

**Volume 2 – MMF Book of Documents**  
**NFAT Review – Manitoba Hydro's Societal Issues Panel March 26, 2014**

Tab #	Description	Reference
1	<p>Terms of Reference, page 4</p> <p>Chapter 13 Multiple Account Analysis, page 62</p>	<p>PUB website:  <a href="http://www.pub.gov.mb.ca/nfat/about_nfat.html">http://www.pub.gov.mb.ca/nfat/about_nfat.html</a></p> <p>PUB website:  <a href="http://www.pub.gov.mb.ca/nfat/mb_hydro_application.html">http://www.pub.gov.mb.ca/nfat/mb_hydro_application.html</a></p>
2	<p>Portions of JKDA, Article 12 Training and Employment and Schedule 12-7 Advisory Group on Employment Terms of Reference</p>	<p>Manitoba Hydro website:  <a href="http://www.hydro.mb.ca/projects/keeyask/jkd_agreement.shtml">http://www.hydro.mb.ca/projects/keeyask/jkd_agreement.shtml</a></p>
3	<p>MH Exhibit #91</p>	<p>PUB website:  <a href="http://www.pub.gov.mb.ca/nfat/hearing.html">http://www.pub.gov.mb.ca/nfat/hearing.html</a></p>
4	<p>PUB/MH II-423b &amp; c</p>	<p>PUB website:  <a href="http://www.pub.gov.mb.ca/nfat/information_requests.html">http://www.pub.gov.mb.ca/nfat/information_requests.html</a></p>
5	<p>PUB Exhibit 58-5, Page 180</p>	<p>PUB website:  <a href="http://www.pub.gov.mb.ca/nfat/pub-exhibit-list.html">http://www.pub.gov.mb.ca/nfat/pub-exhibit-list.html</a></p>

# TAB 1

(d) whether high level summaries filed by Hydro of Net Present Values and Internal Rates of Return which are derived from Commercially Sensitive Information reflect sound assumptions and calculations; and

(e) the accuracy and soundness of Hydro's calculation of a consensus forecast of future market prices for electricity and fuels which is derived from Commercially Sensitive Information.

The PUB shall hire the independent expert consultant(s).

The independent expert consultant(s) shall provide a report(s) to be filed in evidence on the public record, which shall contain their analysis of the submissions filed by Hydro, with sufficient information to satisfy the Panel that the review was conducted with due diligence. The report(s) shall not draw conclusions as to the needs for or alternatives to the Plan, which is the role of the Panel.

The independent expert consultant(s) shall be available for cross-examination at the public hearing, and shall be available as a resource to legal counsel for registered intervenors as deemed necessary by the PUB to prepare for the cross-examination of Hydro witnesses on Commercially Sensitive Information.

The independent expert consultant(s) may also provide such advice to the Panel, and file such report(s) with the Panel *in camera*, that contain, reference, or analyse Commercially Sensitive Information in sufficient detail to satisfy the Panel. Cross-examination of the independent expert consultant(s) on such issues shall be permitted *in camera*.

The independent expert consultant(s) shall not quote in their publicly filed report(s) Commercially Sensitive Information or information that would enable a third party to reverse-engineer Commercially Sensitive Information ("reverse-engineer" means to discover, synthesize or otherwise recreate the Commercially Sensitive Information following a detailed examination). No public cross-examination of the independent expert consultant(s) shall take place with respect to Commercially Sensitive Information. The independent expert consultant(s) will be required to execute a non-disclosure agreement satisfactory to Hydro and the Panel.

#### NOT IN SCOPE

The following items are not in the scope of the NFAT:

- The Bipole III transmission line and converter station project;
- The Pointe Du Bois project;
- The commercial arrangements between Hydro and its aboriginal partners for the development of the proposed hydro-electric generating facilities (the impacts of these are included in the cost of the projects that are part of the Plan);
- The environmental reviews of the proposed projects that are part of the Plan, including Environmental Impact Statements (these will be conducted through individual processes by the Manitoba Clean Environment Commission ("CEC"), and where possible the impacts of the matters to be considered by the CEC are included in the costs of the projects that are part of the Plan);
- Aboriginal consultation pursuant to Section 35 of the *Constitution Act* (this is conducted as a separate Crown-Aboriginal consultation process);

1 **Manitobans as a Whole**

2 For Manitoba as a whole, the cost-benefit question is whether there are social benefits or costs  
3 – consequences that people in principle value positively or negatively – not reflected in the  
4 other accounts. There could be some broad community support for the engagement with  
5 Aboriginal Communities in the plans with northern hydro development. There could as well be  
6 strong preference for development plans that rely on renewable as opposed to non-renewable  
7 fossil-fuel resources. For some Manitobans there may be a willingness to pay for such  
8 consequences or attributes that go beyond what is already reflected in Manitoba Hydro's  
9 aboriginal partnership agreements and in the costing of GHG emissions already taken into  
10 account, though it is not clear how significant that would be from a broad provincial  
11 perspective.

