Ontario Energy Board

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BY E-MAIL ONLY

September 28, 2010

Ms. Kirsten Walli Board Secretary Ontario Energy Board P.O. Box 2319 27th Floor 2300 Yonge Street Toronto ON M4P 1E4

Dear Ms. Walli:

Re: Detour Gold Power Project - Leave to Construct Application Board File Number EB-2010-0243

Please find attached Board Staff interrogatories for the above proceeding for distribution to the applicant and all parties in this proceeding.

Yours truly,

Original Signed By

Edik Zwarenstein Project Advisor- Electricity facilities and Infrastructure

Encl.

Board Staff Interrogatories EB-2010-0243 Detour Gold Corporation Leave to Construct Detour Lake Power Project (Phase I) Island Falls to Detour Lake

Interrogatory #1: Permits

Reference: (1) Exhibit B/Tab 6/Schedule 1/Page 5

(2) Exhibit B/Tab 6/Schedule 1/Page 4

Preamble: Reference (1) provides a list of permits and licences that will be required. Reference (2) Line 25 indicates that "span distances over watercourses will be defined using the permitting process"

Question/Request:

- 1. Regarding reference (1), please provide an updated tabulated list including current status and the timeline for obtaining each permit and approval.
- 2. With respect to reference (2):
 - a. Which permitting process is involved and which authority?
 - b. Were such crossings identified in the Environmental Study report?

Interrogatory #2: Stranded assets

Reference: Exhibit B/Tab 6/Schedule 1/Page 6

Preamble: Line 11 indicates that ratepayers will not be at risk to pay for stranded assets.

Question/Request:

- 1. Please expand on the statement that ratepayers are not exposed to costs for stranded assets.
- 2. Does Detour acknowledge responsibility for removing transmission and related facilities if Phase II does not proceed?
- 3. Are there commitments made in this regard in the Environmental Study Report, or in any other forum?
- 4. Are funds for this purpose set aside, or guaranteed by any means? Please provide details.

Interrogatory #3: Regarding Phase II

Reference: Exhibit B/Tab 3/Schedule 1/page 1

Preamble: The reference indicates, at paragraph 3, that "ultimately, if the currently planned Phase II ... is not approved, Detour will still utilize Phase I to continue development of the Mine."

Question/Request:

- 1. In the event case Phase II does not proceed, please confirm whether:
 - a. Alternative supplies, e.g. from Quebec, or the direct Right of Way to Pinard would be utilized to deliver the required electric power.
 - b. The project would be scaled down to require less power.
 - c. The project would be abandoned.
- Please confirm whether, in all alternatives open to Detour, the Hydro One costs of the connection are borne by Detour Gold, or if that is not the case, for each option indicate what the cost share to Hydro One is and the basis of that sharing.

Interrogatory #4: Costs for Phase I

Reference: (1) Exhibit A/Tab 3/chedule 1/page 1/Lines 17-18.

(2) Exhibit B/Tab 2/Schedule3/Page 1 of 2

Preamble: For the Phase I part of the project, modifications are being made to connect a switching station at Island Falls.

Question/Request:

- Confirm that the costs of the switching station are being borne by Detour Gold, or if that is not so, then indicate how and on what basis costs are shared.
- 2. Reference (2) is a diagram and has a reference to "Phase II" at the junction of Island Falls Switching Station. Please confirm that this relates to activity to remove the connection for implementing Phase II.

Interrogatory #5: Phase I Study Parameters

Reference: Exhibit B Tab 6/Schedule 2/System Impact Assessment (August 19, 2010)

Preamble: The study by the IESO (at SIA Findings, page 4, 3rd paragraph) reflects

recognition that the line will be designed to be connected to 230kV for Phase II, but does not clearly reflect the use of physical parameters for a 230kV transmission line in the study for Phase I (one), when the operation is at 115kV.

Question/Request:

- 1. Please confirm that the line proposed for construction of Phase I has physical parameters of a 230kV line e.g. clearances, spacing, conductor size, impedance.
- 2. Please confirm that this line is designed for use in Phase II at 230kV without requiring conductor or insulator changes.
- 3. Please confirm that the SIA studies for Phase I use parameters of the line based on its 230kV configuration.
- 4. Please confirm, perhaps following consultation with the IESO, that the study which has been conducted for Phase I is valid for the Phase I operation of the 142km line at 115kV.

Interrogatory #6: System Impact Assessment

Reference: (1) Exhibit B/Tab 6/Schedule 2

(2) Exhibit B/Tab 1/Schedule 1

Preamble: A final System Impact Assessment ("SIA") report dated August 19, 2010 was provided. The SIA appears to have been conducted on the basis of a load of 20MW at the mine, and on the basis of a 230kV capable line being operated at 115kV.

Question/Request:

Please confirm:

- 1. That the SIA study is based on a load of 20MVA when the transmission line is operated at 115kV (Reference 1/page 4/line 15);
- 2. That the SIA study has used line impedance and other parameters of a line designed for 230kV, and that the IESO confirms this;
- 3. That the SIA does not authorise the operation of the line with a load of more than 20MW at 115kV;
- 4. The losses quoted (Reference 1/page 3/line 23).as less than 3% relates to operation of the line at 115kV and 20MVA;

- 5. That phase 1 load will not exceed 20MVA (Reference 2/Page 5/Line 24), whereas Phase 2 of the project would carry 140MVA when there is a connection to 230kV at Pinard (Reference 2/page 6 lines 9-12).
- 6. Does the applicant confirm that the request for leave to construct is for operation at no more than a nominal 115kV voltage and a load no more than 20MW?
- 7. Does the applicant have any concerns with these constraints (MW and voltage) being included in the conditions of approval?
- 8. Does the applicant understand that completion of the SIA, using the correct line parameters, including acceptance by the IESO, might be a condition of approval?

