Questions and Answers

Round 2 Small Group Sessions

Financial Aspects
of the Wuskwatim Project

(Small Group Sessions Held July/August 2004)

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Questions from Meeting for NCN Dept. Managers (July 21, 2004)

1. How can we be guaranteed that there will be no more than one-half square kilometers of flooding? How can we trust that this will be the case?

NCN’s own engineers have verified this conclusion. Opponents of the project have not been able to come up with any evidence to the contrary. The Project Development Agreement (PDA), which will be legally binding on Hydro, will mention the half square kilometer as a fundamental feature of the project.

2. Are all parts of the Project Development Agreement (PDA) drafted?

No. The whole PDA is still being negotiated. It is hoped that it will be finished in fall 2004.

3. What is the security for the loans that NCN will take to pay for their part of the generating station?

Essentially, NCN’s share of the project is its security. Because NCN will be a limited partner, NCN’s other assets (such as Band funds) are not security for the loans, and are not at risk.

4. What is the total debt that NCN would be responsible for? There are different loans that you talk about for different purposes, but what is the total?

The total debt depends on several things. If NCN wants to own 33% of the project, it will borrow more (the Equity Loan). If it wants to own less than 33%, the Equity Loan will be smaller. If the Partnership needs more money during the early years, there may be Cash Calls, and NCN may need a Cash Call Loan. If no Cash Calls are needed, there will be no Cash Call Loan at all. If NCN decides that it wants extra cash flow in the early years, it may choose to take Dividend Loans. If it feels that it can live without the extra cash flow, it will take no Dividend Loans at all. It is entirely up to NCN. So, it is impossible to say today how much NCN will borrow in total. It will depend on several decisions that NCN will make in the future.

5. Why doesn’t NCN want to be part of the Wuskwatim Transmission Project?

NCN HAS BEEN INVOLVED IN PLANNING THE TRANSMISSION PROJECT AND WRITING THE TRANSMISSION ENVIRONMENTAL IMPACT STATEMENT (EIS). THE TRANSMISSION PROJECT IS DIFFERENT FROM THE GENERATION PROJECT (GP) IN SEVERAL WAYS. WHILE THE GP IS LOCATED ENTIRELY IN THE NELSON HOUSE RESOURCE MANAGEMENT AREA (RMA), THE TRANSMISSION PROJECT IS LOCATED BOTH IN AND OUT OF THE NELSON HOUSE RMA. OTHER FIRST NATIONS AND ABORIGINAL COMMUNITIES ARE AFFECTED. THEREFORE, HYDRO HAS CONCERNS ABOUT THE IDEA THAT VARIOUS FIRST NATIONS AND GROUPS WOULD OWN THE PORTIONS OF THE
TRANSMISSION PROJECT IN EACH OF THEIR TERRITORIES. THE GP ALSO REPRESENTS A MUCH BETTER BUSINESS OPPORTUNITY. EVEN IF HYDRO HAD NO CONCERNS, NCN WOULD HAVE TO BORROW ADDITIONAL MILLIONS OF DOLLARS IN ORDER TO INVEST IN THE TRANSMISSION PROJECT. AFTER GETTING ADVICE FROM INDEPENDENT ADVISORS, AND NEGOTIATING BACK AND FORTH WITH HYDRO, NCN DECIDED THAT IT WOULD BE IN NCN’S INTERESTS TO OWN PART OF THE GP.

6. Show us a comparison of the profits from the transmission lines versus the generating station. Is Manitoba Hydro keeping the most lucrative part of the business for themselves?

No. As pointed out in #5 above, there are big differences between the two projects. Because the Transmission Project would not be entirely in the Nelson House RMA, there would be problems in exploring NCN ownership of the Transmission Project. Even if there were no problems, NCN would have to borrow additional millions of dollars.

7. Why doesn’t Manitoba Hydro want NCN to be part of the Wuskwatim Transmission Project?

See #5 above.

8. Why is ATEC not underway? Concerned that it is starting so late.

EVEN WITHOUT A BUILDING, ATEC HAS ALREADY TRAINEE OVER 160 NCN MEMBERS. GETTING THE ATEC BUILDING BUILT IS TAKING MORE TIME THAN EXPECTED. BUILDING COSTS HAVE GONE UP BECAUSE OF A WORLD-WIDE SHORTAGE OF BUILDING STEEL. GETTING CONSTRUCTION STARTED IS AN NCN PRIORITY. THE SOD WAS TURNED ON AUGUST 18. WE HOPE CONSTRUCTION WILL BE FINISHED IN 2005.

9. Has NCN received any money from Manitoba Hydro for training?

Yes. Hydro has committed up to $5 million for training. Of this, $3.75 million will be for NCN members and residents of the Nelson House Northern Affairs Community. More money may be available if certain targets are met.

10. What happens if Manitoba Hydro is negligent in running the dam? Is NCN, therefore, also liable for paying for any negligence?

Firstly, the Partnership will look at the option of purchasing various types of insurance. Secondly, Hydro has a long track record of maintaining its dams and facilities safely. Thirdly, NCN will be protected by the Limited Partnership structure. NCN can never be liable for more than the amount of its investment. Regular NCN assets will never be at risk.

11. If the Wuskwatim Generation Project produces no profits, will the debt continue to accumulate?

In theory, NCN and Hydro could decide to decommission the project at some future date. In reality, NCN’s own advisors have carefully studied the facts and concluded that the project is likely to be a very good business opportunity for NCN.
12. **Will the Wuskwatim Generation Project pay rent to use the transmission lines? Why would we need to pay when the transmission lines are running across our land?**

Only part of the Transmission Project will run through the Nelson House RMA. In any case, the Partnership will pay Hydro monthly transmission charges - essentially reimbursing Hydro for what it costs to maintain and operate the Transmission Project. “Rent” is probably not the best word to describe this. At the same time, Hydro will create a transmission development fund to pay NCN and other parties (such as Opaskwayak and Cormorant) in recognition of the fact that the Transmission Project crosses their traditional territories.

13. **When will the Clean Environment Commission (CEC) report be available?**

In the fall of 2004. It will be a public document.
Questions from Meeting for
Wellness Centre, Medicine Lodge, Personal Care Home, Nursing Station and Church Groups (July 22, 2004)

1. Does the Adverse Effects Agreement cover the effects of transmission lines?

This agreement is still being negotiated. All issues, including the effects of transmission lines, will be discussed at the negotiating table.

2. How do you know that the flooding will only be one-half square kilometre?

NCN’s own engineers have verified this conclusion. Opponents of the project have not been able to come up with any evidence to the contrary. The Project Development Agreement (PDA), which will be legally binding on Hydro, will mention the half square kilometer as a fundamental feature of the project.

