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March 5, 2010

Mackenzie Valley Environmental Impact Review Board
#200, 5102 – 50th Avenue
Yellowknife, NT X1A 2N7

Attention: Alan Ehrlich, Senior Environmental Assessment Officer

Dear Sir:

**RE: Taltson Hydroelectric Expansion Project; Environmental Assessment
Request for Ruling dated February 18, 2010**

This letter is filed by Dézé Energy Corporation (“Dézé”) in response to the Board’s letter dated February 19, 2010 concerning the Request for Ruling filed by Parks Canada Agency and Natural Resources Canada, both dated February 18, 2010.

For the purposes of this filing, Dézé will respond to the submissions (the “Request”) of Parks Canada only, as we understand the filing of Natural Resources Canada (“NR Can”) is restricted to a request to extend the closing date for public comment on the Reliance Adjustment materials filed by Dézé.

Overview of Request

In the Request, Parks Canada asks for the following rulings from the Board:

- a) Require the proponent to provide additional routing options, and or transmission line construction options, including the use of directional drilling and underwater cables.*
- b) Require the proponent to provide an evaluation of the potential impacts of the Reliance Adjustment route and preferred options identified in (a), as outlined in the Terms of Reference for the Developer’s Assessment Report.*
- c) Provide adequate time and opportunity for all parties to review the information provided in (a) and (b) and provide comments.*

Dézé will respond to each of these requests.

Provide Additional Routing / Construction Options

Dezé does not agree that it is necessary or possible for the Board to make a ruling on this request as posed.

Parks Canada has made no reference to any statutory authority or section of the Board's Rules of Procedure which would permit the Board to order a proponent to "provide" additional options on routing or construction methods. Dézé submits there is no such authority for the Board to order a proponent to alter its application.

We do agree and note that the Board may, under Section 15 of its Rules of Procedure, seek information from a party at any time during a proceeding. Indeed, this right of the Board was exercised in effect when the Board, in its Note to File dated February 3, 2010, requested additional information from us concerning the crossing from Maufelly Point to Fairchild Point (which we provided on February 11, 2010).

However, in our respectful submission, these rules do not provide the Board with the authority to order a proponent to alter its application in the manner sought by Parks Canada in the Request.

In any event, we have confirmed in our Closing Remarks dated February 22, 2010 ("Closing Remarks") that we would be prepared to " ... *establish a routing committee comprised of representatives from all Parties who have expressed an interest in the specific crossing option to be chosen, to determine which of the options presented can be implemented and the mitigative measures necessary to reduce or eliminate any adverse effects.*" (see page 5 of the Closing Remarks).

We believe this process would be able to address many of the matters referred to by Parks Canada in the Request, including impacts on park visitor experience, visual effects, marine crossings and site specific impacts. Indeed, we would welcome and invite Parks Canada to join this committee.

Evaluation of Reliance Adjustment

Parks Canada submits there is inadequate "evaluation of the potential impacts of the Reliance Adjustment" ... and inadequate "discussion of proposed mitigation for likely adverse impacts".

As noted in the Closing Remarks (Page 5): "*... there are no outstanding environmental concerns that could impede the Project crossing the Lockhart River at any point between Artillery Lake and Maufelly Point, although surveys and studies will be required to confirm the most suitable mitigation for the crossing point selected. The remaining issues are cultural, spiritual and aesthetic.*"

It also bears repeating for the Board that the adjustment information does not result in a "new" route, but instead is provided as further information as to viable options for crossing the Lockhart River system. In our January 26th filing, we confirmed that the effects assessment in the DAR is largely applicable to the Reliance Adjustment.

Again, as noted in the Closing Remarks (Page 11), our supplemental filings reflect the right of the developer to make adjustments, without altering a proposed route, in response to information that becomes available during the environmental assessment process. These kinds of adjustments provide evidence that the environmental assessment process is indeed working.

Moreover, Dezé submits that Parties have had a reasonable opportunity to evaluate the adjustments and to identify issues of concern. This is precisely the process that the Board established in its letter dated January 29, 2010 which informed Parties the Public Registry would remain open until February 18, 2010 to allow Parties to file “new evidence” concerning the Reliance Adjustment.

Therefore Dezé disagrees with the Parks Canada submission as to the inadequacy of the discussion and evaluation of the adjustment.

Request for Extension

In our respectful submission, the above comments fully demonstrate that Parks Canada has not provided valid grounds for the Board to grant the Request and extend the date for the Public Registry to remain open for further filings on the Reliance adjustment.

Further, as noted in the Closing Remarks (Pages 22 and 23), the Board has already extended the Public Registry to allow Parties the opportunity to review the Reliance Adjustment materials and provide comments.

Conclusion

Based on the foregoing, Deze respectfully submits that the Board should deny the Request for Ruling filed by each of Parks Canada and NR Can.

Please contact the undersigned if you have any questions.

Regards,



Dan Grabke,
Managing Director
Dezé Energy Corporation