12

13 One aspect of the plans, however, that may be more broadly significant and that may not have  
14 been fully recognized in the other accounts, is what one could describe as a bequest value – the  
15 value of the assets that will benefit future generations of Manitobans over the very long term.

16

17 The residual value of the assets at the end of Manitoba Hydro's planning period was included in  
18 the present value calculations in the market valuation account. This was done by projecting and  
19 comparing for the different plans the capital and O&M costs net of export revenues required to  
20 maintain the system from 2047 through to 2090. The residual value of the hydro generating  
21 and related assets in the preferred and two alternative plans with Keeyask G.S. was then  
22 calculated by calculating the long-term net cost saving relative to the all gas plan, with its  
23 greater need for replacement investment, greater O&M and lower export revenues.

5

# TAB 2

ARTICLE 12

TRAINING AND EMPLOYMENT

12.1 PRE-PROJECT TRAINING

Training Initiative

12.1.1 The Training Initiative is aimed at facilitating the training of Northern Aboriginals to take advantage of employment opportunities generated by the Keeyask Project and the Wuskwatim Project.

Responsibility for Training Delivery

12.1.2 Each of the Aboriginal Training Partners is responsible for the design, delivery and implementation of community-based training to Northern Aboriginals in accordance with the proposal for the Training Initiative and in their respective Contribution Sub-Agreements.

Funding for the Training Initiative

12.1.3 Subject to the provisions of the Contribution Agreements, a number of parties agreed to contribute to the Training Initiative Funds in amounts not to exceed the following contributions:

- (a) Human Resources and Skills Development Canada \$22 million;
- (b) Hydro \$20 million;
- (c) Manitoba \$10 million;
- (d) Western Economic Diversification \$5.0 million;
- (e) Indian and Northern Affairs Canada \$3.3 million; and
- (f) Aboriginal Training Partners (in-kind) \$1.7 million.

Hydro Contribution

12.1.4 The contribution of Hydro to the Training Initiative set out in subsection 12.1.3 will form part of the Pre-Closing Liabilities.

“**KCN Participation Costs**” means all costs incurred by a **Keeyask Cree Nation** in connection with the **Keeyask Project** for which the **Keeyask Cree Nation** has been or is entitled to be reimbursed by **Hydro**, including any repayable advances by **Hydro** to a **Keeyask Cree Nation** in respect of reimbursable costs.

“**KCN Training Funds**” means the seventy-five (75%) per cent of the **Keeyask Training Funds** apportioned, in the manner set forth in clause 12.1.5 (a), among the respective **Keeyask Cree Nations** for the training of **Members**.

“**Keeyask Cree Nation**” means any one of **TCN, War Lake, York Factory and Fox Lake**.

“**Keeyask Cree Nations**” means **TCN, War Lake, York Factory and Fox Lake**.

“**Keeyask Generating Station**” means the proposed hydro-electric generating station forming part of the **Keeyask Project** and consisting of a complex of structures, including the powerhouse, spillway, dam, dykes and transition structures, used in the production of electricity.

“**Keeyask Training Funds**” means the forty-five million (\$45,000,000) dollars of **Training Initiative Funds** allocated for the training of **Members**, and **Northern Aboriginals** other than **Members**, for jobs on the **Keeyask Project** and the **Wuskwatim Project**.

“**Keeyask Project**” means the **Keeyask Generating Station** and all related works, excluding the **Keeyask Transmission Project** and **Bipole III**, but including all channels, excavations, camps, storage areas, local roads and access roads, to be located in the vicinity of Gull Rapids, just upstream from the point at which the Nelson River flows into Stephens Lake, all of which are more particularly described in the **Project Description** and which, if built, will contribute approximately six hundred and ninety-five (695) MW, at rated capacity, to the **Integrated Power System**.

“**Keeyask Transmission Facilities**” means all incremental transmission facilities and incremental communication-related facilities to be constructed to connect with the **Keeyask Project**, excluding **Bipole III**, but including all northern high voltage alternating current collector transmission lines, switching and transformer stations and related works, as determined by **Hydro** (Transmission and Distribution Business Unit), required to connect the **Keeyask Project** to **Bipole III**, and all north-south alternating current transmission lines, switching and transformer stations and related works, as determined by **Hydro** (Transmission and Distribution Business Unit).

“**Keeyask Transmission Facilities Capital Amount**” means obligations of the **Limited Partnership** for capital construction costs related to the **Keeyask Transmission Facilities** due to **Hydro** pursuant to either or both of the **Interconnection and Operating Agreement** and the **PPA**, in accordance with the principles set forth in subsection 10.2.2 of this **JKDA**.

“**Keeyask Transmission Project**” means **Hydro’s** proposed project to develop the **Keeyask Transmission Facilities**.

“**Training Initiative**” means the Hydro Northern Training and Employment Initiative.

“**Training Initiative Funds**” means the sum of sixty two million (\$62,000,000) dollars contributed to the **Training Initiative** by a number of parties as described in section 12.1.3.

“**UMA**” means a unanimous members’ agreement made between all of the members of **WKTC** dated September 29, 2004.

“**Unit**” means a unit representing an interest in the **Limited Partnership**.

“**War Lake**” means War Lake First Nation.

“**War Lake Adverse Effects Agreement**” means the agreement to be entered into on the **Date of this JKDA** between **Hydro** and **War Lake**, and to be assigned by **Hydro** to the **Limited Partnership** on the **Initial Closing Date**, in respect of the adverse effects of the **Keeyask Project** on **War Lake** and its **Members**, which agreement shall be substantially in the form agreed to in principle by **Hydro** and **War Lake**, and approved by its **Members** in the manner provided therein.

“**War Lake Chief and Council**” means the Chief and Council elected and in office from time to time as the governing body of **War Lake** pursuant to **War Lake’s** Election Code, E-1, as amended from time to time, and recognized as the “council of the band” for **War Lake**, as defined in subsection 2(1) of the *Indian Act* (Canada).

“**War Lake Participation Agreement**” means the participation agreement entered into between **TCN**, **Hydro** and **War Lake** on July 9, 2003.

“**War Lake 2005 Agreement**” means the agreement made between **Manitoba**, **Hydro** and **War Lake**, dated March 30, 2005, for the resolution of adverse effects of then existing hydropower development.

“**Waterways Management Program**” means the program for managing issues arising from the use of waterways impacted by the impoundment of waters for the **Keeyask Generating Station**, substantially in the form attached hereto as Schedule 11-2.

“**WKTC**” means the Wuskwatim Keeyask Training Consortium.

“**Work**” means a work package subject to **Direct Negotiation** as specifically outlined in a **Request for Direct Negotiation Proposal**.

“**Working Group on Operational Jobs**” means the working group or groups established or to be established between **Hydro** and **CNP**, **York Factory** and **Fox Lake** to explore ways in which the agreed upon employment targets for **Operational Jobs** set forth in subsection 12.7.1 of this **JKDA** may be achieved, and to establish a basis for an ongoing and mutually beneficial



### Training Initiative Funds for the Keeyask Project

12.1.5 A total of up to forty-five million (\$45,000,000) dollars of **Training Initiative Funds** has been allocated for pre-project training for **Members** and **Northern Aboriginals** (other than **Members**) for jobs on the **Keeyask Project** and the **Wuskwatim Project**, as follows:

- (a) a total of up to seventy-five (75%) per cent of this amount, or thirty-three million, seven hundred and fifty thousand (\$33,750,000) dollars, comprise the **KCN Training Funds**, available to the **Keeyask Cree Nations** for the pre-project training of **Members** in accordance with the **Contribution Agreements** or the **Keeyask Cree Nations'** respective **Contribution Sub-Agreements**, as the case may be; and
- (b) a total of up to twenty-five (25%) per cent of this amount, or eleven million, two hundred and fifty thousand (\$11,250,000) dollars, is available for the pre-project training of **Northern Aboriginals** other than **Members**.

