



June 11, 2009

Tawanis Testart
Mackenzie Valley Environmental Impact Review Board
Box 938, #200 Scotia Centre
5102-50th Avenue
Yellowknife, NT X1A 2N7

Re: Deze Energy's Taltson Expansion Project - NRCan Information Request

The purpose of this letter to advise the Mackenzie Valley Environmental Impact Review Board that Natural Resources Canada (NRCan) would like to register as a party to Deze Energy's Taltson Expansion Project environmental assessment, and wishes to submit an information request to assist in determining whether we would be a Responsible Minister under the *Mackenzie Valley Resource Management Act*.

NRCan's reason for requesting party status to this environmental assessment follows from our review of the Developers Assessment Report (DAR). NRCan intends to participate in this proceeding to extent necessary to clarify the nature and extent of our potential regulatory role, and to assess whether we are likely to have jurisdiction in relation to the development.

Specifically, the DAR refers to a potential need for both an "Explosives Magazine Permit" and a "Blasting Permit" under the *Explosives Act*, as administered by NRCan. To clarify, regulatory responsibilities under the *Explosives Act* include licences and certificates for manufacturing (e.g., Temporary Factory Licence), licenses for storage (e.g., Explosives User Magazine Licences) and permits for transportation (e.g., Explosives Transportation Permits).

To address the uncertainty in the DAR on NRCan's regulatory role, we offer the following two information requests:

NRCan Information Request #1 - Description of the production of explosives.

- The proponent is asked to confirm whether a factory to make explosives may be required at or near the site. If so, will this project use an existing factory license for its operations or will a temporary explosives factory be used for the project?

The Board can note that temporary factory sites are licensed factory sites that move with the construction of roads, hydro lines or pipelines, or are of short duration, such as construction projects. Such sites must be supported by existing, licensed base factories equipped to properly service the process vehicles that would be located at the temporary site.

NRCan Information Request #2 - Description of the storage of explosives.

- The proponent is asked to confirm whether it is a magazine licence under the federal *Explosives Act* that they expect to require for this project; the proponent is also requested to describe, to extent practical, the type of storage structures, footprints, site access, other ancillary works associated with these magazines (where a magazine is defined under the *Explosives Act* as any building, storehouse, structure or place in which any explosive is kept or stored, with exceptions defined under the Act.)

The Board can note that the DAR indicates that the transportation, storage and use of explosives are the responsibility of the blasting contractor. As a result, the proponent states



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that it can only identify the type of explosives to be used (i.e. pellet ANFO and Water Resistant encased explosives in and around water) but that the transportation, storage and use of the explosives, cannot be identified until the construction contractor has been retained and their blasting plan submitted in application for their permits.

It is expected that responses to the above questions will help confirm NRCan's regulatory responsibility for this project. If the Board has any questions on NRCan's role, please contact the undersigned at (613) 943-0773 or by email at John.Clarke@nrca.gc.ca.

Sincerely,

John Clarke
Regional Team Leader
Natural Resources Canada

cc: Rob Johnstone, Isabelle Gagné – NRCan MMS