3. Will there be compensation for water levels above the level predicted?

NCN’s own engineers are confident that predictions about water levels after the project will be accurate. As the Adverse Effects Agreement is negotiated, all issues, including water levels, will be on the negotiating table.

4. Won’t Manitoba Hydro use the Generating Station as a control structure and create a reservoir that will cause more damage?

No. Because it will be a low-head generating station, it won’t be a control structure. Also, NCN’s own engineers have confirmed that the project will cause less than one half square kilometre of flooding.

5. Will the people at South Indian Lake who want to separate be entitled to share in the 33 % of the Project?

There has been much discussion about a new O-Pipon-Na-Piwin Cree Nation (OPCN) at South Indian Lake (SIL). Most SIL residents are now NCN members. However, SIL residents have many of their own assets. For example, the Community Association of South Indian Lake (CASIL) negotiated its own 1992 compensation agreement with Hydro and Manitoba. NCN was not involved. NCN’s Chief and Council are currently taking the position that, if OPCN is created, NCN should keep NCN’s own assets (such as NCN’s share in Wuskwatim), and OPCN should keep its own assets (such as the 1992 agreement).

6. Does NCN share responsibility with Manitoba Hydro for compensating other First Nations for effects of the Wuskwatim Generation Project?

Wuskwatim is part of the “Project” as defined by the Northern Flood Agreement (NFA). Pimicikamak (PCN) is still pursuing NFA claims against Canada, Manitoba and Hydro. If PCN or PCN members feel that Wuskwatim has harmed them, they can file NFA claims against Canada, Manitoba and/or Hydro, but not against NCN. Other NFA First Nations (such as Split Lake in 1992) have signed NFA implementation agreements. If Split Lake
or its members feel that Wuskwatim has harmed them, they can pursue their rights under their 1992 agreement against Canada, Manitoba and Hydro, but not NCN. Also, the governments may impose licence conditions on the Partnership about mitigation and compensation. Finally, the Partnership will still be subject to general laws. In theory, it might incur some future liability to some individuals, First Nations or other entities in some future decade, just as any partnership or business might.

7. **Do the capital costs shown in the presentation include both the generation and transmission projects?**

No, the presentation just covered the Generation Project (GP). Together, the GP and the Transmission Project might cost roughly a billion dollars.

8. **Why was involvement of NCN in the Wuskwatim Transmission Project considered to be a “deal-breaker”?**

NCN has been involved in planning the Transmission Project and writing the Transmission Environmental Impact Statement (EIS). The Transmission Project is different from the Generation Project (GP) in several ways. While the GP is located entirely in the Nelson House Resource Management Area (RMA), the Transmission Project is located both in and out of the Nelson House RMA. Other First Nations and aboriginal communities are affected. The GP also represents a much better business opportunity. After getting advice from independent advisors, and negotiating back and forth with Hydro, NCN decided that it would be in NCN’s interests to own part of the GP.

9. **If one sub-agreement in the PDA was mismanaged, would that affect all other agreements?**

It is impossible to answer this question in the abstract. Each sub-agreement will be a schedule to the PDA. In some ways, all schedules to the PDA are related - they are all part of a single package.

10. **Will there be a monitoring agency at Nelson House to do our own testing of water and other monitoring so that we feel we can trust the results?**

The project will have no effect on water quality at Nelson House - it will not make it better and it will not make it worse. It will affect water in Wuskwatim Lake. There will be several types of monitoring, probably including water quality in Wuskwatim Lake. It is likely that NCN members will be hired to do much of this monitoring work, with the help of professionals. NCN and Hydro together will create a monitoring plan. The governments will probably include some types of monitoring in licence conditions.

11. **Concerned that environmental issues won’t be as predicted, at South Indian Lake and Nelson House. NCN should be helping South Indian Lake (SIL) with Churchill River Diversion (CRD) issues.**

NCN’s own engineers have carefully studied the project, and they conclude that there will be no effect on Southern Indian Lake. Though most SIL residents are NCN members, SIL has always negotiated its own agreements, without NCN input. For example, CASIL signed its own 1992 Agreement with Hydro and Manitoba.
There is also a group called the Displaced Residents of South Indian Lake (DRSIL). Most DRSIL members are NCN members. Some live at Nelson House. DRSIL members hired their own lawyer and filed their own NFA claims. They didn’t seek NCN’s input or advice. NCN cannot interfere with the way DRSIL’s lawyer handles the DRSIL claims.

12. **Won’t this debt put NCN at risk?**
Firstly, NCN’s own advisors have concluded that the risks are relatively low, and that this is a very good business opportunity for NCN. Secondly, the Limited Partnership structure protects NCN. NCN’s own assets (e.g. Band funds) are not at risk - they cannot be taken from NCN. NCN’s loan payments can only be made from profits. If there are never any profits, NCN would lose its investment, but it would not have to make any loan payments.

13. **Will government limit profits that can go to NCN from the Wuskwatim Project?**
No. Though Manitoba will not be a party to the PDA, Manitoba will have to approve Hydro’s participation in the PDA. The PDA will make it clear that NCN’s share of the profits will belong to NCN.

14. **Can NCN invest in the General Partner?**
No. A limited partnership is a complex legal arrangement. NCN will be a Limited Partner. The General Partner will be a corporation controlled by Hydro. The bottom line is that, if it wants to, NCN will put up 33% of the money, and will get 33% of the profit.

15. **Can individuals invest in the Project?**
No. NCN, as a First Nation, will invest. NCN, as a First Nation, will get a share of the profit. NCN will establish some form of Community Approval Process to decide what programs and services it should fund with its share of the profit.

16. **How much has NCN been paid for its participation in the Future Development process? If the project doesn’t go ahead, will NCN have to pay that back?**
Millions of dollars have been spent so far, on things like field studies and Clean Environment Commission (CEC) hearings. If the project does not go ahead, NCN will not have to reimburse Hydro for these expenses.

17. **Is interest included in the calculations of debt? What interest rates are assumed?**
Yes. The government of Manitoba can borrow money at very good rates (much better than ordinary businesses would get). Because Hydro is a Crown corporation, it can borrow at rates almost as good as Manitoba. Because it will be partners with Hydro, NCN will be able to borrow at rates almost as good as Hydro. Rates go up and down from year to year and decade to decade. The bottom line is that NCN will be able to get much better rates than it would if it tried to borrow money on its own.
18. **If NCN will be paying its debt out of profits, what if there are no profits?**

NCN’s advisors have studied the facts carefully and concluded that the project is likely to be profitable to NCN. In a worst case scenario (if the project is never profitable), NCN would lose its investment, but nothing more. NCN’s regular assets (like Band funds) would never be at risk.

19. **If NCN were to give back the project (or the “car” in the example provided), could Manitoba Hydro sell it to someone else?**

No. The only two options are an NCN-Hydro partnership, or Hydro owning the project alone.

