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HAND DELIVERED

July 12, 2013

Mr. Richard Edjericon  
Chairperson  
Mackenzie Valley Environmental Impact Review Board  
200 Scotia Center  
Box 938, 5102-50<sup>th</sup> Ave  
Yellowknife, Northwest Territories X1A 2N7

Dear Mr. Edjericon

**Taltson Hydro Expansion Project – Update**

On December 27, 2012, the Mackenzie Valley Environmental Impact Review Board (MVEIRB) granted a 6-month extension to Environmental Assessment (EA) 0708-007 to allow Deze Energy Corporation ('Deze') further time to explore gaps in the business case for the Taltson Hydro Expansion Project ('the project').

We wish to acknowledge the patience and commitment of MVEIRB to extend its review process to allow us to exhaust all possible options for revitalizing the project, but unfortunately have no further rationale to continue with the EA.

NWT Energy Corporation (03) Ltd (NT Energy), the managing partner for Deze, has concluded all project activities and is now working with the aboriginal partners to legally dissolve Deze – the special purpose vehicle established to develop the project.

Although this project has no choice but to close, we are hopeful that much of this important work can be relied upon to help inform future energy projects. We therefore respectfully request that MVEIRB retain the public record of the EA so that it can be transferred to future hydro and transmission EA applications that may benefit from the important information gathered through this process.

NT Energy is in the process of shifting focus towards examining the technical viability of building an NWT transmission grid - akin to a public highway or railroad - that would connect the North and South Slave communities together, while attracting new customers, and sharing the benefits of an interconnected system. In our view, a publicly owned NWT transmission grid is necessary at some point in order to stabilize and reduce energy costs across the NWT and create the economic conditions

necessary to successfully build renewable energy generation projects like the Taltson Expansion Project. When that time comes, we will pursue future generation projects in partnership with Aboriginal Governments.

Yours Sincerely,



**Andrew Stewart**  
Manager, Business Development  
NT Energy

- cc.       **The Honorable Robert R. (Bob) McLeod, Premier**  
          **The Honorable David Ramsey, Minister of Industry, Tourism and**  
          **Investment**  
          **Willard Hagen, Chairperson, Mackenzie Valley Land and Water Board**  
          **James A Heron, Chief Negotiator, Northwest Territory Metis Nation**  
          **Donald W. Balsillie, Chief Negotiator, Akaitcho Territory Government**  
          **Ken Hudson, President, Fort Smith Metis Council**