



EB-2014-0014

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 Rainy River
Resources Ltd. (now New Gold Inc.) for an order or orders
pursuant to section 92, 96, 97 and 101 of the Ontario Energy
Board Act, 1998 granting leave to construct transmission
facilities in the Territorial District of Rainy River, in
Northwestern Ontario.

BEFORE: Emad Elsayed
Presiding Member

Christine Long
Member

DECISION AND ORDER

Varying Decision and Order issued on June 26, 2014

February 19, 2015

SUMMARY

The Ontario Energy Board (OEB) has, on its own motion, decided to review and vary its Decision and Order in EB-2014-0014 issued on June 26, 2014 (Decision and Order) in which it granted leave to Rainy River Resources Ltd., now New Gold Inc. (New Gold) to construct approximately 17 km of 230 kiloVolts (kV) electricity transmission line and associated facilities (the Project) to connect New Gold's mine in the Territorial District of Rainy River in Northwestern Ontario to the provincial power grid.

By a letter dated October 1, 2014, New Gold advised that Rainy River Resources Ltd. was amalgamated into and became part of its parent company, New Gold. The letter also advised that the obligations, liabilities and responsibilities of Rainy River Resources Ltd. have become the obligations, liabilities and responsibilities of New Gold with respect to the OEB's Decision and Order.

Appendix A to the Decision and Order provides the Conditions of Approval in which Condition 1.2 states as follows:

Unless otherwise ordered by the Board, authorization for leave to construct shall terminate on June 26, 2015 unless construction of the Project has commenced prior to that date.

On January 29, 2015, New Gold filed a letter requesting an order extending the time for the termination of the authorization for leave to construct from June 26, 2015 to October 1, 2015.

New Gold submitted that the reason for the requested extension is to enable New Gold to comply with requirements under the overall benefit permit issued by the Ministry of Natural Resources on November 26, 2014 pursuant to section 17(2)(c) of the *Endangered Species Act, 2007, SO 2007, c 6* (the Overall Benefit Permit). The Overall Benefit Permit requires that New Gold refrain from undertaking any activities within the Project site, including commencing construction, which would disturb the habitat of the Eastern Whip-poor-will and Bobolink, two regulated bird Species at Risk, during their respective breeding seasons. The breeding seasons span from May 1 to August 15. As such, New Gold anticipates starting construction immediately after the close of the breeding seasons.

New Gold asked that the OEB dispose of this matter without a hearing pursuant to section 21(4)(b) of the *Ontario Energy Board Act, 1998, SO 1998, c 15, Sch B* on the

basis that no person will be adversely impacted by the requested extension. It submitted that the two intervenors (the Independent Electricity System Operator and Hydro One Networks Inc.) did not take issue with the Project and that it will keep the Independent Electricity System Operator informed of the progress of the Project.

OEB Findings

The OEB finds that New Gold's explanation for the delayed start of construction is reasonable since New Gold is required to comply with the Ministry of Natural Resources' Overall Benefit Permit conditions. The Board further finds that the delay will not have adverse consequences given that the extension is brief and Enbridge has committed to measures which are designed to ensure the safe operation of the existing pipeline.

The OEB has decided to vary the Conditions of Approval in the Decision and Order to provide for an extension of the termination date of the authorization for the leave to construct until October 1, 2015.

THE OEB ORDERS THAT:

1. Condition 1.2 of the Conditions of Approval appended to the Decision and Order in EB-2014-0014 issued June 26, 2014 is varied as follows:

Unless otherwise ordered by the Ontario Energy Board, authorization for leave to construct shall terminate on October 1, 2015 unless construction of the Project has commenced prior to that date.

ISSUED at Toronto, February 19, 2015

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary