



EB-2010-0243

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S. O. 1998, c.15, Schedule B;

AND IN THE MATTER OF an application by Detour Gold
Corporation for an Order granting leave to construct a new
transmission line and associated facilities for the Detour Lake
Power Project (Phase 1).

BEFORE: Paula Conboy
Presiding Member

Cynthia Chaplin
Member and Vice Chair

DECISION AND ORDER

Application and Proceeding

Detour Gold Corporation ("Detour" or the "Applicant") filed an application with the Ontario Energy Board, (the "Board") on July 20, 2010, under section 92 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, (Schedule B), seeking an order of the Board granting leave to construct transmission facilities (the "Project") to re-connect the Detour Lake Mine to the provincial grid at Island Falls in the District of Cochrane, and seeking approval of a Form of Easement.

This application is for Phase 1 of the overall proposed project which involves building a new 142 km single circuit overhead transmission line, to be operated at 115kV, on an existing right-of-way, and facilities to connect to the grid, including a transformer station at the Detour Lake mine and a switching station at Island Falls. It is Detour's intent to complete a second project for the installation of 38 km of the 230 kV transmission line

from Island Falls to Pinard Transmission Station. During Phase 2, the connection to the 115 kV transmission grid at Island Falls will be eliminated. Phase 2 of the project will be subject of a separate leave to construct application.

The Board assigned File No. EB-2010-0243 to this application and issued a Notice of Application and Hearing on August 12, 2010. Detour served and published the Notice as directed by the Board. In the Notice of Application the Board indicated that it would hold a written hearing unless a party satisfied the Board that there was good reason for holding an oral hearing.

On September 21, 2010, the Board issued Procedural Order No.1 in which intervenor status was granted to Wahgoshig First Nation ("WFN"), Coral Rapids Power (on behalf of the Taykwa Tagamou Nation) ("TTN"), Earthroots, and the Independent Electricity System Operator ("IESO"). Procedural Order No. 1 also outlined the scope of the Board's jurisdiction in a leave to construct application. Specifically, the Board reminded parties that the Board's jurisdiction does not include Environmental Assessment issues. With respect to the scope regarding consideration of issues related to Aboriginal consultation and accommodation, the Board summarized the decision in the Yellow Falls Limited Partnership proceeding¹ and decided:

The same approach will be adopted for the current proceeding. Only Aboriginal consultation and accommodation issues which fall within the specific criteria of section 96(2) will be considered within the scope of this proceeding.

Cost eligibility was granted to TTN, WFN and Earthroots, to the extent that any evidence or submissions filed by those intervenors pertained to matters within the scope of the proceeding as set out in Procedural Order No. 1. WFN requested that an oral hearing be held instead of a written hearing. The Board adopted a suggestion by the Applicant that the form of hearing be determined after the interrogatory phase had been completed.

Procedural Order No.1 also provided for interrogatories to Detour and the filing of intervenor evidence, if any. Accordingly, Board Staff and intervenors submitted interrogatories on September 30, 2010 and Detour filed its interrogatory responses on October 5, 2010.

¹ Yellow Falls Power Limited Partnership, *Decision on Questions of Jurisdiction and Procedural Order 4*, EB-2009-0210, November 18, 2009.

On October 13, 2010, counsel for WFN filed evidence related to the need to “consult and accommodate [the] Wahgoshig First Nation”,. On October 14, 2010, the Applicant filed a letter with the Board responding to WFN’s evidence, raising concerns over the relevance of the evidence with respect to the Board’s jurisdiction. WFN replied to the Applicant’s correspondence on October 15, 2010, clarifying that the evidence was in response to information placed on the record by the Applicant in response to Board Staff interrogatories.

The Board issued Procedural Order No. 2 on October 21, 2010. The Board determined that WFN’s evidence bears on the issues associated with the Environmental Assessment process and not this Leave to Construct application and that no further interrogatories on this evidence were required. The Board also reviewed the record of the proceeding and determined that an oral hearing was not required.

In Procedural Order No.2 the Board also established filing dates for the Applicant’s submission, intervenor and Board staff submissions, and a reply submission. The Applicant filed its submission November 5, 2010. The IESO filed a submission and Board staff indicated by letter dated November 10, 2010 that it would not make a submission.

On November 10, 2010 WFN advised in a letter that it had reached an agreement with the Applicant outside of this proceeding and wished to withdraw as an intervenor. On November 11, 2010 TTN advised that it would not be making a submission and that it expected to conclude an agreement with Detour, but requested to maintain its status as an intervenor. A reply submission from the Applicant was received on November 15, 2010.