20. **Ecologically, won’t Manitoba Hydro be using the generation station as a control structure?**

No. Because it will be a low-head generating station, it won’t be a control structure. Also, NCN’s own engineers have confirmed that the project will cause less than one half square kilometre of flooding.

21. **Who owns the land now where the generating station would be built?**

Manitoba. It is provincial Crown land.

22. **At the end of 2035, will the original debt be paid off?**

It is anticipated that the Equity Loan (the approximately $41 million that NCN borrows from Hydro) will be paid by 2035 at the latest.

23. **Could City of Thompson sue if something catastrophic happens to the dam and there is damage downstream?**

In theory, yes. In reality, the dam will be built to the highest safety standards. The partnership will explore the option of buying various types of insurance. Finally, because it is a relatively small dam, even if it were to vanish, the rush of water that would be released would decrease as it passed down through Opegano and Birchtree Lakes, and would not likely flood Thompson.

24. **The preconditions for NCN to enter the partnership – is this a deal only for NCN or for others too?**

The dam would be in the Nelson House RMA. Hydro is exploring a partnership only with NCN, not with any other First Nation. Hydro is negotiating with Split Lake and other First Nations about the proposed Gull-Keeyask project. Hydro is also starting to look at a potential Conawapa project, which might have First Nation involvement.

25. **Who will the power be sold to?**

Until about 2020, it will be sold for export, to places like Minnesota. After about 2020, it will probably be needed by Manitoba customers. Hydro will pay the Partnership for the power, based on average export prices, regardless of who the power is sold to.
26. Will the 1996 NFA Implementation Agreement still be in place if this project goes ahead – particularly regarding water levels?

Yes. Hydro will still be bound by the 1996 Agreement.
Questions from Meeting for Economic Development, ATEC, Trust Office and Band Office

1. At the last stage of approvals for the Wuskwatim Project, if NCN votes yes, could Manitoba Hydro still say no? Will there be consultation with NCN regarding the final stages of decision-making?

Hydro’s board would vote on the PDA either before or after the NCN vote. Like NCN, Hydro only wants to make sound business investments. If conditions change, and Hydro concludes that the project could not be profitable, it could decide not to go ahead at this time. In theory, NCN and Hydro could revive the project at some future date. Hydro and NCN will continue to consult on every relevant aspect of the project until the day it is decommissioned.

2. What will be the standard for the vote?

A double majority will be needed. A majority of eligible voters will have to vote, and a majority of those who vote will have to vote “yes”.

3. Will there be clearing of the forebay before flooding? Will there be riprap placed in these cleared areas?

Yes, the area to be flooded will be cleared. Some riprap will be placed in spots where it would be most useful.

4. Why do current contracts for debris clearing go through Trust Office and not Human Resources?

An attempt is made to give contracts for debris clearing to NCN resource users. The Resource Coordinator works out of the Trust Office. Therefore, it is easiest for Hydro to deal with the Trust Office in this area.

5. What are we doing about what’s happening in the community today and tomorrow?

The question refers to current social needs. There is no doubt that NCN could sure use $26 million to $57 million per year right away. The reality is that NCN will have to use current assets, such as the money generated every year by the 1996 Nisichawayasihk Trust, to meet current needs. Wuskwatim can’t make a profit before it is built and operating, but it can help to meet NCN’s long-term needs.

6. What happened with the Power Partnership with Manitoba Hydro?

The proposed Generation Project will be a partnership - a limited partnership between NCN and Hydro.
7. **Under the construction agreement, is it guaranteed that Forest Industries will get all of the construction contracts for the Wuskwatim Project?**

No. NCN and Hydro are now negotiating business opportunities for NCN businesses. Forest Industries and other NCN businesses may get some contracts.

8. **For the Wuskwatim Generation Project, are we talking about ownership or partnership? Do we own it or is it an opportunity to invest?**

In legal language, the Generation Project will be a limited partnership. The Project will be a whole package, and NCN and Hydro will share ownership of the whole package. For example, it will not be possible to point to two walls of the station and say one is NCN’s wall, and the second is Hydro’s wall. The whole package will be owned by both NCN and Hydro. The bottom line is that, if it chooses, NCN can put up 33% of the money and receive 33% of the profit.

9. **Some people think that 33% of equity means that 33% of our people could work there.**

No. The number of jobs will vary from year to year and season to season. It is not likely that exactly 33% of NCN members will get jobs. If it chooses to invest 33% of the money, NCN will receive 33% of the profit.

10. **Will there be a shareholders agreement?**

There will be a Project Development Agreement (PDA) with several schedules. The PDA will set out the partnership and business arrangements.

11. **How will money from the project be held?**

NCN is exploring the option of a trust. There will likely be some form of Community Approval Process to decide how NCN’s share of the profit will be spent every year.

12. **Are NCN members going to be informed regarding all of the agreements, including the Trust?**

Yes. The whole PDA, including all schedules, will be a public document, available to all NCN members. Summaries of the PDA will be distributed to all NCN households.

13. **Are all agreements drafted?**

No. NCN and Hydro are still negotiating the PDA and its schedules.

14. **Who is developing the agreements?**

NCN and Hydro are both obtaining advice from business advisors, engineers and lawyers. NCN’s Future Development Team includes Councillors, senior staff and other NCN members.
15. Realistically, can there be enough communication about the agreements to allow a vote in January? There isn’t much time to understand all of this.

Though the PDA will be a long, complex agreement, it will be based on the Summary of Understandings (SOU), which has been public since about December 2003. The SOU has been explained to NCN members at small group meetings, a Band Meeting, and through newsletters and documents like this one. If you understand the SOU, you will understand the most important parts of the PDA.

16. Who will oversee NCN’s interest during the construction project?

NCN and Hydro will agree on the most important issues in advance (in the PDA). NCN will have representatives on the board of the General Partner and on the Construction Advisory Committee. The federal and provincial governments will also be watching construction very carefully, and making sure all licence conditions are complied with.

17. Could NCN members be trained as shop stewards?

Yes. Each union will have its own training programs for its shop stewards. In general, unions are very pleased when their members want to become more involved in union affairs (by becoming shop stewards, sitting on union committees, etc.)

18. How will unions be dealt with when people aren’t working? Would union dues still be paid?

Each collective agreement will be slightly different. In general, dues are a percentage of wages actually paid.

19. Will there be compensation from Manitoba Hydro for this project?

Yes. NCN and Hydro are negotiating an Adverse Effects (compensation) Agreement, which will be a schedule to the PDA. Separate from that, there will also be a transmission development fund, which will make annual payments to NCN and other First Nations and communities.

20. Will compensation be based on the NFA?

Not directly. The NFA may provide some historical guidance to NCN and Hydro’s negotiators. The Adverse Effects Agreement will not be a part of the NFA.

21. Why would NCN decide to pull out?

In reality, it probably won’t. In theory, if costs were much higher and electricity prices were much lower than anyone expected, NCN would have the option of pulling out.

22. Can Manitoba Hydro pull out of the Partnership?

The Partnership does not exist yet. Until its board of directors ratifies the PDA, Hydro won’t be legally bound to go ahead with the project. After NCN’s voters and Hydro’s board ratify it, Hydro will be bound by the PDA. In theory, the two parties could decide to stop the project by mutual agreement at any time, but this is not likely to happen.
23. **What happens in 2010 if NCN doesn’t have enough money for its share of the project?**

Until the project is finished (maybe about 2010), NCN could choose to own less than 33% of the project. It could decide not to invest at all. It would still be entitled to the compensation set out in the Adverse Effects Agreement and the payments from the transmission development fund. If NCN wants to own 33% of the project, it would put up $1 million at the start of construction (about 2005) and about $21 million at the end of construction (about 2010).

24. **What is the capacity of the 230 kV transmission line that is being proposed (how many megawatts)? Why is Manitoba Hydro “over-building” for the Wuskwatim Generation Project? Manitoba Hydro wants an AC corridor down PTH 6 as an alternative to the Bipoles.**

Though there are many variables, the capacity would be roughly 200 MW. The Transmission Project includes a leg from Herblet Lake to Rall’s Island (The Pas). NCN’s engineers confirm that Hydro would eventually have to build this leg, even if Wuskwatim is never built, in order to improve the existing system. The rest of the Transmission Project is appropriate for Wuskwatim. It also provides some future flexibility, in case some day NCN and Hydro agree to build a generating station at Notigi. Otherwise, Hydro is not planning to build any “alternative” to the two Bipole lines that now run through the Interlake. Hydro is looking at the possibility of building Bipole 3 (a high voltage line that would run east of Lake Winnipeg), but no final decisions have been made.

25. **Why do you never talk about the effects of the transmission project – only the one-half square kilometre of flooding from the generation project? People should hear more about this (e.g., see the fly-over video from the CEC hearings).**

The Transmission Project will certainly affect the Nelson House RMA. NCN members should certainly think about it before making up their minds about Wuskwatim. However, transmission lines generally have fewer adverse effects on the environment than hydro dams. Vegetation, other than tall trees, can grow under transmission lines, and wildlife can walk, fly and swim across transmission corridors. There are already some transmission lines in the Nelson House area, and they have caused much less concern than hydro dams have.

26. **If Manitoba Hydro called NCN’s participation in the transmission project a “deal-breaker”, did anyone call their bluff?**

There was no bluff. Hydro and NCN both had concerns about the idea that NCN might own part of the Transmission Project. After obtaining input from its own advisors, NCN concluded that it would be in NCN’s own interests to pursue partnership in the Generation Project, combined with payments from the transmission development fund.

27. **Can Manitoba Hydro vote us out of the new company?**

If the “new company” is the General Partner, it will be controlled by Hydro, but NCN will appoint representatives to its board of directors. The important thing to remember is
that NCN’s most important rights (such as the low-head design of the dam, and NCN’s right to its share of the profits) will be set out in the PDA. Hydro will be bound by the PDA.

28. **Will the profit from the project be tax free for NCN? For individuals who work there?**

NCN is now getting a tax ruling about this issue. It is anticipated that NCN will not have to pay tax on its share of the profit. Individual NCN members who work at the construction site will probably have to pay income tax on their wages.

29. **Would a new government change this tax structure?**

In theory, the federal government can amend the Income Tax Act or the Indian Act at any time. That would be case whether or not Wuskwatim were built. In reality, as the government recently found out, trying to make major changes is very difficult and controversial. It is anticipated that the current laws will remain the same for the foreseeable future.

30. **What would happen to NCN’s deal if someone bought out Manitoba Hydro?**

No one can buy out Hydro. If some future government decides to privatize Hydro, NCN’s position would be protected. NCN’s rights under the PDA would not be reduced.

31. **Should be clear that NCN’s will be owning shares in the generating station and not the generating station itself.**

In legal language, the Generation Project will be a limited partnership. The Project will be a whole package, and NCN and Hydro will share ownership of the whole package. For example, it will not be possible to point to one wall of the station and say it is NCN’s wall, or Hydro’s wall. The whole package will be owned by both NCN and Hydro. The bottom line is that, if it chooses, NCN can put up 33% of the money and receive 33% of the profit.

32. **Will NCN only be a “figurehead” in this partnership?**

No. NCN’s basic rights will be set out in the PDA, which will bind Hydro. Hydro will not be able to change the basic design of the project or NCN’s right to its share of profit.

33. **Will export rates always be paid?**

Hydro will pay the Partnership according to a formula based on export rates. NCN’s own advisors have concluded that this is a very good arrangement for NCN. NCN and Hydro can review this formula in the future if it is no longer appropriate.

34. **Where is NCN going to get the $20.8 million to invest?**

NCN has set aside some money already. It hopes to obtain some money from the federal government, but this has not been secured yet.
35. **If the Nisichawayasihk Trust would offer the $20.8 million, would they get their money back?**

The 1996 Nisichawayasihk Trust does not have $20.8 million to spend. Remember: the principal of the Trust (roughly $40 million) cannot be spent. Only interest and capital gains can be spent. Some of the money from past interest and capital gains has been set aside for possible investment in Wuskwatim. NCN may decide to set aside more money between now and 2010. The Trust can invest its principal. Legal counsel are now considering whether Wuskwatim could be considered an investment for these purposes.

36. **We won’t know the interest rate on the $41.6 million loan from Manitoba Hydro until 2010 when it is time to pay it back – doesn’t this seem risky?**

No one (not Hydro, not the government, not any business in the world) knows exactly what the interest rates will be in 2010, or 2020, or 2030. This is a fact of life in the business world. NCN’s advisors have looked at various realistic scenarios for the future, and concluded that the project is a very good business opportunity for NCN.

37. **How much debt is anticipated for the Dividend Loan?**

It is impossible to say for sure. Hydro won’t force NCN to take a Dividend Loan – it will be entirely up to NCN. If NCN can do without one, there will be no debt at all. If NCN does take a Dividend Loan, it will pay a relatively low interest rate on the loan. As of January 2004, the rate would have been 5.26% compounded annually.

38. **The contract for export with Xcel energy ends in 2015 and is uncertain after that time. Why do you assume export rates to NCN for the future after that time?**

There is no link between Wuskwatim and current contracts between Hydro and Xcel Energy in Minnesota. The United States and other Canadian provinces will likely need a lot more electricity in future decades. Wuskwatim is a relatively small project (only 200 MW). It should not be difficult to sell the power from Wuskwatim to export markets. Once power from Wuskwatim is in the Hydro system, it will be combined with all the other power in the system. It will not be possible to “trace” the electrons from Wuskwatim to a particular customer. However, in an overall sense, it is fair to say that, after about 2020, Wuskwatim will likely be needed to supply Manitoba’s own power needs. Hydro will pay the Partnership for the power, based on average export rates, regardless of where Hydro sells the power.