### Apportionment of KCN Training Funds

12.1.6 Pursuant to their respective **Contribution Sub-Agreements**, the **KCN Training Funds** have been apportioned among the **Keeyask Cree Nations** as follows:

- |     |                     |                     |
|-----|---------------------|---------------------|
| (a) | <b>TCN</b>          | \$18.63 million;    |
| (b) | <b>War Lake</b>     | \$1.62 million;     |
| (c) | <b>York Factory</b> | \$6.75 million; and |
| (d) | <b>Fox Lake</b>     | \$6.75 million.     |

### Early Advances of KCN Training Funds

12.1.7 In order to provide funding for the pre-project training of **Members** prior to the establishment of the **Training Consortium**, **Hydro** provided the **Keeyask Cree Nations** with early advances of **KCN Training Funds** in the aggregate sum of three million, six hundred and twenty one thousand, one hundred and ninety-three (\$3,621,193) dollars in respect of **CNP**, seven hundred and eight-five thousand, seven hundred (\$785,700) dollars in respect of **Fox Lake** and six hundred and sixty-eight thousand, five hundred (\$668,500) dollars in respect of **York Factory**. All such early contribution amounts are included within the amounts set out in subsection 12.1.6

- (a) the **BNA** will form part of the tender specifications;
- (b) contractors will be required to set reasonable requirements for accreditation, skill and experience necessary for the particular work to be performed;
- (c) designated contractors will be required to provide on-the-job training to workers in specified trades and will be required to submit the detail of their on-the-job training program in their tender submission;
- (d) contractors will be required, if requested, to designate an individual to represent the contractor on the **Advisory Group on Employment**; and
- (e) job orders for on-the-job trainees or apprentices will be restricted to northern Aboriginals residing in the **Churchill/Burntwood/Nelson River Area**, with first preference for such jobs being given to individuals who have received designated trades or technical skills training pursuant to the **Training Initiative**. If a job order for an on-the-job trainee or apprentice cannot be filled by a northern Aboriginal resident in the **Churchill/Burntwood/Nelson River Area**, then **Manitoba** will consult the contractor placing the job order as to whether the contractor wishes the job order to continue in accordance with the provisions of the **BNA**, or whether the contractor prefers the job order to be cancelled.

## 12.5 **ADVISORY GROUP ON EMPLOYMENT**

### **Advisory Group on Employment**

12.5.1 **Hydro**, as the **Project Manager**, agrees to establish the **Advisory Group on Employment** as soon as practical following the **Construction Start** to provide a forum for addressing employment related issues, in particular Aboriginal employment, in accordance with the **AGE Terms of Reference** attached hereto as Schedule 12-7.

### **Bulletin Board**

12.5.2 **Hydro**, as the **Project Manager**, agrees to provide bulletin board space for the contractor under the **Employment Retention Contract** and for Aboriginal employees at or near the same location that bulletin board space is provided to the **Allied Hydro Council**, subject to the right of the **Project Manager** to remove objectionable items posted to such bulletin boards as the **Project Manager** deems appropriate.

**SCHEDULE 12-7**

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**Advisory Group on Employment**

**Terms of Reference**

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## SCHEDULE 12-7

### Advisory Group on Employment

#### Terms of Reference

##### 1. Scope

The **Advisory Group on Employment** (“AGE”) is an advisory group to the **Project Manager**.

The AGE is a forum for addressing employment-related issues, in particular Aboriginal employment, related to construction of the Keeyask Project. The AGE is established to receive, review and find solutions to concerns and issues and to monitor, report and make recommendations to the **Project Manager** on employment-related matters, as required.

In this role, the AGE will not supplant and will, wherever possible, avoid duplicating other **Keeyask Project** organizations or committees with a mandate for dealing with specific types of concerns or issues. Where relevant, the AGE will direct individuals to the appropriate **Keeyask Project** organization or committee. In particular, the AGE will not address differences or disputes that fall under the grievance procedures established by the BNA.

The AGE is consultative and advisory only and has no decision-making authority but will make recommendations to the **Project Manager** in accordance with its Terms of Reference.

##### 2. Purpose

The purpose of the AGE is to:

- (a) provide such disclosure of non-privileged information, of contemporary relevance to employment-related matters for the **Keeyask Project**, as is reasonable and practicable to provide;
- (b) receive and consider employment-related issues associated with construction of the **Keeyask Project** including:
  - (i) endeavouring to resolve issues in a cooperative and timely manner and informing the **Project Manager** of the outcome or recommended course of action;
  - (ii) establishing a process to receive and address issues in relation to items such as:

- A. the job referral process;
  - B. communication between Aboriginal placement agencies and **Keeyask Project** contractors;
  - C. communication to **Keeyask Project** contractors and sub-contractors regarding the AGE; and
  - D. concerns or issues raised by individuals,
- and communicating such process to relevant parties and individuals;
- (c) inform **Keeyask Project** workforce about the AGE's existence and its purpose;
  - (d) review and provide advice to the **Project Manager** about the appropriateness of job order qualifications;
  - (e) monitor and provide recommendations to the **Project Manager** regarding Aboriginal employment associated with the **Keeyask Project**, including under the **BNA** job referral process and under **Direct Negotiation Contracts**;
  - (f) monitor employment of **Members** as well as employment of Aboriginal people from other communities;
  - (g) monitor the results and effectiveness of the **BNA** job order, **Direct Negotiation Contract** hiring, worker orientation and job retention processes and provide advice to the **Project Manager** in respect of same;
  - (h) report in a regular and timely way to the **Project Manager** on issues received and addressed;
  - (i) review and consider:
    - (i) Aboriginal employment (number of hires, skill areas, turnover, link to pre-project training, community of residence, First Nation, etc.);
    - (ii) effectiveness of **BNA** job referral process;
    - (iii) results of the hiring process for **Direct Negotiation Contracts**;

- (iv) status and outcomes of job qualification reviews;
- (v) status and results of the worker orientation program;
- (vi) status and results of the worker retention strategy;
- (vii) notable training and employment related outcomes occurring at the **Keeyask Project** construction site (both positive and negative);
- (viii) an annual committee budget as determined by the **Project Manager**;
- (ix) other matters appropriate to be addressed by the **AGE**;
- (j) provide recommendations to the **Project Manager** about potential improvements that could be made to employment strategies and processes on future hydroelectric projects.

### 3. **AGE Membership**

The **AGE** is a **Keeyask Project** construction site committee with the intention that its representatives will be comprised of individuals working at the **Keeyask Project** construction site, unless no such individuals are practically available.

The **AGE** will be comprised of the following representatives:

- (a) Voting Representatives:
  - (i) four (4) **Keeyask Cree Nation** representatives (one (1) **Member** from each of **TCN**, **War Lake**, **York Factory** and **Fox Lake**);
  - (ii) six (6) **Hydro** representatives;
  - (iii) one (1) **Manitoba** – CTT (Competitiveness, Training and Trade, formerly MAET) representative;
  - (iv) one (1) **HPMA** (Hydro Project Management Association) representative; and
  - (v) one (1) **AHC (Allied Hydro Council)** representative.
- (b) Non-voting Representatives:

- (i) one (1) representative appointed by each contractor on the **Keeyask Project**, including the **Employment Retention Contract** contractor. The **AGE** will determine which contractors are required to attend the meetings; and
- (ii) the **Allied Hydro Council's** Aboriginal union representative for the **Keeyask Project**.

Organizations will be requested to appoint representatives for at least a two (2) year term.

**4. Chairperson**

The **AGE** will be chaired by a **Hydro** representative.

**5. Duration of AGE and Frequency of Meetings**

The **AGE** will be established as soon as practical following the **Construction Start** and will remain in existence until the **Final Closing Date** for the **Keeyask Project**.

The **AGE** will meet at least once every quarter, or more frequently as the **AGE** may determine. To address eligible issues expeditiously, teleconference meetings (not previously scheduled) may be convened.

**6. Meeting Process**

The **AGE** provides advice and makes recommendations to the **Project Manager**. In the event the majority of the non-**Hydro** representatives on the **AGE** disagree with any recommendations (or lack thereof) made by the **AGE** to the **Project Manager**, such non-**Hydro** representatives shall have the right to put forward, in a timely manner, an explanation of their concerns to the **Project Manager** for consideration. The **Project Manager** is required to inform the **AGE** in a timely manner of how the **AGE's** recommendations or non-**Hydro** representatives' concerns, as applicable, have been addressed. If the **AGE** or the majority of the non-**Hydro** representatives on the **AGE** is/are not satisfied with the **Project Manager's** response, the recommendations and/or concerns, as applicable, will be forwarded to the board of the **General Partner**.

Representatives appointed to the **AGE** will receive an orientation regarding the various **Keeyask Project** committees. Such representatives will endeavor to understand and respect the roles, responsibilities and functions of other committees and agencies relevant to the **Keeyask Project**, in order to judge whether issues are appropriate for the **AGE** to address.

The Chair of the **AGE** may request a facilitator to manage meetings.

Meetings will take place at the **Keeyask Project** construction site, unless otherwise agreed.

Materials to be discussed at **AGE** meetings will be distributed two (2) weeks prior to the meeting date. Meeting notes will be recorded and distributed to all representatives of the **AGE** and contractors within two weeks of the meeting date.

