

Manitoba Hydro Process to Compensate for Documented Outfitters' Losses Pursuant to the Bipole III Transmission Project

Background

Pursuant to condition #32 of the Bipole III Project *Environment Act* Licence 3055, “The Licencee shall develop a policy, for submission to the Director, to manage documented losses to outfitters that are attributable to the Development and provide an option for disposition of payments in an annual format where compensation is deemed necessary.”

The process below outlines how outfitters who have been allocated foreign-resident big game licences and operate within one kilometre of the Bipole III Transmission Project right-of-way will be compensated for short-term losses incurred as a direct result of the Bipole III Transmission Project subject to the statements below.

Definitions

Bait stand – any legal thing that is placed for luring or attracting big game; not including decoys, scents, chemical attractants, or electronic game calls. It is only legal to place bait for the purposes of hunting black bear or grey wolf big game.

Big game – a big game animal is a large animal that can legally be hunted in Manitoba and includes: moose, elk, barren-ground caribou, woodland caribou, white-tailed deer, black bear or gray (timber) wolf.

Foreign-resident – a person who is neither a Canadian citizen or resident of Manitoba.

Licence – hunting licence issued by Manitoba Conservation under the Wildlife Act.

Outfitter – a person who, for gain, remuneration or reward, or the hope or expectation of gain, remuneration or reward, provides outfitting services to others in connection with big game hunting.

Compensation

A. Outfitter Business Loss on Crown Land

MH will provide compensation to outfitters operating on Crown land where MH's clearing and/or construction activities related to the Bipole III Project occur during a given applicable foreign-resident big game hunting season as defined by Manitoba Conservation and Water Stewardship and where an outfitter's bait stand is located within one kilometre of the edge of a Bipole III Project transmission right-of-way.

Outfitters are required to provide the following documentation in support of business loss compensation for each year of active Bipole III Project construction in the area:

- Evidence of outfitter's allocated foreign-resident big game licences and operational area and a copy of their Foreign-Resident Licence Allocation Agreement;
- Income tax returns for the three most recent fiscal years ending on or before October 31, 2013;
- Number of hunting licences allocated per year in each of the five previous years; and
- Unused hunting licence allocations for the active construction period.

Annual compensation calculation per outfitter per active year of Bipole III Project construction in area:

Equal to the lesser of (average number of licences sold per year over the five previous years, number of hunting licences allocated in given year, and number of unused hunting licences in given year)

MULTIPLIED BY average net income per licence as per income tax returns provided **MULTIPLIED BY** % of a Bipole III Project transmission right-of-way impacting Game Hunting Area (GHA) or allocated area

B. Bait Sites on Bipole III Transmission Project Rights-of-Way on Crown Land

If an existing bait site on Crown land is within one kilometre of a Bipole III Project transmission right-of-way prior to start of construction in the area, compensation will be provided for its relocation if outfitter requires. As tree stands are to be removed annually as per Wildlife Act Regulations, relocation applies to the bait site only on Crown land.

MH will compensate eligible outfitters \$1,000 per bait site to establish a new bait site if it meets the criteria indicated above. The \$1,000 can be paid as one lump sum or over a three year period in annual payments equivalent to the present value of \$1,000.

Outfitters are required to provide the following documentation in support of bait site compensation:

- Evidence of outfitter's allocated foreign-resident big game licences and operational area and a copy of their Foreign-Resident Licence Allocation Agreement;
- GPS coordinates of existing bait sites within one kilometre of a Bipole III Project transmission right-of-way; and
- A photograph of each affected bait site.

A MH employee will verify the location of existing bait sites prior to compensation being awarded.

C. Outfitters on Private Land

Where outfitters operate on private land, no further compensation to the land owner/outfitter will be provided outside of that already provided under the Land Owner Compensation Policy.

Any compensation to outfitters who do not own the land on which they operate will have to be negotiated with the landowner.

D. Other Losses

Should an outfitter feel his or her business continues to be impacted by the Bipole III Project, claims will be dealt with on a case-by-case basis pursuant to MH Corporate Policy P611 Damage Claims Against Manitoba Hydro.