39. **Would Manitoba Hydro lend NCN $41 million if they don’t come up with $21 million?**

No. If NCN can’t find about $21 million, it might choose to own less than 33% of the project, and Hydro would lend NCN less money.
40. How much money has been spent to date by NCN on this process? If the project doesn’t go ahead, does NCN have to pay it back?

Millions of dollars have been spent by Hydro so far, on things like field studies and Clean Environment Commission (CEC) hearings. If the project does not go ahead, NCN will not have to reimburse Hydro for these expenses.

41. Why are promissory notes non-interest bearing?

A promissory note is not a loan agreement. If NCN decides it wants 33% of the project, when construction starts (about 2005) NCN would put up $1 million, and sign a promissory note for about $62 million. NCN can back out any time before construction is finished (about 2010). If it does, it gets its million dollars back without interest, and the promissory note is effectively torn up without penalty. NCN would not have to make any further payments to anyone.

42. What is the type of turbine to be used in the generation station?

They are called “fixed blade” turbines.

43. If this goes ahead, what are NCN’s obligations to Manitoba Hydro?

If NCN wants to own 33% of the project, it would have to come up with $1 million when construction starts (about 2005), and about $21 million when construction finishes (about 2010). In return, NCN would get 33% of the profits.

44. What if it loses money?

Firstly, NCN advisors have carefully studied all the facts and concluded that this is extremely unlikely. In theory, in a worst case scenario, NCN could lose its investment, but no more. NCN’s own assets, such as Band funds, would not be at risk.

45. What if NCN pulls out at 2010?

NCN would get its million dollars back without interest, and would not own part of the project.

46. What are other communities negotiating with Manitoba Hydro for this project or others?

The Transmission Project will affect other communities, like OCN and Cormorant. They will benefit from the transmission development fund. No other community will be able to own any part of the Wuskwatim Generation Project. Hydro is talking to other Cree Nations, such as Split Lake, about other potential hydro projects, such as Gull-Keeyask.

47. Can the Transmission Development Fund be used as equity for the generating station?

Once NCN begins to receive money from this fund (after about 2010), it can choose to spend the money as it sees fit. There will likely be some form of Community Approval Process.
48. **Will the revenue be held in a trust?**
There will likely be a trust and some form of Community Approval Process.

49. **Why would a corporate trustee be involved in the new trust?**
Though nothing is final, there are advantages to having a corporate trustee along with NCN trustees. Trust companies have expertise in investments and other financial matters.

50. **What profit scenarios were considered?**
NCN considered many different variables and scenarios, including high and low water flows, exchange rates, and interest rates. It made conservative assumptions. The bottom line is that the project looks like a very good business opportunity for NCN.
**Questions from Meeting for Resource Harvesters**

1. **Will South Indian Lake still vote for the Project Development Agreement?**

All NCN adult members, including those living at SIL, will be eligible to vote. If OPCN is formed before the vote, and some or all SIL residents cease to be NCN members, they will not be eligible to vote.

2. **Is the Project Development Agreement a treaty?**

We don’t know. It will not likely contain specific words saying it is or is not a treaty. It will probably contain words saying that it is not intended to alter existing treaty or aboriginal rights. Whether or not it is a treaty, Hydro and NCN will both be legally bound to comply with it.

3. **People need time to read all of these agreements.**

Agreed. The PDA will be a large document, containing a lot of legal language. However, if you understand the SOU, you will understand the most important parts of the PDA.

4. **Will the PDA extinguish occupancy rights to the land in the RMA?**

The Nelson House RMA will continue to exist. Today, NCN members have a treaty right to hunt and fish for food on unoccupied Crown land, including the land on which the access road, the generating station and the transmission lines and stations will be built. The PDA will describe how the project will be built. Less than one half square mile of land will be flooded. Once it is built, it will be physically impossible for NCN members (or anyone) to hunt or fish for food on the spots where the generating station and other facilities will stand. It will be physically impossible to stand and hunt for food on the land which will be flooded. In this specific physical sense, NCN members will be able to exercise their treaty rights differently after the project than they do today.

5. **What is in place to deal with transmission lines through the RMA?**

NCN helped do the field studies for the Transmission Project and to write the Transmission Project EIS. The proposed route for the lines in the Nelson House RMA was chosen with NCN interests in mind. There will be a transmission development fund, which will make annual payments to NCN and to the other communities (such as Cormorant and OCN).

6. **Regarding specific funding for resource harvesters from the Transmission Development Fund, will it come into effect at 2010?**

NCN and Hydro are still working out the details of how the fund will work. Payments will likely begin in 2010 or 2011.

7. **Will this specific funding last as long as the project goes?**

Yes.
8. **Will it apply to trappers and fishermen just around Wuskwatim or to the whole RMA?**

This is still being discussed. One possibility is that some money would be set aside for the trappers’ association and/or the fishermen’s association.

9. **Do we have to rent transmission lines from Manitoba Hydro?**

“Rent” is the wrong word. Hydro will own the lines. The Partnership will reimburse Hydro for the annual costs of operating and maintaining the lines. Over the long-term, Hydro will operate the lines on a cost-recovery (break-even) basis. It will recover its out-of-pocket costs, but it will not make a “profit” on the lines.

10. **What are current charges for use of transmission lines?**

Today, Hydro owns all the generating stations and all the transmission lines in the province. There are no “charges”.

11. **People are confused about ownership versus limited partnership.**

The Generation Project (which includes the generation station, the turbines, the generators, etc.) is a single package. NCN and Hydro together will own the whole package. It will not be possible to break it down and say that NCN “owns” the south wall of the station, but Hydro “owns” the north wall. NCN and Hydro together will own all the walls. The bottom line is that NCN can invest 33% of the capital, and can receive 33% of the profit.

12. **Regarding Manitoba Hydro’s commitment to buy power from the partnership at the export rate – what if Manitoba Hydro then sells it for higher rate?**

That will be good for Hydro. On the other hand, if Hydro can’t find a buyer for it, that is Hydro’s problem, not NCN’s. Regardless, the Partnership will be paid a good rate, based on a formula tied to average export rates.

13. **Is there any concern about NAFTA with this project?**

Legal counsel have looked at this issue. All provisions of NAFTA will be complied with.

14. **Manitoba Hydro must have spent a lot on this project so far. Does NCN have to pay this back if the project doesn’t go ahead?**

No. Hydro feels that this project has a great deal of potential, and has been willing to spend millions of dollars in the hope that the project will go ahead.