Evidence and Board Findings

Section 96(2) of the Act provides that for an application under section 92 of the Act, when determining if a proposed work is in the public interest, the Board shall only consider the interests of consumers with respect to prices and reliability and quality of electricity service, and where applicable and in a manner consistent with the policies of the Government of Ontario, the promotion of the use of renewable energy sources.

In the context of this application, the Board has considered the following matters:

- Project need
- System Impact Assessment and Customer Impact Assessment
- Land issues and form of Easement Agreement
- Environmental Assessment
- Project Costs and Impact on ratepayers

Project Need

Detour indicated that the need for the Phase 1 transmission line was to allow for the initial development and construction of the Detour Gold mine in the spring of 2011 during which time it will require approximately 20 MW of power. The Applicant indicated that a new application for Phase 2 would be submitted to permit extension of the line to 180 km and operation at 230kV and 120MW of power delivery. The Applicant has made clear in the application and has provided confirming responses to interrogatories and to the submission filed by the IESO, that the application relates only to Phase 1 of its proposed construction and use of the line at 115kV and a load up to 20 MW. Accordingly, this Decision and Order relates only to the required Phase 1 development.

Within the above-noted limitation, the Board is satisfied that the need for the transmission line is established.

System Impact Assessment and Customer Impact Assessment

The Board's filing requirements for transmission and distribution applications² specify that the Applicant is required to file a System Impact Assessment ("SIA") performed by the IESO and a Customer Impact Assessment ("CIA") performed by the relevant licensed transmitter, in this case Hydro One Networks Inc.

An IESO SIA for this project dated August 19, 2010 was included in the pre-filed evidence. The Board accepts the evidence provided in the SIA report which concludes that Phase 1 of the proposed project would not have a negative impact on the reliability of the grid. The SIA includes a number of detailed recommendations and technical requirements relating to protection settings and information, operational matters,

² Filing Requirements for Transmission and Distribution Applications, November 14, 2006, Section 4.3.8 (System Impact Assessment), and Section 4.3.9 (Customer Impact Assessment)

settings on equipment and tests to verify equipment capability and facilities. The Applicant, in its reply submission, confirmed its intention to satisfy all conditions of the SIA.

The Applicant also submitted a CIA dated July 20, 2010 which concluded that there was no adverse impact on Hydro One customers from the Phase 1 project. Hydro One stated that it anticipated a new study for the future Phase 2 project.

The Applicant stated that it would satisfy all conditions of the CIA.

The Board will require, as part of the Conditions of Approval, that the Applicant satisfy the requirements of the SIA and the CIA including those that may result from revisions.

Subject to the above-noted requirements, the Board is satisfied that the Customer Impact and System Impact Assessments support the conclusion that there will be no adverse impacts on reliability.

Land Issues and Form of Easement Agreement

Section 97 of the Act requires that the Board be satisfied that the Applicant has offered or will offer each landowner affected by the proposed route or location an agreement in a form approved by the Board. Detour filed a draft easement agreement ("Agreement to Grant an Easement to Detour Gold Corporation") with its pre-filed evidence. The Board notes that there were no requests to vary the Draft Easement Agreement.

The evidence shows that Notice was properly served. There were no landowner requests for intervenor status. Detour advises that property rights have already been obtained and only temporary access rights might still be required.

The Board therefore finds the Draft Easement Agreement acceptable.

Environmental Assessment

The draft and final Environmental Study Reports were made available for public review over the spring and summer of 2010 respectively. At the end of the public review period (September 2010), no requests for upgrading of the study were received and Detour proceeded with submission of this document.

In their submission of November 5, 2010 Detour advised that an individual Environmental Assessment has been completed and is currently under review by the Ministry of the Environment.

The Board does not have jurisdiction to determine issues related to the Environmental Assessment approval, but it is important to note that an order granting Leave to Construct would be conditioned on the successful completion of the Environmental Assessment approval process.

Project Costs and Impact Ratepayers

It is the Applicant's evidence that the proposed facilities will be paid for by Detour and the project will therefore have no adverse impact on transmission rates in Ontario.

The Board accepts this evidence.

Conclusion

Having considered all of the evidence related to the application, the Board finds the proposed project to be in the public interest in accordance with the criteria established in section 96(2) of the Act.

THE BOARD ORDERS THAT:

- 1) Pursuant to section 92 of *Act*, Detour Gold Corporation is granted leave to construct Phase 1 electricity transmission and related facilities to re-connect the Detour Lake Mine to the provincial grid at Island Falls in the District of Cochrane, subject to the Conditions of Approval attached as Appendix A to this Order.
- 2) The Board considers WFN, TTN and Earthroots eligible for a cost award. Claims in this regard should conform with the Board's Practice Direction on Cost Awards, and shall be filed with the Board and one copy served on Detour by **Monday December 6, 2010**. Detour should review the cost claims and any objections must be filed with the Board and one copy must be served on the claimant by **Monday December 13, 2010**. The intervenors will have until **Friday December 20, 2010** to respond to any

objections. A copy of any submissions must be filed with the Board and one copy is to be served on Detour.

