



MACKENZIE VALLEY ENVIRONMENTAL IMPACT REVIEW BOARD

In the Matter of: **An Environmental Assessment of a
development proposed by the DEZE Energy
Corporation EA 0708-007;**

And In the Matter of: **A Request for Ruling submitted by the
Parks Canada Agency on February 18,
2010.**

REASONS FOR DECISION

BACKGROUND:

The Mackenzie Valley Environmental Impact review Board (Review Board) held hearings into the proposed DEZE Energy Corporation (DEZE) development on January 14th and 15th, 2010. During the hearing, in response to submissions made by the community and Dene Band from Lutsel K'e, DEZE indicated that it would suggest transmission corridor alternatives which could mitigate concerns about impacts on the Desnedhe Che (Lockhart River) crossing area.

In a final January 26th, 2010 written hearing submission DEZE identified two potential adjustments to its preferred transmission corridor which they called the Artillery Lake and Reliance adjustments. On January 29th, 2010 the review Board met and closed the record for the DEZE proceeding with the exception of evidence on the two potential route adjustments. The Board sought additional information from DEZE about these alternatives. The developer supplemented the routing alternatives information in a supplemental submission on February 11th, 2010.

THE REQUEST FOR RULING:

On the 18th of February, 2010 Parks Canada requested a ruling from the Review Board to do the following:

- 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.

This request was supported by a similar request from Natural Resources Canada suggesting that there had not been enough time to properly consider the new routing alternatives brought forward by DEZE.

The Review Board provided an opportunity for the parties to the DEZE proceeding to respond to this request and met on March 12th, 2010 and made a decision.

DECISION:

The Review Board decided to require additional information from the developer and to seek submissions from the parties before making a decision on the routing alternatives as part of its report on the DEZE Environmental Assessment. The Review Board set out time lines for the extended process and for submissions and final reply by DEZE.

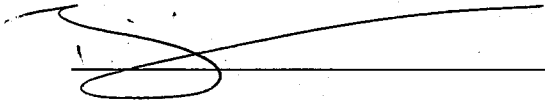
REASONS:

The new routing alternatives were set out by DEZE as a way to mitigate the concerns raised by the community of Lutsel K'e about the developer's preferred transmission corridor. These concerns were strongly expressed at the public hearing and DEZE was attempting to reduce or eliminate the impacts identified by the community of Lutsel'ke. The commitment to attempt to do so was made in the hearing and accepted by the Board.

The new routing alternatives set out by DEZE in late January with supplemental information in February had not previously been the subject of scrutiny in the proceeding. The Board decided that the investigation of these alternatives could provide information which would assist it in making a decision about the transmission line routing which would cause the fewest environmental impacts.

Given the fact that the parties had not had the opportunity to review the proposed new alternatives or their effects it was incumbent on the Review Board to adjust its process and timelines to ensure that these new routings were subjected to appropriate scrutiny and that all parties had a fair opportunity to submit evidence and argument about these routes.

For the MACKENZIE VALLEY ENVIRONMENTAL IMPACT REVIEW BOARD:

A handwritten signature in dark ink, consisting of a large, stylized 'S' shape with a horizontal line extending to the right, crossing over itself.

Richard Edjericon, Chairman

DATED: the 12th of May, 2010.