15. **Will we still have to pay back the loans if there is no profit?**

In the worst case scenario, if there is no profit at all, year after year, NCN could lose its investment, but nothing else. Band funds and other NCN assets would not be at risk, even in a worst case scenario.
16. Will we have to put up any money before there is cash flow from the project?
Yes. If NCN wants to own 33% of the project, it will have to put up $1 million at the start of construction (about 2005), and about $21 million at the end of construction (about 2010).

17. How much money will be required to pay off the interest on the 75% of debt?
This refers to the approximately $570 million that the Partnership will borrow from outside sources. The Partnership will pay this debt over the very, very long term. Interest rates will vary from decade to decade, but they will always be better rates than private businesses would have to pay. Today, the Partnership would pay an interest rate of about 5-6%.

18. What if drought conditions occur, such as last year?
In analyzing the project, NCN and Hydro have assumed that some future years will be drought years. In fact, they have been conservative in making their projections. In the end, they have both concluded that the project would be a very good investment.

19. What about earthquakes? Do we have insurance in case that happens?
The Partnership will explore various insurance options. The area does not sit on a major earthquake fault line.

20. Will our electricity costs go up to pay for this project? Or to pay for a disaster like an earthquake?
Electricity costs for all Manitobans are regulated by the Public Utilities Board (PUB). The PUB looks at Hydro's financial situation, good or bad, and decides how high the hydro rates have to be. When Hydro sells power to Minnesota or other export markets, it can use the profit to keep Manitoba rates lower. Though Wuskwatim is a relatively small project, it may help to keep Manitoba rates a bit lower over the long term. If a natural disaster caused Hydro a financial loss, the long term effect might be higher rates. This would be true, whether or not Wuskwatim is ever built.

21. What happens if the project is decommissioned?
This would probably not happen for 100 years or more. If and when it happens, engineers from NCN and Hydro would look at ways to safely take the station out of service, with as little effect on the environment as possible.

22. NCN should invest in windmills to avoid paying for electricity and so that we aren't dependent on Manitoba Hydro all the time. We need back-up plan for when electricity goes out.
Wind turbines will probably play a role in Manitoba's electricity future. Wind turbines have their pros and cons. Because the wind does not always blow, they have to be combined with some other source of power (such as hydro stations), to make sure that there is always power, even on calm days. Also, wind turbines become more expensive
to operate in very cold weather. Finally, though it sounds funny, wind turbines have to be shut down when it becomes too windy - they can’t operate safely in extremely windy conditions.

23. Everyone is afraid that we will be left landless if this project goes through – that by signing this deal, we will be signing away our treaty and Aboriginal rights.

There will be no effect at all on NCN’s rights to occupy the reserves at Nelson House. Reserve land is not at risk under any scenario. The Nelson House RMA will continue to exist.

Today, NCN members have a treaty right to hunt and fish for food on unoccupied Crown land, including the land on which the access road, the generating station and the transmission lines and stations will be built. The PDA will describe how the project will be built. Less than one half square mile of land will be flooded. Once it is built, it will be physically impossible for NCN members (or anyone) to hunt or fish for food on the spots where the generating station and other facilities will stand. It will be physically impossible to stand and hunt for food on the land which will be flooded. In this specific physical sense, NCN members will be able to exercise their treaty rights differently after the project than they do today.

24. Concern that NCN is not incorporated (e.g., treaty cards say “Indian Band Registry Group”). When NCN goes into business, will we have to change our name and will our rights be infringed upon through incorporation?

No. NCN will remain, and its status under laws like the Indian Act won’t change at all. NCN can get involved in businesses through partnerships and corporations. That is how NCN invested in the Mystery Lake Hotel. This did not reduce NCN’s rights in any way.

25. Why did the name of our First Nation change from the Nelson House Indian Band to Nelson House First Nation and then Nisichawayasihk Cree Nation? People wanted to stay as Nelson House Indian Band.

Some NCN members always used the term “Nisichawayasihk”. In 1997, NCN began using “Nisichawayasihk” in official agreements. Even today, some NCN members still prefer to talk about “Nelson House”. It is probably impossible to please all the people all of the time.

26. Is the PDA a binding agreement?

It will be if and when both NCN and Hydro ratify it.

27. People are afraid that this deal will mean that they will be paying taxes on reserve and on their homes.

No. Under the Indian Act, NCN members do not have to pay taxes on income earned on reserve. Wuskwatim will have no effect on this.
28. We want to see ourselves as a nation of people who are certain of our treaty rights.
See #23 above.

29. The Agreement-in-Principle also talked about Notigi. Could we sell Notigi and finance Wuskwatim with the proceeds?
Notigi is currently on the back burner. Some day, NCN and Hydro may begin discussing Notigi again. It is not certain when, if ever, this might happen.

30. If Wuskwatim doesn’t go through, would Keeyask be considered?
Hydro and several Cree Nations, including Split Lake, are now doing field studies on the potential Gull-Keeyask project. It is possible that both Wuskwatim and Keeyask will eventually be built. It is possible that only Wuskwatim will be built. It is possible that only Keeyask will be built. Finally, it is possible that neither will be built. Only time will tell.

31. Would Conawapa also be needed (e.g., with a mineral find north of Churchill)?
Hydro is now starting to consider a potential project at Conawapa. Power from Conawapa might eventually be exported to Ontario. It is possible that Wuskwatim, Keeyask and Conawapa will all eventually be built. It is possible that some but not all, or none, will be built.

32. 1986, speaker was trained with Limestone Training and Employment Agency, but was never hired for Limestone.
Some people feel that Hydro did not do enough to hire and retain aboriginals at Limestone. NCN and Hydro are working hard to learn from Limestone and make improvements for Wuskwatim. The ATEC centre will train NCN members so that they will be able to take advantage of job opportunities at Wuskwatim. Having said that, it should also be remembered that Wuskwatim is a much smaller project, and will need a smaller workforce than Limestone.

33. Will ATEC be used for Keeyask or Conawapa?
If Keeyask and/or Conawapa are built, ATEC could help train some of the workers that would build these projects.

34. Concern about a loss if NCN walks away from the deal.
If NCN walks away from the deal today, or votes “no” on the PDA, it will lose nothing, except a good business opportunity. If it walks away before construction is finished (about 2010), it loses the interest on $1 million, but no more. If, after the project is built, NCN wants to sell its share of the project to Hydro, it might or might not come out financially ahead, depending on all the circumstances.
35. Can we withdraw after the PDA is signed?
See #34 above

36. How will we learn what is in the CEC report? Will it be announced?
Yes. It will be a public document. NCN members will be able to read it on the CEC website or at the NCN Future Development Office.

37. What will happen if not enough people come out to vote?
It is possible that a second vote might be held.

38. What is the minimum we need by 2010 to invest?
Zero. NCN can back out before 2010. It will lose interest on $1 million, but nothing else.

