

MANITOBA HYDRO/NCN

Clean Environment Commission Hearings to Review the Wuskwatim Generation and Transmission Projects

Response to Questions from Grand Chief Margaret Swan Transcript Pages 1546 - 1549 (Volume 6)

1. **Will any of the First Nations communities within the boundaries of the Southern Chiefs Organization be affected by the Wuskwatim projects?**

There will be no effects to the First Nations communities located within the boundaries of the Southern Chiefs Organization as a result of the Wuskwatim projects other than the benefits that all Manitobans will experience such as those related to lower rates, reliability, and economic development.

2. **Has Manitoba Hydro studied the impacts of hydro development in the South, specifically in the Southern First Nations communities?**

In 1993, Manitoba Hydro and the Sagkeeng First Nation jointly agreed to undertake an initial post-project evaluation of the environmental, social and cultural impacts caused by Manitoba Hydro works and operations. This study was completed in August, 1993 and included consideration of all direct and indirect effects on the people of Sagkeeng resulting from the Pine Falls Generating Station, Great Falls Generating Station, McArthur Falls Generating Station and Seven Sisters Generating Station. The study did not include the abandoned Pinawa generating station or the two generating stations on the River then owned by Winnipeg Hydro (i.e., the Pointe du Bois Generating Station or the Slave Falls Generating Station).

3. **Will Manitoba Hydro provide the office of the Southern Chiefs Organization and First Nations offices in southern Manitoba with all Wuskwatim materials and documents on CD?**

CD's containing all the substantive hearing documentation was forwarded to Grand Chief Swan at the following address on March 23, 2004:

Grand Chief Swan
Southern Chiefs Association of Manitoba
200 - 286 Smith Street
Winnipeg MB R3C 1K4

In addition, Manitoba Hydro's website has the Wuskwatim information posted on it as well.

- 4. Will Manitoba Hydro serve notice to southern communities that are involved in the east side territory developments in the southeast region?**

Where any future development (generation or transmission) is contemplated, all communities which may potentially be affected, (including first nation and other aboriginal communities) will be advised of the impending development and consulted with extensively as the project is being studied and assessed prior to the licensing process.

- 5. Does Manitoba Hydro support First Nations on the east side who are seeking protections for their lands?**

Manitoba Hydro is respectful of the efforts of all First Nations to protect their lands and areas of cultural and spiritual significance. We intend to work cooperatively with First Nations to identify areas that are of special importance.

- 6. Does Manitoba Hydro support the future world heritage site on the east side in northwestern Ontario?**

Further information is required to identify the specific site referenced in the question. However, Manitoba Hydro does not have any plans to develop sites along the Bloodvein River.

Manitoba Hydro recognizes the value and importance of all protected areas, including World Heritage Sites. It seeks to work cooperatively with the relevant government authorities responsible for the management of such areas.

- 7. How many hydro dams are located within the boundaries of the Southern Chiefs Organization?**

Manitoba Hydro operates six generating stations within the Southern Chiefs' boundary: the Pine Falls Generating Station, Great Falls Generating Station, McArthur Generating Station, Pointe du Bois Generating Station, Slave Falls Generating Station and Seven Sisters Generating Station

- 8. Have any of the hydro dams (identified in question 7) caused any damage to the first nations communities and if so, what kind of damage?**
- 9. What has been done to compensate communities for the damage and repair the harm that has been done to the lands and resources in these communities**

Response to Questions 8 & 9:

The analysis undertaken by Manitoba Hydro and the Sagkeeng First Nation identified physical, biological and social/cultural impacts on the Sagkeeng First Nation relating to the construction and operation of the four generating stations included in the study and associated facilities. The impacts identified in the analysis included interference with the exercise of Treaty and Aboriginal Rights, and personal property loss and damage.

An Agreement and Accord was signed between the Sagkeeng First Nation and Manitoba Hydro in 1997. This Agreement and Accord resolved all issues arising from the project, or affecting the relationship between the Nation and Manitoba Hydro, to the date of the Accord, except as otherwise provided in the Accord.

Manitoba Hydro strives to ensure that all who are adversely affected by any of its projects are dealt with fairly and equitably. The corporation recognizes that the benefits and costs of any of its projects accrue to various persons and groups in Manitoba's society in different ways and to varying degrees, and that those adversely affected must be adequately compensated. Recognizing that the questions appear to have arisen out of an interest in Manitoba Hydro's approach to mitigation and compensation, the following policy approaches are provided:

- To the extent practical, Manitoba Hydro will anticipate and prevent adverse environmental and economic effects that may be caused by the corporation's policies, programs, projects and decisions rather than reacting to and remedying such effects after they have occurred.
- Manitoba Hydro will purchase, where practical, environmentally sound products taking into account the life cycle of the products
- Manitoba Hydro will address adverse environmental effects of the corporation's activities that cannot be prevented by:
 - Trying, wherever feasible, to restore the environment to pre-development conditions or developing other beneficial uses through rehabilitation and reclamation.
 - Striving to replace the loss with substitutes that would enhance the environment and/or associated resource uses while offsetting the type of damage experienced, and
 - Making monetary payments for compensable damages on a fair, equitable and timely basis.

10. Will the additional revenues that Manitoba Hydro earns on the export market result in hydro costs going down for all Manitobans?

The purpose of the advancement of the Wuskwatim project to 2010 is to generate increased export revenues prior to the generating station being needed to supply the electricity demands of Manitobans. The favorable results of the economic and financial analyses indicate that over the life of the project, these extra revenues will

comfortably exceed the costs of building the generating station and the necessary transmission facilities and result in net profits, to be shared with NCN in proportion to their partnership participation. Manitoba Hydro's share of profits is expected to allow customer rates, for all Manitobans, to be about two percent lower in each year than they would have been without the advancement of Wuskwatim. If this seems like a modest benefit, it is important to realize that Wuskwatim is a relatively small plant with not much risk or environmental impacts. Also, Manitoba Hydro's rates are already among the lowest in the world as a result of the significant export profits Manitoba Hydro has earned in the past. It is expected that the Wuskwatim rate benefits to customers could begin within six to eight years of the in-service date, after fully covering the upfront costs of advancement.

11. Is Manitoba Hydro familiar with the five (5) treaty agreements in Manitoba? If so, where does Manitoba Hydro stand with respect to those rights?

Manitoba Hydro is familiar with the numbered treaties in Manitoba. The interpretation of these treaties and therefore the identification of and the ambit of rights is an ongoing exercise involving governments, first nations and, from time to time, the courts. There are also various statutes that influence this interpretation as well. Manitoba Hydro like other resource users and developers is guided by the actions of government and the interpretations of the courts but no user or developer is in a position to make binding determinations on the interpretation of treaties and statutes.

Manitoba Hydro has consistently taken the position in its agreements with first nations and aboriginal communities that the agreement is not intended to derogate from or diminish or impact aboriginal rights and interests.

Manitoba Hydro has engaged in extensive consultations with aboriginal communities on the Wuskwatim projects in order to convey information, obtain accurate resource information, determine the concerns of local people on potential impacts of a project on activities, lifestyle and social issues and receive suggestions on mitigation or remediation. Many of these issues touch on or are contextualized by views of aboriginal and treaty rights. Further, Manitoba Hydro is very interested in and is providing technical support (on an as requested basis) to the government representatives carrying out the requisite constitutional consultations relative to the Wuskwatim projects.