ISSUED at Toronto on November 24, 2010

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

APPENDIX A
TO DECISION AND ORDER
CONDITIONS OF APPROVAL
Board File No. EB-2010-0243
DATED: November 24, 2010

**Conditions of Approval for the
Detour Lake Power Project (Phase 1) (the "Project")
EB-2010-0243**

1 General Requirements

1.1 Detour Gold Corporation ("Detour") shall construct the Project and restore the Project land in accordance with its Leave to Construct application, evidence and undertakings, except as modified by this Order and these Conditions of Approval.

1.2 Unless otherwise ordered by the Board, authorization for Leave to Construct shall terminate December 31, 2012, unless construction of the Project has commenced prior to that date.

1.3 Detour shall implement all the recommendations of the Environmental Assessment Approval and any amendment thereto, and its own Screening Reports referred to in the pre-filed evidence, and such further and other conditions which may be imposed by environmental authorities.

1.4 Detour shall satisfy the Independent Electricity System Operator ("IESO") requirements and recommendations as reflected in the System Impact Assessment document dated August 19, 2010, and such further and other conditions which may be imposed by the IESO.

1.5 Detour shall satisfy the Hydro One Networks Inc. requirements as reflected in the Customer Impact Assessment document dated October 7, 2010, and such further and other conditions which may be found to be necessary.

1.6 Detour shall advise the Board's designated representative of any proposed material change in the Project, including but not limited to material changes in the proposed route, construction techniques, construction schedule, restoration procedures, or any other material impacts of construction. Detour shall not make a material change without prior approval of the Board or its designated representative. In the event of an emergency the Board shall be informed immediately after the fact.

1.7 Detour shall obtain all necessary approvals, permits, licences, certificates and easement rights required to construct, operate and maintain the Project, and shall provide copies of all such written approvals, permits, licences and certificates upon the Board's request.

2 Project and Communications Requirements

2.1 The Board's designated representative for the purpose of these Conditions of Approval shall be the Manager, Electricity Facilities and Infrastructure Applications.

2.2 Detour shall designate a person as Project engineer and shall provide the name of the individual to the Board's designated representative. The Project engineer will be responsible for the fulfillment of the Conditions of Approval on the construction site. Detour shall provide a copy of the Order and Conditions of Approval to the Project engineer, within ten (10) days of the Board's Order being issued.

2.3 Detour shall develop, as soon as possible and prior to the start of construction, a detailed construction plan. The detailed construction plan shall cover all material construction activities. Detour shall submit five (5) copies of the construction plan to the Board's designated representative at least ten (10) days prior to the commencement of construction. Detour shall give the Board's designated representative ten (10) days written notice in advance of the commencement of construction.

2.4 Detour shall furnish the Board's designated representative with all reasonable assistance needed to ascertain whether the work is being or has been performed in accordance with the Board's Order.

2.5 Detour shall, in conjunction with Hydro One, Ontario Power Generation and the IESO, develop an outage plan which shall detail how proposed outages will be managed. Detour shall provide five (5) copies of the outage plan to the Board's designated representative at least ten (10) days prior to the first outage. Detour shall give the Board's designated representative ten (10) days written notice in advance of the commencement of outages.

2.6 Detour shall furnish the Board's designated representative with five (5) copies of written confirmation of the completion of Project construction. This written confirmation shall be provided within one month of the completion of construction.

3 Monitoring and Reporting Requirements

3.1 Both during and for a period of twelve (12) months after the completion of construction of the Project, Detour shall monitor the impacts of construction, and shall file five (5) copies of a monitoring report with the Board within fifteen (15) months of the completion of construction of the Project. Detour shall attach to the monitoring report a log of all comments and complaints related to construction of the Project that have been received. The log shall record the person making the comment or complaint, the time the comment or complaint was received, the substance of each comment or complaint, the actions taken in response to each if any, and the reasons underlying such actions.

3.2 The monitoring report shall confirm Detour's adherence to Condition 1.1 and shall include a description of the impacts noted during construction of the Project and the actions taken or to be taken to prevent or mitigate the long-term effects of the impacts of construction of the Project. This report shall describe any outstanding concerns identified during construction of the Project and the condition of the rehabilitated Project land and the effectiveness of the mitigation measures undertaken. The results of the monitoring programs and analysis shall be included and recommendations made as appropriate. Any deficiency in compliance with any of the Conditions of Approval shall be explained.

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