



W u s k w a t i m NEWS UPDATE

INFORMATION FOR NISICHAWAYASIIHK CREE NATION MEMBERS DECEMBER 2005

Wuskwatim Project Development Agreement in Final Drafting Stage

Message from Councillor W. Elvis Thomas



Councillor W. Elvis Thomas

Tansi.

The Wuskwatim Project Development Agreement (PDA) is nearly complete and we hope to have it available to Members for consideration early in the new year.

It has taken longer than expected because it is a complex document that cannot be rushed. We are negotiating very hard to ensure we have the best possible agreement to present to Members for their consideration.

PDA DEFINES PARTNERSHIPS

The PDA defines our partnership arrangement with Manitoba Hydro and includes all the details of the proposed Wuskwatim project – a 200-megawatt generation station to be built at Taskinigahp Falls.

Although the name suggests a single agreement, the PDA actually consists of a master agreement and more than 14 other agreements called schedules, each focused on a particular aspect of the agreement.

ADDITIONAL BENEFITS

The PDA is a complex legal document, but the substance has changed very little from the Summary of Understandings (SOU), we distributed to Members over two years ago – except for some additional benefits and enhancements for NCN, which are designed to minimize NCN's investment risk.

Chief and Council are pleased with what we have been able to negotiate and will be recommending our Members support it.

The project offers both long and short-term benefits. In the short-term there will be jobs,

training and business opportunities. There will be additional funds available to our community in the short-term and contracts alone would generate about \$100 million dollars of revenue for our NCN-owned and related businesses.

ADDITIONAL COMMUNITY FUNDS

In the long-term, it is anticipated Wuskwatim will generate profits for NCN that will flow directly back into the community. To put it into perspective, the Nisichawayasihk Trust received about \$40 million from our 1996 NFA Implementation Agreement. This fund in turn generates about \$4 million in revenue a year. Clearly this money has assisted our community in providing essential services and programs.

Imagine how much more we could provide if we had a trust fund that grew by \$50 million a year – year after year. This is the sort of money we may receive in the long-term.

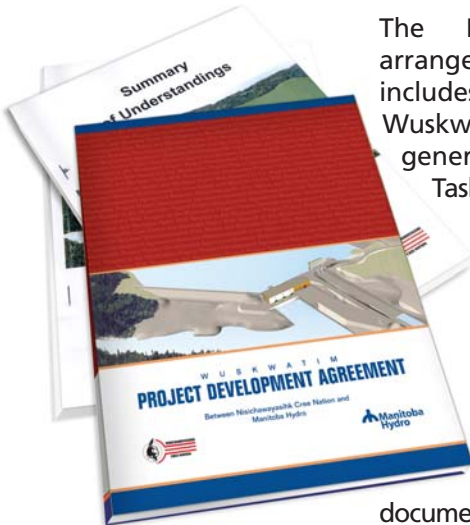
THE VOTE IS EXPECTED IN EARLY SPRING

The secret ballot vote on the PDA will be held following a consultative process – probably in the early spring.

On behalf of Chief and Council, I wish to thank our Members for their patience. We are as anxious as you to see the finalized PDA and have the opportunity to vote on the proposed Wuskwatim development.

Warmest wishes for the holiday season from all of us on the Future Development Team and on behalf of Chief and Council.

W. Elvis Thomas, Councillor and Future Development Portfolio Holder



Federal Comprehensive Study Report Confirms Wuskwatim is Environmentally Sound

The proposed Wuskwatim Generation Project has passed the first stage of scrutiny by the federal regulators, who concluded the project "is not likely to cause significant adverse environmental effects."

Fisheries and Oceans Canada completed its comprehensive study of the Wuskwatim Generation Project and submitted its report to the Minister of the Environment and to the Canadian Environmental Assessment Agency, in November 2005.

The study was done as part of a cooperative environmental assessment with the Government of Manitoba. It follows last year's report by the Clean Environment Commission, which found Manitoba Hydro and the Nisichawayasihk Cree Nation had

adequately justified the Wuskwatim projects and concluded they are viable and economic.

The full Comprehensive Study Report is available online through www.nncree.com.

The Agency invites public comment on the conclusions, recommendations, and any other aspect of the Comprehensive Study Report, by December 21, 2005.

After reviewing the Comprehensive Study Report and any public comments, the Minister of the Environment will determine whether to refer the project back to the responsible authority for appropriate action, or whether to refer it for further environmental assessment by a review panel or a mediator.

ATEC Training Centre Set to Open in New Year

The Atoskiwin Training and Employment Centre of Excellence is now complete and should be ready to open in January, once the equipment and furniture has been installed.

While the centre has been under construction, Wuskwatim pre-project training programs have been underway since 2003. With the building ready to open, ATEC has moved into a long-term phase of offering courses, which aren't directly related to the project, such as business administration and early childhood education.

BUILDING THE SKILLS AND EXPERIENCE OF OUR PEOPLE

ATEC was established to offer training and job opportunities to our Members as part of our long-term goal to build the skills and experience of our people so necessary to meet the demands of our fast growing First Nation, now and in the future. This purpose will continue, whether or not the Wuskwatim project proceeds.

To realize this goal, ATEC is working closely with the wider community on joint projects and initiatives, including involvement with the Nelson House Medicine Lodge, Family and

Community Wellness Centre, Education Authority, N.N.O.C., Housing Authority and Human Resource Development Authority.



Construction of the ATEC Centre is now complete and should open in January once all equipment and furnishings have been installed.

In addition to offering training and job referral programs and preparing for the opening of the centre, ATEC staff have also been involved in professional development programs, to add greater value to the services it offers.

As of September 30, 2005, approximately 183 Members had completed training through ATEC. All trainees have had work experience, including 46 that are currently

employed in their chosen field. They have found jobs as plumbers, carpenters, electricians, welders, heavy equipment operators, truck drivers, and labourers, as well as some that have obtained experience in the areas of catering, clerical and security fields.

Work is Underway on PDA Consultation Program

As part of the ongoing Public Involvement Process that has been part of the Wuskwatim consultative process from the beginning and at the request of our Members, there will be a full comprehensive public consultation process to ensure Members are fully informed about the PDA before they vote. These activities will involve participation of Chief and Council, the Future Development Team and our professional advisors. Work is now underway to prepare for the consultation process. Some elements of the process will include:

Information

- ✓ Local Radio and Television Updates
- ✓ Newsletter Updates
- ✓ PDA Snapshot Brochure
- ✓ PDA Guidebook (Questions and Answers)
- ✓ PDA Summary Brochure
- ✓ PDA Full Legal Document
- ✓ Website Updates
- ✓ Audio Visual Materials in Cree

Meetings with Members

- ✓ Meet and Greet Gatherings
- ✓ Small Group Meetings
- ✓ Wuskwatim Week
- ✓ Open Houses
- ✓ Door-to-door Home Visits





Dancing Circle ceremony held in late August.



Youth Member, Dawn Dumas at Wuskwatim Lake campsite.

Achieving Kwayaskonikewin: NCN's Approach To The Wuskwatim Project

TANSI NISICHAWAYASIHK NEHETHOWUK!

Greetings from the Nisichawayasi Aski Kihche O'nanakachechikewuk (Nisichawayasihk Environmental Protection Committee). The Nisichawayasi Aski Kihche O'nanakachechikewuk includes Elders, male and female members of Chief and Council, the NCN appointees to the Resource Management Board and Co-ordinator, an Elder liaison worker, resource harvesters' representatives and the Resource Liaison worker. We would like to share our contributions toward the proposed Wuskwatim Project.

The Nisichawayasi Aski Kihche O'nanakachechikewuk are committed to ensuring that all aspects of the Wuskwatim Project incorporate and reflect our Ithinesewin (wisdom and traditional knowledge) and our customary law principles based on Kihche'othasowewin (the Great Law of the Creator). We are dedicated to achieving Kwayaskonikewin (reconciliation) and a harmony between Kihche'othasowewin and the Wuskwatim Project.

The Nisichawayasihk nehethowuk traditionally live by reference to Kihche'othasowewin (the Great Law of the Creator), which expresses our spiritual and philosophical beliefs, values, principles and goals. Nisichawayasihk Nehethowuk customary law is the sum total of

these beliefs, values and norms. All combined to guide and direct the conduct of ithiniwuk (individuals), ka'esi minisichik (the family), ka'esi anisko'wahkometochik (the extended family), ka'esi mamawe'minisichik (the clan) and ka'esi'pisketuskan'nesichik (the nation). In this way, social order was maintained by doctrines that reflect Kihche'othasowewin. It is this Great Law that determined and still determines Nisichawayasihk Nehethowuk Customary Law.

To Nisichawayasihk Nehethowuk, n'tuskenan (our land) has been entrusted to us by Kihche'manitou (the Creator) for our children michimahch'ohchi (since time immemorial). When we look at n'tuskenan, we are reminded of the life that Kihche'manitou has given to Nisichawayasihk Nehethowuk. Our experience and observations of n'tuskenan and the oral history of Nisichawayasihk Nehethowuk gives us our Ithinesewin.

We are also reminded of our obligation to ensure that the development of any plan to guide the activities and conduct of contractors, workers and visitors while within n'tuskenan is based on Aski Kanachi Pumenikewin (the sacred duty and responsibility to protect n'tuskenan) and Aniskowatesewe Kanache Pumenikewin (sacred duty to protect heritage resources). These plans include the Aniskowatesewe

Ketapahchikewe Othaschikewin (Heritage Resources Protection Plan), the Aski Ketapahchikewi Othaschikewina (Environmental Protection Plans) and the Nanakachechikewi Othuschikewina (Monitoring Plans).

It is our hope, vision and objective that what we have shared with our potential partners in the proposed Wuskwatim Project will be respected and that we have created an understanding of the importance to Nisichawayasihk Nehethowuk of monitoring the Wuskwatim Project and of protecting n'tuskenan and aniskowatesewew ketapahchikewina (heritage resources), including our sacred sites.

The Nisichawayasi Aski Kihche O'nanakachechikewuk welcomes any comments by Nisichawayasihk

Nehethowuk. Please contact Mark Linklater or Terry Linklater at the Future Development Office or Bill Yetman at the Trust Office.

The Elders, Councillors, members and technical support of the Nisichawayasi Aski Kihche O'nanakachechikewuk would like to particularly acknowledge Councillor Agnes Spence for her Nehetho Iskwew perspective on Ithinesewin.

Questions NCN Members Are Asking About the PDA

Q: IS THE PDA SIGNIFICANTLY DIFFERENT FROM THE SUMMARY OF UNDERSTANDINGS (SOU)?

A: No, the project description and major features of the business deal are unchanged from what was described in the SOU.

Q: WHY IS IT TAKING SO LONG TO FINALIZE?

A: The PDA defines our proposed partnership arrangement with Manitoba Hydro and all the details of the proposed Wuskwatim project.

It is a very important agreement that will remain in effect likely for over one hundred years. It's very detailed and has taken longer than expected to complete, because it is a complex document that cannot be rushed.



NCN Future Development Team and advisors in negotiations with Hydro.

We are negotiating very hard to ensure we have the best possible agreement to present to Members for approval and there are still a few outstanding important issues to settle.

We appreciate the patience of our Members.

Q: HOW MUCH RISK IS NCN TAKING BY INVESTING IN WUSKWATIM?

A: The best protection NCN has against risk is a flexible investment structure. This structure offers significant advantages and safeguards for NCN.

It allows NCN to make a small, \$1 million refundable down payment at the beginning of the project when all costs and revenues are only projections. NCN does not have to commit more money until the project is completed and all capital costs and initial electricity sale prices and revenues are known. Then we can decide if we want to own 33 percent, less than 33 percent, or nothing at all.

Once the project is built and all the costs are known, NCN can reassess the viability of the deal. If the deal no longer works to our advantage, we can withdraw and get our down payment back.

Q: HOW MUCH TIME WILL NCN MEMBERS HAVE TO CONSIDER THE PDA, BEFORE THE RATIFICATION VOTE?

A: Fortunately the PDA is little changed from the SOU, which has been publicly available to Members for over two years. Any changes in the PDA will be carefully explained to Members, but these will not be too difficult to understand. We are planning to conduct a full and complete consultation process with Members, beginning in the new year. We expect all Members will have an opportunity to adequately consider the PDA, prior to the vote.

Q: WHEN WILL THE VOTE ON THE PDA BE HELD?

A: We expect the vote to be held early spring 2006. Some construction could begin almost immediately after the vote. Heavy construction could begin as soon as the ground is frozen in late 2006.

Q: WILL NCN MEMBERS AT SOUTH INDIAN LAKE BE ABLE TO VOTE ON THE PDA?

A: Adult Members of NCN are eligible to vote, wherever they may live. Non-members won't be eligible to vote.

Q: WHAT HAPPENS IF NCN VOTES AGAINST THE PDA?

A: Manitoba Hydro has stated the project will not proceed.

Q: WHAT IMPACT HAVE DELAYS HAD ON THE PROJECT?