39. Are export sales paid in American dollars?
When Hydro sells power to other Canadian provinces, it is generally paid in Canadian dollars. When it sells power to American companies, it is generally paid in U.S. dollars.

40. How much can we borrow for the Dividend Loan?
That will depend on NCN. It may choose to borrow nothing at all. The maximum will depend on a complex formula. One possibility is that NCN might borrow about $1 million a year in the early years.

41. Why borrow from ourselves for the Dividend Loan?
Hydro will not force NCN to take a Dividend Loan. If NCN wants cash flow in the early years of the project, it may decide to borrow some money, and pay it back in later years, when its cash flow is much higher. If NCN can wait for a few years, it may decide not to take a Dividend Loan.

42. How can we be sure of the numbers?
NCN’s independent financial advisors have checked this very carefully, and they are satisfied that these numbers are accurate.

43. What would be the calculation of the Dividend Loan, considering today’s numbers in the formula?
Interest rates will vary from year to year. If NCN decides to take a Dividend Loan, it would pay lower interest rates than private businesses would normally pay. By way of example, if NCN had taken a $1 million Dividend Loan on January 28, 2004, it would have been charged 5.26% compounded annually. 5.26% of $1 million is $52,600.00.

44. Do we need to borrow from Manitoba Hydro because our credit rating is low?
Firstly, NCN might not be able to borrow the large sums involved at all. Even if a bank would lend NCN the money, it would charge NCN much higher interest rates than Hydro will. Manitoba can borrow money at lower rates than private businesses. Hydro can
borrow money at rates almost as low as Manitoba. Hydro is willing to lend NCN the money at rates almost as low as the ones Hydro pays. Under the PDA, NCN won’t have to put up any of its own assets (e.g. Band funds) as collateral or security. If NCN were borrowing from a bank, the bank would probably want NCN to put up its assets as security for the loan.

45. **This deal is putting our community into debt. If we said “no” to this project in our resource area, then Manitoba Hydro would come back in future and give us a better deal – we could put pressure on them.**

This is an interesting theory. However, Hydro has options other than Wuskwatim. It is looking at other northern hydro projects. It could look at more gas turbines. It could add some wind turbines to its system. There is no guarantee that Hydro would ever come back to Wuskwatim.

46. **Do droughts affect us?**

Yes. Over the long term, the more droughts Manitoba faces, the higher hydro rates in Manitoba will be. In planning for Wuskwatim, NCN and Hydro have taken into account the fact that some future years will be drought years.

47. **If Wuskwatim doesn’t go ahead, would Manitoba Hydro consider Keeyask or Conawapa?**

See #30-31 above.

48. **Do the environmental or planning studies currently underway involve cutting trees?**

Generally no. Recently, NCN and Hydro arranged for experts to test the water in the small streams that cross the route of the proposed access road. They did not have to cut down trees to do this.

49. **At Wuskwatim, was ceremonial site expanded this year?**

No. There were spiritual ceremonies held at the traditional site.

50. **Where does NCN stand in potable water agreement?**

There is an outstanding NFA claim about potable (drinkable) water at Nelson House. There was a long dispute between Canada and Hydro about this claim. The dispute is finally on the verge of being resolved.

51. **What if Manitoba Hydro goes broke because the provincial government keeps taking money from Hydro?**

As a Crown corporation, Hydro will never go broke. As long as Manitoba can raise taxes or borrow money, it can keep Hydro operating. Hydro doesn’t make a “profit” in the same way that private corporations do. Hydro sells power for export for more money than it costs to generate the power. Hydro uses this revenue to keep Manitoba prices as low as possible. Hydro pays its debts and keeps a reserve fund. The PUB controls
Manitoba prices. Over the very long term, with the approval of the PUB, Hydro sets its Manitoba rates at a level that ensures that it more or less “breaks even”.

52. **Are we charged for delivering power for export?**

Hydro will pay the Partnership for the power produced at Wuskwatim. The rates will be based on a formula based on export prices. It is up to Hydro, not the Partnership, to find export customers. After about 2020, Wuskwatim will likely be needed for Manitoba customers, but Hydro will keep paying the Partnership based on the average export price of electricity.

53. **Will we own part of transmission lines?**

No. Hydro will own all of the lines.

54. **Are we negotiating contracts to construct the transmission lines?**

NCN and Hydro are discussing this. It is hoped that some NCN members will get jobs clearing the bush and building the lines in the Nelson House RMA.

55. **At 2010, why would NCN pull out?**

It probably won’t. In theory, if construction costs were much higher and electricity rates were much lower than anyone predicted, NCN would have the option of pulling out.

56. **Regarding the example of the Mystery Lake Hotel, NCN members need to receive information about this business deal – how much was paid, how much is paid off, is it still worth money, where does the revenue go?**

The hotel was purchased in 1998. The price was about $4.3 million. The amortization period for the loan was 10 years. About half of the loan has been paid off. The hotel is still worth money – it is worth about $5 million. The revenues from the hotel are paid to the Pe-Ta-Pun Trust.

57. **Where is the Nisichawayasihk Trust bond now?**

After getting expert advice, the trustees sold the bond for roughly $55 million (a capital gain of roughly $15 million). About $40 million was invested in a laddered bond portfolio – a series of bonds with different maturity dates. If it wants, NCN may choose to use all of part of the capital gain to pursue business opportunities.

58. **It is hard to get audit reports from the Band office (e.g., for the trust).**

It is possible that an individual might have had a bad experience with this. Because staff are very busy, it might be best to phone ahead and make an appointment to review audit reports during office hours, at a convenient time. Quarterly financial reports are publicly posted, and annual meetings are held, as required by the 1996 Agreement.
59. A new trust should say that there will be consultation with the people before major decisions regarding the investment. The 1996 Agreement had a loophole that allowed the bond to be sold.

There was no “loophole”. The 1996 Trust allows the trustees to invest the capital in safe investments. This is exactly what they did – they sold the Hydro Bond, and invested the capital in a laddered bond portfolio.

60. Is the bond spread out among business investments now?
See #57.

61. Why was the bond sold for less than it was worth (rumour was that the $40 million bond was sold for $15 million)?

This rumour is false. The bond was sold for roughly $55 million. The capital gain was about $15 million.

62. How can the trustees be trusted?

The trustees have complied with all provisions of the 1996 Agreement. The trustees obtained expert investment advice, and made exactly the kind of investment decision that the Trust says they can make.

63. What does partnership mean?

In simple terms, it means that two or more entities own a business together, and share the profits.

64. Does Hydro have all the say?

NCN has been involved in every aspect of the project to date. Most of the field studies were done by NCN members. NCN helped write the EIS. NCN was a full participant at the CEC hearings. NCN played a crucial role in choosing the low-head design of the project. The PDA will guarantee NCN’s right to its share of the profits. It is not fair to allege that Hydro has all the say.

