

This is in response to **Undertaking No. MC-73** as outlined on Page No. 5188, Volume 22, of the transcript of the May 11, 2004 proceedings of the Manitoba Clean Environment Commission concerning the proposed Wuskwatim Generation and Transmission Project. The requested undertaking is outlined below:

“Provide a copy of the provisions and conditions as set out in the interim licence”

The following material is attached in response to the above:

1. A copy of the “Interim Licence for the Diversion of Water from the Churchill River to the Nelson River, and the Impoundment of Water on the Rat River and Southern Indian Lake”, dated May 11, 1973 issued to Manitoba Hydro by the then Minister of Mines, Resources and Environmental Management of Manitoba, with the approval of the Lieutenant Governor in Council under the authority of *The Water Power Act* and the Water Power Regulation (then being M.R. 95/45). (This Interim Licence is commonly known as the “Churchill River Diversion Licence” or “CRD Licence”.)
2. Copies of Plans No. 60-1-1007 and No. 60-1-1008 which form part of the Interim Licence:

EXHIBIT # MC-1006
WUSKWATIM GENERATION
& TRANSMISSION PROJECT


CLEAN ENVIRONMENT COMMISSION

DEPARTMENT OF MINES, RESOURCES AND ENVIRONMENTAL MANAGEMENT

WATER RESOURCES BRANCH

INTERIM LICENSE FOR THE DIVERSION OF WATER FROM THE
CHURCHILL RIVER TO THE NELSON RIVER, AND THE IMPOUNDMENT
OF WATER ON THE RAT RIVER AND SOUTHERN INDIAN LAKE

Issued in accordance with the provisions of
the Water Power Act, Chapter W70, Revised
Statutes of Manitoba, 1970, and amendments,
and of the Regulations in force thereunder
to govern the mode of granting and adminis-
tering Provincial water-power rights.

WHEREAS Manitoba Hydro, a corporation duly incorporated by Act
of the Legislature of the Province of Manitoba, and whose head office address
is Box 815, Winnipeg 1, Manitoba, (hereinafter called "the Licensee"), by
letter dated May 2, 1973 signed by J.F. Funnell, General Counsel and Secretary,
and by other documents attached thereto, has filed with the Director General
of Water Resources at Winnipeg (Director of the Water Resources Branch,
hereinafter called "the Director") an application for a license to divert
water from the Churchill River into the Nelson River and to impound water
on the Rat River and Southern Indian Lake, for the development of water
power; and

WHEREAS Provincial lands as defined in the Water Power Act, R.S.M.
1970, Cap. W70 (hereinafter called "the Act") are required to be used or
occupied by the Licensee in carrying out the undertaking for which this Interim
License is granted, the nature of the said undertaking being the construction
of control dams at the natural outlets of Southern Indian Lake at Missi Falls;
an excavated diversion channel from South Bay on Southern Indian Lake to
Issett Lake; control dams on the Rat River approximately four miles downstream
from Notigi Lake; and all necessary machinery and equipment required for
controlling the diversion and impoundment of water for the development of water

WHEREAS the Licensee has duly executed an acceptance of the terms and conditions of this Interim License and has undertaken to observe and fulfil all the terms and conditions which under this Interim License, and under the Regulations and all amendments thereto as may be made from time to time, the said Licensee is required to observe or fulfil;

NOW THEREFORE, under authority of and subject to the provisions of the Act and Regulations, this Interim License is issued, granting to the Licensee:

- (a) The right to divert water from the Churchill River into the Nelson River, and to impound water on the Rat River and Southern Indian Lake, for the development of water power, and
- (b) The right to construct, operate and maintain the undertaking, the location and description of which are shown upon the record plans numbered and filed in the office of the Director at Winnipeg, except as the said undertaking may be modified or extended with the prior approval of the Minister of Mines, Resources and Environmental Management (hereinafter called "the Minister").

Subject, nevertheless, to the provisions of the Regulations and of any other regulations now or hereinafter in force governing the granting or administering of Provincial lands required in connection with the diversion and storage of water for the development of water power, and to the following special terms and conditions, namely:-

1. The Licensee shall file the general construction plans of the undertaking authorized hereby with the Director in such form and detail as is required by the Regulations within three (3) months from the date of this Interim License.
2. After the general construction plans have been approved, the Licensee shall begin the construction of the undertaking authorized hereby within the time limit provided in the Regulations, and