A: The costs of the proposed Wuskwatim Generation Project continue to rise, in line with rises in the price of construction materials, such as steel. The cost is now estimated at \$1 billion for the Wuskwatim Generation Project alone. The price might increase further, the longer it takes to begin construction. Even at \$1 billion, NCN and Manitoba Hydro believe the project is still a good opportunity.

Q: WHAT ARE TASKINIGAHP POWER CORPORATION AND THE TASKINIGAHP TRUST?

A: Both these entities have or will be created to manage NCN's investment in Wuskwatim and to receive the profits and other funds related to the project.

The Taskinigahp Power Corporation will operate in the same way as any other NCN corporation, such as the Mystery Lake Hotel or Nisichawayasihk Construction.

The Taskinigahp Trust will operate in a similar way to the Nisichawayasihk Trust, but with



W u s k w a t i m

NEWS UPDATE

INFORMATION FOR NISICHAWAYASIHK CREE NATION MEMBERS

some enhancements to increase community involvement and other improvements. And, the fund will continue to grow and may ultimately receive many millions of dollars.

Q: HOW MUCH FLOODING WILL WUSKWATIM CAUSE?

A: Wuskwatim will have minimal flooding of around half a square kilometer upstream of the falls. It will have no impact on Footprint or Threepoint Lakes.

Q: HAVE THE FEDERAL AND PROVINCIAL GOVERNMENTS APPROVED THE PROJECT?

A: Not yet. However, the federal regulators have completed the Comprehensive Study Report and concluded the project “is not likely to cause significant adverse environmental effects.” (Please see page 2 of this newsletter for more details.)

Q: DOES THIS MEAN THE FIELD STUDIES HAVE BEEN COMPLETED?

A: No. The field studies by scientists and specialists, including NCN Members which were essential to the Environmental Impact Statements considered by the Clean Environment Commission will continue throughout the construction phase and beyond. We are still studying things like caribou and heritage resources in order to build a knowledge base about the area as part of the overall Environmental Protection Plans.

Q: WHAT INPUT HAS NCN HAD IN THE ENVIRONMENTAL PROTECTION PLANS?

A: NCN has had extensive and ongoing involvement in the plans and has prepared a report, which focuses on NCN’s approach to the Wuskwatim Project in achieving Kwayaskonikewin or reconciliation. The report was prepared by the Nisichawayasi Askî Kihche O’nanakachechikewuk (Nisichawayasihk Environmental Protection Committee). Please see page 4 of this newsletter for more information.

Q: WHY ISN’T THE WUSKWATIM TRANSMISSION PROJECT INCLUDED IN THE PROPOSED PARTNERSHIP?

A: From the beginning of negotiations, it was decided that NCN would not be party to the Transmission Project, because it is different from the Generation Project in several ways.

While the Generation Project is located entirely in the Nelson House Resource Management Area (RMA), the Transmission Project is located both inside and outside of the Nelson House RMA. Therefore, various First Nations and other groups could potentially own portions of the Transmission Project in each of their territories. This would create an unwieldy management structure, creating unnecessary risk, which from Hydro’s and NCN’s point of view could negatively impact the dispatch of power from the Wuskwatim Generation Station, ultimately affecting its profits.

Even without these 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 following negotiations with Hydro, NCN decided it would be in its best interest to focus its investment in the Generation Project. Instead, NCN has negotiated the Wuskwatim Transmission Development Fund, which provides NCN with an annual payment.

Q: HOW CAN WE TRUST MANITOBA HYDRO AGAIN AFTER THE CHURCHILL RIVER DIVERSION?

A: The proposed Wuskwatim project is nothing like the CRD. Unlike the CRD, the environmental impact from Wuskwatim won’t be significant. All the negotiations and approvals from NCN will be given before construction, unlike the CRD. NCN has independent advice and plenty of experience to ensure the project will not harm our environment or our people. It is also important to know that Manitoba Hydro is a corporation that has a significantly different culture and leadership



W u s k w a t i m

NEWS UPDATE

INFORMATION FOR NISICHAWAYASIIK CREE NATION MEMBERS

than it did when the CRD was built. NCN's leadership and its negotiators and advisors are confident the representatives of Manitoba Hydro have negotiated in good faith and can be trusted in partnership.

Q: WHERE CAN I GET MORE INFORMATION?

A: If you have Internet access, you can visit the NCN website for more information at www.ncncree.com. You can also visit the Future Development Office in Nelson House and meet with one of the Community Consultants, who can help you with your questions or requests for information.



Youth Community Consultants, Willie Moore and James Warren, at work in NCN's Future Development office.



FOR MORE INFORMATION CONTACT:

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