65. Wuskwatim must be important to Manitoba Hydro to allow this limited liability and why are they lending us $41 million?

Wuskwatim is important to Hydro. It is a good project which would cause minimal flooding. It is also very important to Hydro to have NCN’s full cooperation and input. In order to make the project possible, and in order to make it possible for NCN to participate, if NCN wants 33%, Hydro is willing to lend NCN up to about $41 million.

66. Why should NCN have to dish out any money – Manitoba Hydro owes it to us.

No doubt some NCN members feel that Hydro still owes NCN more compensation for the adverse effects of the Churchill River Diversion. As for Wuskwatim, NCN should remember that Hydro could build generating stations at other locations. NCN cannot force Hydro to build at Wuskwatim. NCN negotiated hard, and an Agreement in Principle was reached: NCN and Hydro would share the risks and rewards of building the project
as partners. NCN members approved this Agreement in Principle by a large majority in 2001.

67. **Why can’t we get same benefits as Quebec?**

The Quebec Cree recently signed a new agreement with the government of Quebec. The situation in Quebec is very different from our situation. Firstly, there is a huge difference between Wuskwatim (a 200 MW project that would cause less than _ square kilometer of flooding), and the Quebec projects (which would generate 1250 MW and cause about 833 square kilometers of flooding).

Secondly, the Quebec agreement is about much more than a hydro project. The Quebec Cree and the Quebec government agreed that the Cree will take over many of the services that the government now provides. In return, the government will pay the Cree millions of dollars to take over these services. Both parties felt that this was a fair arrangement. Comparing this type of agreement to the Wuskwatim PDA is misleading and unfair.

68. **Could the high head dam be negotiated now?**

No. NCN and Hydro agree that it would be a low head project. The CEC hearings were based on this concept.

69. **Was there a meeting to decide about the high versus low head dam?**

There were many meetings on this, in the context of the 2001 AIP, which explained the low head concept very clearly. A large majority of NCN members voted in favor of the AIP.

70. **How long will we have to go through the PDA?**

The PDA may be ready in the fall of 2004. NCN members may vote on it in early 2005. Though the PDA will be a large document with much legal language, it will be based on the SOU. If you understand the SOU, you will understand the most important parts of the PDA.

71. **CAP-type process of concern re: current trust – few people come out to meetings and same people receive money all the time.**

NCN is looking at ways to improve the Community Approval Process (CAP). If NCN members have specific suggestions about a better process, please feel free to provide them to the Future Development Office.

72. **Why is there no more distribution from the OT Trust?**

There are small, annual distributions, usually in December.

73. **Why is the current trust going to run out of funds in three years (this heard in community)?**

This rumor is false. The 1996 Trust will not run of money. It will continue to generate revenue for a long time to come.
74. **Profits are only estimates – how can we trust them? Can we get independent experts to review?**

No one can know for sure exactly how large profits will be in any year. No expert can do more than give an estimate. NCN and Hydro got advice from independent experts about export prices and the cost of the project. Hydro staff and NCN’s own advisors have both come to the same conclusion – the project is likely to be profitable.

75. **What if there is drought all the way through – what would this do to profits?**

The odds that every future year will be a drought year are virtually zero. Whenever NCN or anyone else makes a business investment, they have to look at what is most likely to happen. If NCN is not prepared to take any risks at all, it will never make any business investments. The bottom line is that Wuskwatim is a very good business opportunity.

76. **Can individual NCN members invest in the $21 million needed?**

No. Only NCN as a First Nation can invest.

77. **Can individuals make their own proposals for contracts directly to Hydro?**

If any NCN member has a business proposal, they should contact the Future Development Office without delay.

78. **Is there money to help companies start up?**

Various government programs provide funds to help small businesses get started. The NCN Development Corporation and government websites can provide more information about these programs.

79. **Why didn’t Hydro give us 10 years lead time to get trained and ready?**

The AIP was signed in 2001. Construction might start in early 2005. Some people feel that four years is enough. Some feel that 10 years would be better. Some feel that 20 years would be better still. There is no magic number.

80. **Will profit from the project be taxed?**

NCN is now getting an advance tax ruling. It is anticipated that NCN’s profit will not be taxable.

81. **Truck drivers from training not all placed.**

There is no guarantee that every NCN member who gets training will get or keep a job. NCN and Hydro will work hard to create as many job opportunities as possible for NCN members.
82. **People need experience in camp life.**

Some NCN members may find it difficult to adjust to life in a construction camp. Others will find it easier. We can provide information about what life in the camp will be like. We can provide counselling to workers at the camp. In the end, it is anticipated that most workers will be able to adjust to camp life.

83. **Concern that heavy equipment operators who worked on road were paid less than promised ($9 vs. $12 to $15).**

It is hard to comment on specific conversations and what might have been said. In general, questions about training can be referred to ATEC Director Ezra Bogle.

84. **Can TLE selections be made within the Water Power Reserve?**

The TLE Agreement says that NCN can select parcels of TLE land in various locations. NCN has made several selections. The Agreement also says that NCN may select land adjacent to Developed Waterways (like Wuskwatim Lake and the Burntwood River), but Hydro is entitled to an easement (a right to store water) on this land. NCN has selected some parcels along Developed Waterways, and it is now discussing the easements with Hydro.

85. **How are other First Nations affected by this project through Treaty?**

The effects on other First Nations are relatively few. OCN will be affected by the Transmission Project. Both the Generation and Transmission Projects will create some job opportunities for other First Nations. All Treaty 5 aboriginals have the right to hunt and fish for food on unoccupied Crown land. In practice, members of other First Nations do not hunt and fish for food in the Nelson House RMA. Pimicikamak’s rights under the NFA will not change. The rights of Split Lake, York Factory and Norway House under their NFA implementation agreements will not change.

86. **Would Treaty rights be changed by the project?**

See #23 and #85 above.

87. **Could the Natural Resources Transfer Agreement (NRTA) be changed?**

No. The Wuskwatim project and the PDA will not amend the NRTA.

88. **Why do all environmental studies not agree regarding the project?**

On the contrary, there are very few disagreements about the project among experts. Some scientists disagree with each other about things like how caribou avoid transmission line corridors, but the areas of disagreement are relatively minor.

89. **What guarantee is there that fishermen and trappers will get jobs from the project?**

There is no guarantee that any specific individual will get a job. ATEC has been and will continue to provide training. NCN and Hydro have agreed on various preferences for NCN members and other aboriginals in the region. Any fisher or trapper who wants
more information about training and jobs should contact ATEC Director Ezra Bogle at the Band Office without delay.
OTHER QUESTIONS

1. **Is Wuskwatim a “done deal” yet?**

No. Several things must happen before the project can go ahead. Both governments must approve it. NCN voters must ratify the PDA. Hydro’s Board must approve the PDA. If any of these things doesn’t happen, the project will not go ahead at this time.