**7. Recommendations**

The **AGE** will seek to achieve consensus in making its recommendations. If consensus cannot be achieved, decisions will be based on a majority vote of all voting representatives of the **AGE**, subject to paragraph 6.

**8. External Communications**

The Chair of the **AGE** is responsible for all communications on behalf of the **AGE**. The Chair must consult with the **Project Manager** and **Limited Partnership** project communication staff prior to undertaking external communications.

**9. Reasonable Expenses**

**Keeyask Cree Nation** representatives appointed to the **AGE** who are not fully employed on **Keeyask Project**-related jobs, or who must attend **AGE** meetings outside of normal working hours, will be paid for their time for attending **AGE** meetings, along with reasonable expenses associated with meals and mileage, if applicable.

**10. Revisions to Terms of Reference**

The **AGE** may make recommendations to the **Project Manager** to revise the **AGE's** Terms of Reference.



# TAB 3



**NEEDS FOR AND ALTERNATIVES TO (NFAT)**

**Manitoba Hydro Undertaking # 5**

Manitoba Hydro to confirm the amount of project costs spent with respect to First Nations involvement in the project.

**Manitoba Hydro Undertaking #6**

Manitoba Hydro to split out how much of the project cost has been spent regarding Metis involvement.

**Response:**

Participating Party costs include process, mitigation, transition & implementation costs:

First Nation Participating Party Costs (to Dec 2013)		
Project	Community	Total
Conawapa	Cree Nation Partners (TCN/WLFN)	6 445 217
	Fox Lake Cree Nation	14 641 781
	Manitoba Metis Federation	94 579
	Shamattawa First Nation	1 789 288
	Tataskweyak Cree Nation	128 918
	War Lake First Nation	148 392
	York Factory First Nation	5 721 737
<b>Conawapa Total</b>		<b>28 914 907</b>
Keeyask	Cree Nation Partners (TCN/WLFN)	94 378 954
	Fox Lake Cree Nation	26 989 943
	Manitoba Metis Federation	244 579
	Nisichawayasihk Cree Nation	9 380
	Shamattawa First Nation	17 978
	Tataskweyak Cree Nation	12 762 636
	War Lake First Nation	478 905
York Factory First Nation	25 439 221	
<b>Keeyask Total</b>		<b>160 236 595</b>
Wuskwatim	Cormorant	428 998
	Herb Lake Landing	57 200
	Manitoba Metis Federation	309 957
	Nisichawayasihk Cree Nation	51 478 950
	Opaskwayak Cree Nation	428 998
	Snow Lake	571 997
	Tataskweyak Cree Nation	2 874 857
	Thicket Portage	57 200
York Factory First Nation	43 398	
<b>Wuskwatim Total</b>		<b>55 746 557</b>
<b>Grand Total</b>		<b>\$ 244 898 059</b>



**Hydro Northern Training and Employment Initiative (HNTEI)**

**Funding Provided to Aboriginal Partners\***

As at February 28, 2014

	<b>Funding Provided</b>
Cree Nation Partners	19,586,874
Fox Lake Cree Nation	6,451,827
Manitoba Keewatinowi Okimakanak Inc.	9,680,439
Manitoba Métis Federation (MMF)	4,733,996
Nisichawayasihk Cree Nation	10,890,494
York Factory First Nation	6,515,297
Wuskwatim and Keeyask Training Consortium Inc.	2,177,367
	<u><u>\$60,036,295</u></u>

\* Of the \$60.26M in HNTEI funding, \$20M was provided by Manitoba Hydro.

Of Manitoba Hydro's \$20M contribution, \$15M was allocated to the  
Keeyask Project and \$5M to the Wuskwatim Project.

# TAB 4

1 SUBJECT: Macro-Economic

2

3 REFERENCE: PUB/MH I-92a

4

5 QUESTION:

6 Please provide a summary statistics of training activities in 2012 and 2013, including any  
7 updates on course completions set out in Page 8 of the 2010 WKTC Annual Report

8

9 RESPONSE:

10 The duration of the Hydro Northern Training and Employment Initiative was tied to the  
11 availability of funding, which was allocated to each of the participating Aboriginal Partners.  
12 Ninety-nine percent of the funding was expended by 2010. If Aboriginal Partners had funding  
13 remaining, they were able to utilize these funds through bi-lateral agreements with Manitoba  
14 Hydro to allow for further training of existing trainees. As this training occurred outside of the  
15 structure provided through WKTC, outcomes have not been captured and amalgamated with  
16 WKTC data and reporting.

