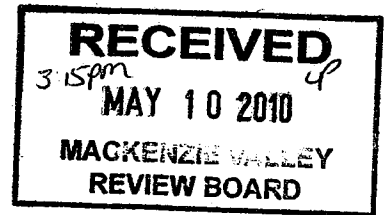




Indian and Northern  
Affairs Canada

Affaires indiennes  
et du Nord Canada



PO Box 1500  
Yellowknife, NT X1A 2R3

May 10, 2010

MVEIRB File Number: EA0708-007

Alan Ehrlich, Senior Environmental Assessment Officer  
Mackenzie Valley Environmental Impact Review Board  
P.O. Box 938  
Yellowknife, NT X1A 2N7

VIA EMAIL

Dear Mr. Ehrlich

**Re: Closing Comments - Dezé Taltson Hydroelectric Expansion Project  
Potential Route Adjustment**

Indian and Northern Affairs Canada (INAC) has reviewed all the material currently on the Mackenzie Valley Environmental Impact Review Board's public record with respect to the potential adjustment to Dezé's Energy Corporation's proposed hydroelectric transmission line route. INAC understands that Dezé's originally proposed transmission line route, which would cross the Lockhart River somewhere between Artillery Lake and Great Slave Lake, is the preferred route. INAC further understands that Dezé considers the Reliance routing to be a technically feasible alternative and that Dezé believes that this routing could be a result of the environmental assessment.

Please note that as of May 6, 2010, the Review Board has not posted its Reasons for Decision on the Requests for Ruling. The Board's March 15, 2010 notice to all parties indicated that "detailed reasons for decision will be posted shortly." INAC requests that the Review Board not close the public registry until it posts this document.

INAC has reviewed Dezé's responses to INAC's information requests. We consider Dezé's response to our first request, concerning consultation and engagement, to be lacking in detail. At this time INAC is not requesting that

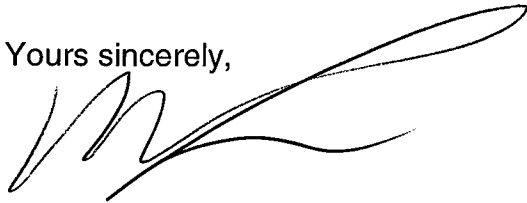
Dezé file further information with the Review Board. If the Maufelly Point crossing proceeds, INAC will likely request further information from Dezé.

Should the project proceed to the regulatory phase, INAC strongly encourages Dezé to continue engaging with affected groups and individuals on the preferred transmission line routing and to fully document all such engagement. Dezé has stated in several recent submissions to the Review Board that it intends to establish a "routing committee." For the record, INAC confirms that Dezé has not contacted the department with respect to participating in any such committee. INAC will participate as required in discussions with other parties concerning transmission line routing options.

INAC's second information request to Dezé's concerned the potential submarine crossing. INAC has reviewed Dezé's response and has no outstanding issues at this time with respect to the submarine crossing. INAC notes Dezé's commitment to following the Fisheries and Oceans Canada Northwest Territories Operational Statement concerning Underwater Cables. INAC has previously requested that Dezé provide a Blast Management Plan during the regulatory phase, and if the submarine crossing proceeds, this plan will need to include the submarine crossing. INAC also notes Dezé's commitments to use water resistant explosives, and, for near-shore or in-stream construction works, to follow the mitigation measures presented in the Developer's Assessment Report, specifically the Sediment and Erosion Control Plan. INAC has no evidence to suggest that the submarine crossing, if implemented according to all of Dezé's commitments, would result in significant adverse impacts. Should the project proceed to the regulatory phase and the submarine crossing is the chosen option, Dezé would need to provide additional detail.

If you have any questions about these comments, please contact Lionel Marcinkoski/Lorraine Seale in Environment and Conservation at 867-669-2591 or via email at [Lionel.Marcinkoski@inac.gc.ca](mailto:Lionel.Marcinkoski@inac.gc.ca)/ [lorraine.seale@inac.gc.ca](mailto:lorraine.seale@inac.gc.ca).

Yours sincerely,



 Teresa Joudrie  
Director, Renewable Resources and Environment