3. Within five (5) years from the date of this Interim License, the Licensee shall have satisfactorily completed the undertaking and shall have installed all the machinery and equipment required for a development capable of diverting waters of the Churchill River to the Nelson River, and of impounding an estimated 41,600 c.f.s. months of water above elevation 844.0 feet for the development of water power, as authorized by this License.
4. The Licensee shall notify the Director in writing of the completion of the development, and the Director shall thereupon determine a date which, for the purpose of the Interim License and Regulations, shall be the date of completion of the development and shall be the earlier of:
 - (a) the actual date on which the development commences the diversion of waters of the Churchill River
 - (b) the date fixed in Article 3 hereof as the limiting date by which the development is to be completed, whether the same shall have been completed or not.
5. The Licensee may enter upon, use and occupy for making surveys and investigations and constructing works as may be deemed necessary for the undertaking, such lands of the Province as may reasonably be required for the said purposes and may flood such lands as are designated on a plan identified as No. 60-1-1007 or as such plan may be amended and limited from time to time by the Minister provided that, when so requested in writing by the Director, following completion of the development and the commencement of the diversion and/or storage of water, the Licensee shall cause a survey to be made and a plan prepared by a Manitoba Land Surveyor showing in detail the lands required to be occupied for the purposes of the diversion and storage development and

6. The Licensee shall also from time to time in accordance with Section 24 of the Regulations cause surveys to be made and plans prepared by a Manitoba Land Surveyor of all lands required as rights-of-way for transmission lines, roads, railways and other purposes of the undertaking, as the locations thereof become defined, as distinct from those purposes described in Article 5 hereof.
7. The Licensee may divert and store for the development of water power the water of the Churchill River which may be flowing from time to time during the term of this Interim License, subject, however, to the provisions of Section 72 of the Regulations and Articles 10 and 11 hereof.
8. The Licensee shall pay a rental for the use and occupation of Crown lands required for the purposes described in Articles 5 and 6 hereof in such amounts or at such rates as may be fixed by the Lieutenant Governor in Council.
9. Subject to Article 11 hereof, and except as may be otherwise authorized by the Minister, the Licensee shall, during periods when the water level of Southern Indian Lake is above elevation 847 feet, operate the Missi Falls and Notigi control structures in such a manner as to effect the maximum discharge possible under the circumstances then prevailing until the water level of the said lake returns to elevation 847 feet.
10. Subject to Article 12 hereof, and except as may be otherwise authorized by the Minister, the Licensee shall regulate the water level of Southern Indian Lake so as to prevent the water level from receding below elevation 844 feet.
11. The Licensee shall not release more than an average weekly flow of 30,000 cubic feet per second through the Notigi control structure, and shall vary the magnitude of the release through that structure

and 1500 cubic feet per second during the ice cover period. Such greater releases as may be required for the needs of downstream interests shall be released as ordered by the Minister.

13. As and at the times requested by the Minister, the Licensee shall submit to the Minister, for his approval, a schedule of the proposed releases from, over, or through the several works, and the Minister may approve the schedules with or without variation; and subject to any order made under the Act, the Licensee shall comply with the schedules so approved.
14. The Licensee shall, to the satisfaction of the Minister, clear and keep clear, from timber, brush and other material, lands which are to be flooded.
15. Subject to Articles 10 and 11 hereof, but notwithstanding any other terms or conditions of this Interim License, the Licensee shall operate the Missi Falls and Notigi control structures in such a manner that:
 - (a) Any increase or decrease in the rate of outflow through either structure during any 24 hour period shall not exceed 10,000 cubic feet per second, and,
 - (b) The drawdown in water level in Southern Indian Lake during any 12 month period shall not exceed two feet, and,
 - (c) The water level immediately upstream of the Notigi control structure shall not decline to less than elevation 838 feet.
16. The Licensee shall, as ordered by the Minister, post any "landing" or "refuge" station or stations established along the shorelines of the storage reservoirs maintained under authority of this Interim License on Southern Indian Lake and the Rat River.
17. The plans filed by the Licensee and made a part of this Interim License are as follows:

<u>Manitoba Water Resources</u>	<u>Licensee's</u>	
<u>Branch File Number</u>	<u>File Number</u>	<u>Description</u>

18. Upon the satisfactory completion by the Licensee of the development in accordance with Article 3 hereof and upon the due observance and fulfilment by it of all the terms and conditions required by this Interim License, and under the Regulations and all amendments thereto as may be made from time to time, to be by it observed and fulfilled, the Minister shall and will issue in favour of the Licensee a Final License for the diversion and storage of water for the development of water power and for the use or occupation of those lands of the Province which, in the Minister's opinion, are required for the proper operation and maintenance of the works authorized. The said Final License shall be issued subject to the regulations then in force and shall embody such matters as the Minister may determine in accordance with the regulations.
19. All record plans filed with the Director and referred to in this Interim License are incorporated herewith and made a part hereof.
20. This Interim License is issued upon the express condition that it shall be subject to the provisions of the Regulations and all amendments thereto as may be made from time to time.
21. All elevations mentioned herein are based on Inland Waters Branch Bench Mark which is a brass cap set in bed rock 5 feet north and 11 feet west of the northwest corner of the Manitoba Government Air, Radio and Technical Services Division dock at the South Indian Lake Settlement. This Bench Mark defines elevation 839.58 feet.

Issued at Winnipeg this *11th* day of *May*, A.D. 1973 at the direction of the Honourable Minister of Mines, Resources and Environmental Management.



MC-1006 The maps associated with this response are available for viewing at the Commission.