1 SUBJECT: Macro-Economic

2

3 REFERENCE: PUB/MH I-92a

4

5 QUESTION:

6 Please provide a schedule on First Nation employment by community on the Keeyask  
7 construction project, showing actual and forecast employment through completion of the  
8 project.

9

10 RESPONSE:

11 Please see Table 1 below for actual Aboriginal employment by community for the Keeyask  
12 project up to September 30, 2013.

1

TABLE 1

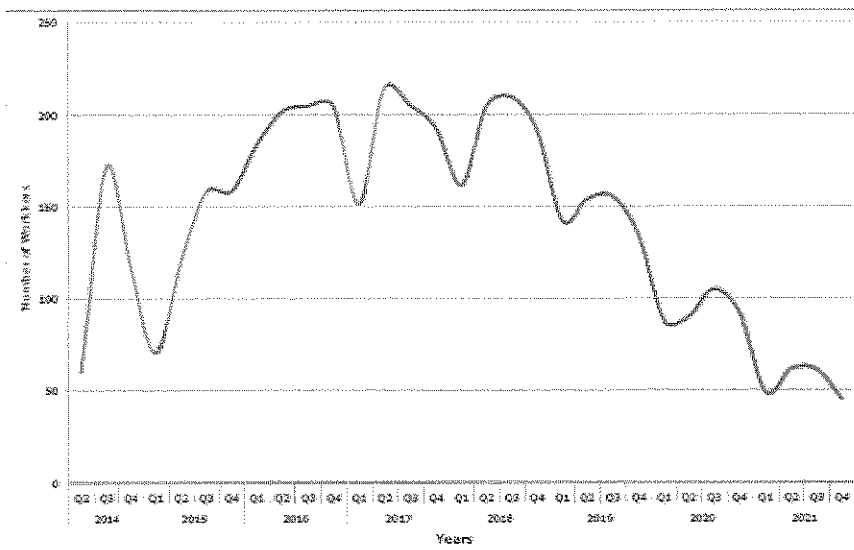
Aboriginal Community/Group	Hires	% of Total Project Hires
Barren Lands First Nation	12	1%
Bunibonibee (Oxford House) Cree Nation	6	0%
First Nation Located Outside of Manitoba	20	1%
Fisher River Cree First Nation	14	1%
Fox Lake Cree Nation	88	6%
God's Lake First Nation	5	0%
Mathias Colomb First Nation	11	1%
Métis	97	7%
Mosakahiken Cree Nation	9	1%
Nisichawayasihk Cree Nation	17	1%
Norway House Cree Nation	29	2%
Opaskwayak Cree Nation	21	1%
Peguis First Nation	12	1%
Pimickamak Cree Nation (Cross Lake)	31	2%
Pinaymootang First Nation	9	1%
Pine Creek First Nation	8	1%
Sapotaweyak Cree Nation	18	1%
Sayisi Dene First Nation	10	1%
Skownan First Nation	12	1%
Tataskweyak Cree Nation	396	28%
War Lake First Nation	48	3%
York Factory First Nation	75	5%
Other (Communities/groups with less than 5 hires)*	18	1%
<b>Aboriginal Hires</b>	<b>966</b>	<b>68%</b>
<b>Non-Aboriginal Hires</b>	<b>463</b>	<b>32%</b>
<b>Total Project Hires**</b>	<b>1429</b>	

\*18 hires are representative of 10 communities

\*\*The number of hires to date does not reflect the number of employees on site at a given time. The total number of employees is less than the number of hires because the same individual may have been hired more than once (i.e. an individual may have moved to work on a different contract or may be separated and rehired at a later date. Figures 3-28 and 3-20 illustrate the estimated number of employees, not hires on site on a quarterly basis.

2

1 On the Keeyask Generation Project, participation by Aboriginal workers from the Regional  
 2 Study Area as a whole was estimated to range between 13% (low estimate) and 40% (high  
 3 estimate) of total Project construction employment, representing between 550 and 1,700  
 4 person-years of employment (see table 3-28 and 3-29 in Socio-economic Supporting Volume  
 5 (SE SV) Section 3.4.1.7.2). See below Figure 3-28 (SE SV Section 3.4.1.7.2) for the estimated  
 6 average Aboriginal employment from the regional study area.



