

2008 02 14

Ms. Tracey Braun, B.Sc.  
Director  
Environmental Assessment & Licensing Branch  
Manitoba Conservation  
Suite 160-123 Main Street  
Winnipeg MB R3C 1A5

Dear Ms. Braun:

**Pointe du Bois Modernization Project**

Manitoba Hydro notes that the comments of Manitoba Wildlands dated October 7, 2007 have now been placed on the Public Registry. There are several aspects of this letter which require comment from Manitoba Hydro in order to ensure that those who review the record have a clear understanding of this project and Manitoba Hydro's clarification on several of the issues raised by Manitoba Wildlands.

The first issue is the issue of project scoping. The letter repeatedly suggests that Manitoba Hydro and the regulators have colluded with respect to assessment guidelines in an attempt to truncate or eliminate public involvement. This is not the case. Throughout its Environment Act Proposal Form (EAPF) submission, Manitoba Hydro was explicit that the scoping document contained within that submission was "Draft" and contained Manitoba Hydro's suggestion of what might be appropriate, given recent experience with Wuskwatim and recent experience with other similar projects in other jurisdictions. The EAPF was also clear that Manitoba Hydro was seeking a review of the draft scoping document and provision of any additional guidance from the regulator that was deemed necessary. The legal framework for and practice of environmental assessment does not preclude a proponent from making suggestions, and in fact the entire regulatory and assessment paradigm encourages cooperation and open communication between regulators and project proponents. Guidelines are not directory until Canada and Manitoba have concluded their processes. It should also be noted that Manitoba Wildlands has had the opportunity to comment, but decisions on the final form and content are the sole and exclusive prevue of the regulators, not proponents or special interest groups.

The Manitoba Wildlands letter then goes on to suggest that guidelines for this project should be identical to those issued for Wuskwatim, including an economic justification. Manitoba Hydro would suggest that this demonstrates a fundamental lack of understanding of the differences between the Wuskwatim and the Pointe du Bois Projects. The Wuskwatim

development was proposed for a previously undeveloped site and was driven by a desire to capture present export opportunities (through plant advancement) in the early years and later to support domestic requirements. Pointe du Bois, on the other hand, is driven by the deteriorating condition of the powerhouse and spillway structures that require extensive repairs or replacement in order to meet current dam safety standards, environmental protection, and employee safety requirements. There is no option to ignore the condition of the current facility, and through our own analysis and public consultation program, it was determined that the replacement option is the best path forward. The decision to replace a 100-year-old facility with state-of-the-art facilities and technology, maintaining domestic energy supply and making better use of the present resource with no material water regime change, is a good example of the application of sustainable development principles.

The Manitoba Wildlands letter makes reference to a host of other projects and posits that the omission of these projects from the Pointe du Bois assessment is bad faith on the part of Manitoba Hydro (and the regulators). This conclusion is not supported by the facts. Manitoba Hydro has an on-going capital program at its Winnipeg River stations, such as work on turbine re-runnering, generator re-winding, spillway rehabilitation and electrical equipment replacement, but none of these civil works is equivalent to the complete replacement of generating and water control facilities as is being proposed at the Pointe du Bois generating site. Transmission line upgrades from Pointe du Bois to Winnipeg are required regardless of the Pointe du Bois Modernization Project and, once determined, will be dealt with in accordance with the Classes of Development Regulation and will be addressed in the cumulative effects analysis for the Pointe du Bois generation project. The conversion of the Slave Falls tramway to a private road was initiated independently of the Pointe du Bois Modernization Project; and again, as indicated in the EAPF submission, that project is currently being assessed through its own regulatory processes and will be dealt with under the Pointe du Bois Modernization Project's cumulative effects assessment. Work at the Dorsey Station, which is the southern terminus of Bipoles 1 and 2 located northwest of Winnipeg, is completely unrelated to Pointe du Bois Modernization. To adopt the Manitoba Wildlands' suggestion that all Manitoba Hydro projects, regardless of nature, scope or geographic location, are somehow associated for licensing purposes with each other, is completely contrary to accepted environmental assessment practice and if adopted would lead to planning and regulatory paralysis.

The assertion that Manitoba Hydro has withheld information is false. During the Wuskwatim review extensive bibliographies were made available and no requests for information in that bibliography were received. In addition certain detailed and site specific information collected for the purposes of the EIS was given to Manitoba Hydro by First Nations on a confidential basis. This confidence was respected as it was the First Nation's concern that publication and dissemination of this information would have a detrimental effect on the particular resource in question. In other instances Manitoba Conservation was opposed to release of certain information for species protection reasons. Other items such as Access Management Plans and Environmental Protection Plans could not be finalized until licences



were issued. These documents were all subsequently provided to the regulators and are available to stakeholders.

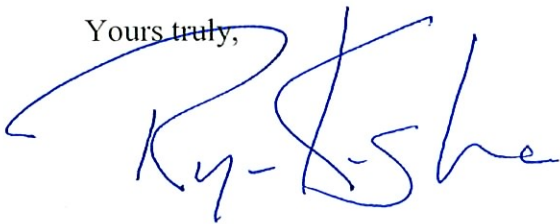
Manitoba Wildlands' suggestion that conditions as they were in 1900 constitute the appropriate baseline for the assessment is inconsistent with accepted and achievable assessment practice. By using the existing baseline with the current development of the Winnipeg River, the public and regulators will be best able to understand the effects that the Pointe du Bois Modernization Project will have on the environment.

The comments regarding aboriginal consultation demonstrate a lack of understanding of the roles and responsibilities of project proponents and the role of government. The jurisprudence is clear that proponents cannot discharge the obligations of government to consult with aboriginal people as required by Section 35 of the *Constitution Act*. Such consultation is informed by the environmental assessment undertaken by the proponent.

Finally, Manitoba Wildlands asserts that no public open house was held in Winnipeg in February 2007. That is incorrect. An open house was held at the Norwood Hotel on February 15, 2007.

Manitoba Hydro believes that these clarifications and corrections will be of benefit to readers of the Registry interested in this project.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Ry-Kshe', with a large, sweeping flourish above it.

R. Kustra  
Manager  
Major Projects Licensing Department  
Power Projects Development Division  
Power Supply

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