



January 10, 2011

To Distribution List

Re: Minister of INAC Request for Further Consideration of the proposed Deze Energy Taltson Hydroelectric Expansion Project EA0708-007

On December 10, 2010 the Minister of Indian and Northern Affairs Canada (INAC), on behalf of responsible Ministers, returned the Report of Environmental Assessment of the proposed Deze Energy Taltson Hydro Expansion Project back to the Review Board for further consideration. The responsible Ministers requested some modifications to measure 3 and further consideration in regards to measure 5, which deals with the proposed transmission line routing around the East Arm of Great Slave Lake. The Minister's letter is available on the Review Board's public registry.

The Review Board examined the public record for this file and concluded that it requires additional information to address the responsible Ministers' request regarding measure 5. In particular, the Review Board requires a revised routing proposal for the hydroelectric transmission line that avoids crossing the Lockhart River and information regarding the likelihood of significant adverse impacts on the environment that may result from the proposed revision.

To allow for further consideration of measure 5, the Review Board has re-opened the public record for any new information or other evidence relevant specifically to the proposed revised transmission line routing around the East Arm of Great Slave Lake.

By copy of this letter the Review Board is asking the Deze Energy Corporation to submit the following information:

- A revised routing proposal for the hydroelectric transmission line around the East Arm of Great Slave Lake that avoids crossing the Lockhart River, and
- An analysis of the likelihood of environmental impacts resulting from the proposed revision to the transmission line routing.

The Review Board recognizes that the developer may not be in a position to provide the exact routing as adjustments may be required during the engineering design. The developer should provide a general route and any new information available on likely environmental impacts resulting from any routing within the chosen corridor. This information should be submitted no later than February 7, 2011.

Depending on the volume and complexity of the material received the parties will be given 30 to 60 days to submit any evidence they may have in regards to significant adverse impacts of the proposed route.

Following the closure of the public record the Review Board will further consider the proposed development and will respond to all of the responsible Ministers' requests in their December 10th letter at the same time.

Sincerely

A handwritten signature in blue ink, appearing to read "Vern Christensen".

Vern Christensen

Executive Director