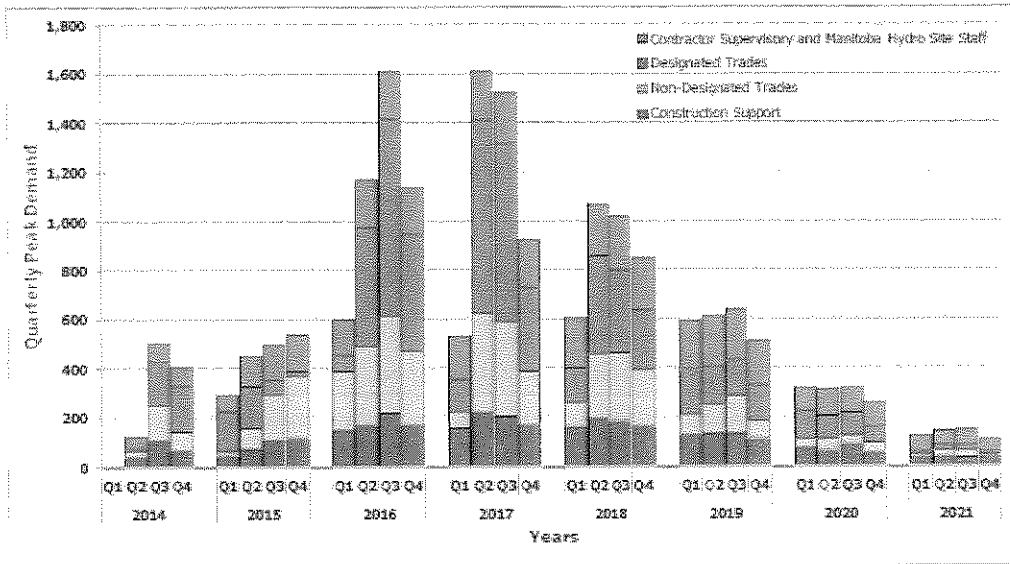
Source: Analysis prepared by InterGroup Consultants Ltd.

**Figure 3-28: Construction Phase Average Estimated Employment of the Regional Study Area Aboriginal Workforce in the Keeyask Generation Project**

7

8 While an aggregate estimate can be made on Aboriginal employment on the Keeyask project, it  
 9 is not possible to forecast Aboriginal employment by community. Hiring is governed by the  
 10 Burntwood Nelson Agreement (BNA) which defines hiring preferences for the construction  
 11 phase of the Project. Under the BNA, priority is given to qualified northern Aboriginals living  
 12 within the Churchill/Burntwood/Nelson River region and surrounding areas as defined in the  
 13 BNA. Figure 3-20 (below), from the SE SV Section 3.11.1.2.2, shows the estimated construction  
 14 phase workforce requirements.





Source: Derived from data provided by Manitoba Hydro in 2010.

**Figure 3-20: Construction Phase Estimated Workforce Requirements (Quarterly Peak) for the Keeeyask Generation Project**

1

# TAB 5



1 combined with training and other measures to enable northern Manitobans to fill those  
2 positions, can provide significant net benefit.

3

4 For this assessment it is assumed that the net benefits of the jobs filled by Manitobans would  
5 generally be in the order of 15% of the gross wages. That is consistent with a study of the  
6 relationship between wages and the social opportunity cost of labour (what the workers would  
7 otherwise have earned) for a major project developed when labour markets were generally  
8 tight, as one could expect in this case.<sup>25</sup> However, the net benefit for northern Aboriginal  
9 employment, supported by training, recruitment and retention policies and programs, is  
10 assumed to be in the order of 50% of the gross wages paid. Again this is consistent with  
11 estimates of the relationship between wages and the social opportunity cost of labour where  
12 alternative opportunities are more limited.<sup>26</sup> With respect to in-migrants it is assumed the net  
13 benefits would be zero from a Manitoba perspective. The in-migrants would pay income and  
14 other taxes, but it is conservatively assumed these would be offset by the cost of services that  
15 government would have to provide for them.

16

17 With respect to the origin of the workers filling the jobs generated in the different plans, it is  
18 assumed that for the northern projects ~~70-80~~ to 45% of the construction positions would be  
19 filled by Manitobans, and of the Manitobans, ~~47-50~~ 50% would be northern Aboriginal. ~~This is The~~  
20 Manitoba share of the construction employment is less than what has been observed for the  
21 Wuskwatim Project and is generally consistent with the employment impact estimates may be  
22 conservative, but reflects the larger size of the projects. The northern aboriginal share (50% of

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<sup>25</sup> See Chun-Yan Kuo, "Evaluating the Social Cost of Job Creation", *Canadian Journal of Program Evaluation*,  
Special Issue, 1997, pp. 67-82.

<sup>26</sup> Ibid.