NOTE TO FILE

February 4, 2008

Representatives of Dezé Energy Corporation, Darren Huculak and Louie Azzolini, paid a visit to the MVEIRB offices around 1:30pm on February 4, 2008. Tawanis Testart, Shannon Ripley and I met with them to discuss matters related to the environmental assessment of the Taltson Hydroelectric Expansion Project (Expansion Project).

The first item of discussion was a possible upcoming scoping session to be held in Lutsel'ke. Due to a scheduling conflict with a council meeting in Lutsel'ke, Tawanis told us that the proposed date of February 12th was not possible. A possible rescheduling to February 13th was being looked into and the result of the discussion would be reported to Dezé Energy Corporation as soon as the Review Board had confirmation.

The topic of EA work planning was the discussed. I mentioned that the Terms of Reference (ToR) was being currently drafted and would be subject to a peer review internally prior to being brought before the Board for approval at the next Board meeting, which is to held towards the end the month. The draft would then be circulated for two to three weeks and then move towards finalization with comments from reviewers considered. I mentioned that Dezé Energy Corporation would have the opportunity to comment on the ToR, as well as the draft work plan that is to be circulated at the same time.

Louie Azzolini discussed some of the work planning that is occurring with Dezé Energy Corporation, which includes discussions with regulators, consultants and potential financial backers of the project. He provided MS Project sheets that depict the overall schedule (gantt chart) of the Expansion Project. It was requested that sheets be provided to the Review Board in a PDF format, in addition to the MS Project format, in order that the document can be viewed on the MVEIRB website. According to Louie, the purpose behind sharing the schedules is to provide the Review Board and the parties to the EA an opportunity to better understand the thinking and planning of Dezé Energy Corporation, as well as to understand the critical timelines involved from the perspective of the company.

The EA approach was then discussed. I mentioned that the draft ToR is following, to a certain extent, the concept broached in the Gahcho Kue ToR; that is using Key Lines of Inquiry and Subjects of Note as a method to focus the developer effort in drafting the DAR.

Louie brought up the following suggestions of ways he viewed that EA process could be optimized or improved:

Information Request/Technical Sessions:

After the DAR meets conformity requirements, Louie suggest that in place of Issuing Information Requests, a week long series of technical sessions be called for instead. He believed that this would be the most expedient way of dealing with questions from parties, as well as helping to avoid the load of paperwork that IRs would possibly create. He suggested that formal written responses to questions that cannot be answered at the technical sessions be submitted to the Review Board afterwards as a follow-up.

Draft Report of Environmental Assessment:

Another suggestion brought forward was the submission of a draft Report of Environmental Assessment, or something to similar effect that would offer parties and regulators a chance to view and have input in the Review Board's final decision and its measures. In Louie's opinion this would hopefully help to reduce the time that the report spends in the Minister of INAC's office, or in consult-to-modify processes.

Coordinated or Concurrent EA and Regulatory Process:

Louie cited the Mackenzie Gas Project as a process where environmental impact assessment and regulatory process are working together concurrently. He mentioned that certain regulators, such as DFO regularly do this in MVEIRB processes; by attempting to work within EA process to get the information and commitments from the developer needed for authorizations. Coordinating the MVEIRB process with the MVLWB process was discussed, including the possibility of joint hearings, as another way of achieving efficiencies.

I suggested that Louie compile these suggestions in a written submission to the Review Board. He mentioned that he would do this, perhaps at the same time when the Gant Charts are to be submitted.

The final topic of discussion was concerned the discussions that Dezé Energy Corporation is having with DFO regarding potential authorizations related to its mandate dealing with harmful alteration, disruption or destruction (HADD) of fish habitat. It was noted that Trudel Creek is a main focus of concern at present.

Patrick Duxbury Environmental Assessment Officer MVEIRB