parties as though the invalid provision had never been included in this Agreement.

SECTION 23 - APPLICABLE LAW

23. This Agreement shall be interpreted, performed and enforced in accordance with the laws of the ~~Authority~~ Province of Manitoba.

me
[Handwritten signature]

SECTION 24 - NOTICES

24(1) Any notice or other communication to the Consultant under this Agreement shall be in writing and shall be delivered personally to the Consultant or an officer or employee of the Consultant or sent by registered mail, postage prepaid to:

1200 New Hampshire Avenue N.W.
Washington, D.C. 20036
U.S.A.

24(2) Any notice or other communication to the Authority under this Agreement shall be in writing and shall be delivered or sent by registered mail, postage prepaid, to:

607 - 330 Graham Avenue
Winnipeg, Manitoba
R3C 4A5
CANADA

24(3) Any notice or communication sent by registered mail shall be deemed to have been received on the third business day following the date of mailing. If mail service is disrupted by labour controversy, notice shall be delivered personally.

This Agreement has been executed by the Manitoba Energy Authority and by the Consultant by its duly authorized representatives on the dates noted below.

SIGNED IN THE PRESENCE OF:

FOR THE MANITOBA ENERGY AUTHORITY

Jessie Campbell
Witness

M. E. Eisen

Date: 1-16-87

FOR THE CONSULTANT

Diana L. Gilliot
Witness

G. Philip Dawes

Lucien A. Stuegel
Witness

Date: 12-8-86

SCHEDULE "A"

This is Schedule "A" to the Consulting Agreement forming part of the Agreement between the Manitoba Energy Authority "the Authority" and Arnold & Porter of Washington, D.C. United States of America "the Consultant" dated as at the 27th day of October 1986.

The Consultant shall provide the following services relevant to the issue of Manitoba electrical power exports to the United States:

- prepare briefs and other information materials clarifying Manitoba's position.
- facilitate the presentation of Manitoba's position to interested individuals, agencies and groups in the United States.
- monitor the activities of interested groups and individuals in the United States.
- provide research on this issue to the Authority.

M. Gleser

For the Authority

G. Philip Dwork

For the Consultant