Interrogatory #7: Customer Impact Assessment

Reference: Exhibit B/Tab 6/Schedule 1/page 5

Preamble: The pre-filed evidence does not include a Customer Impact Assessment ("CIA") document.

Question/Request:

- 1. If it has not yet been provided, please provide an expected date.
- 2. If it is available please submit it to the Board.

Interrogatory #8: Environmental Assessment

Reference: Exhibit B/Tab 6/Schedule 1/pages 2-4

Preamble: The reference indicates at page 2, line 19 that Detour completed and filed the provincial Environmental Assessment report for the transmission line project in accordance with the Terms of Reference with the provincial government and that it was available for review from April 30 to June 18, 2010, and that an approval of the project is pending. The construction schedule indicates Detour expects the provincial process to be complete on December 1, 2010.

Question/Request:

1. Provide an update on developments in regard to the Environmental Assessment process.

- 2. Have there been any objections to granting approval, and if so by which parties?
- 3. Please indicate the date when the project will receive, or indicate if it has received approval, and when.
- 4. Provide a copy of the letter of approval.

Interrogatory #9: Industry Standards and Codes

Reference: Exhibit B/ Tab 1/ Page 5

Preamble: Compliance with Industry Standards and Codes

Question/Request:

- 1. Please indicate the relevant standards for design and construction of the transmission facilities.
- 2. Please indicate the voltage and nature (e.g. rural distribution supply, underground cable, water pipes, railway lines etc.) of any other existing facilities in the right-of-way which might affect construction;
- Please indicate installation procedure for the new line in relation to continuing operation of the existing facilities in the right-of-way, as identified in the previous question.
- 4. Please indicate design and construction standards and procedures, relating to high voltage and other electromagnetic effects, which will protect pre-existing facilities and personnel from direct and induced currents and voltages. Include in your discussion corrosion protection, cable location identification, and grounding for safety and "tingle" or "stray" voltage.

Interrogatory #10: On Connecting Generation

Reference:

- 1. Transmission System Code June 2010, definition article 2.0.65
- 2. Transmission System Code article 4.1

Preamble: The line is privately owned and located in areas where renewable generation facilities could be sited, and that may wish to connect to the line.

Question/Request:

- 1. Please confirm the understanding that Detour would be a Transmitter as defined in the Transmission System Code and that Detour would be subject to the provisions of the Transmission System Code, reference 1.
- 2. Please confirm that Detour, as a transmitter defined by the Transmission System Code would follow the Transmission System Code in regard to attaching renewable generation projects or generator customers. Please see references 1 and specifically reference 2.
- 3. Is Detour aware of any expressions of interest in such projects, perhaps from aboriginal groups?
- 4. Is Detour aware of any advantageous provisions for aboriginal groups in the area, perhaps sponsored by the Ontario Power Authority or local authorities, which might result in such projects?

Interrogatory #11: Land Matters

Reference: Exhibit B/Tab 6/Schedule 4

Preamble: The reference indicates that temporary and permanent easements are required in respect of the project, and that negotiations are underway.

Question/Request:

Please provide an update on the status of negotiations and achievements of these easements.

Interrogatory #12: First Nations consultations

Reference: (1) Exhibit B/Tab 3/Schedule 2

(2) Exhibit B/Tab 6/chedule 1/pages 6-10

Preamble: The referenced pages indicate First Nations consultations which have taken place. Detour has provided memoranda of understanding with the MCFN, the TTN, and the WFN in anticipation of "more comprehensive Impact Benefits Agreements". Board staff notes that Detour has also provided extensive documentation of communications and follow-up.

Question/Request:

1. Please provide a status update on consultations with First Nations communities with regard to the following points:

- a. Identify all of the Aboriginal groups that have been contacted in respect of this application.
- b. Indicate:
 - i. How the Aboriginal groups were identified;
 - ii. When contact was first initiated;
 - iii. The individuals within the Aboriginal group who were contacted, and their position in or representative role for the group;
 - iv. A listing, including the dates, of any phone calls, meetings and other means that may have been used to provide information about the project and hear any interests or concerns of Aboriginal groups with respect to the project.
- 2. Provide relevant information gathered from or about the Aboriginals as to their treaty rights, or any filed and outstanding claims or litigation concerning their treaty rights or treaty land entitlement or aboriginal title or rights, which may potentially be impacted by the project.
- 3. Provide any relevant written documentation regarding consultations, such as notes or minutes that may have been taken at meetings or from phone calls, or letters received from, or sent to, Aboriginal groups.
- 4. Identify any specific issues or concerns that have been raised by Aboriginal groups in respect of the project and, where applicable, how those issues or concerns will be mitigated or accommodated.
- 5. Explain whether any of the concerns raised by Aboriginal groups with respect to the applied-for project have been discussed with any government department or agencies, and if so, identify when contacts were made and who was contacted.
- 6. If any of the Aboriginal groups who were contacted either support the application or have no objection to the project proceeding, identify those groups and provide any available written documentation of their position. Also, indicate if their positions are final or preliminary or conditional in nature.
- 7. Provide details of any know Crown involvement in consultations with Aboriginal groups in respect of the applied-for project.