

**IN THE MATTER OF the *Public Utilities Act*
Revised Statutes of Yukon, 2002, c.186, as amended**

and

**An Application by Yukon Energy Corporation (YEC)
for approval of the Power Purchase Agreement (PPA) between YEC
and Alexco Resource Corp. (Alexco)**

BEFORE: B. McLennan, Chair) December 31, 2010
 B. Laking)
 R. Hancock)
 J. Woodland)
 K. Avery)

BOARD ORDER 2010-14

WHEREAS:

- A. On September 28, 2010, Yukon Energy Corporation (YEC, or the Company) filed an application with the Yukon Utilities Board (Board) seeking an Order approving the Purchase Power Agreement (PPA) between YEC and Alexco;
- B. The application states that Alexco intends to develop mines and mills in the Mayo-Keno area and is to be connected to the transmission facilities in early October. Also, Alexco is to commence service as a major industrial customer, as defined in OIC 1995/90, by mid-October 2010;
- C. The PPA includes provisions whereby Alexco will pay YEC for the reasonably incurred costs related to the initial mine facilities spur, capital costs for any other mine facilities, costs to negotiate and conclude the PPA and decommissioning costs;
- D. Section 6.1 of the PPA also seeks approval to issue only one bill totaling the Electric Demand and Electric Energy at the Points of Delivery;
- E. YEC is also seeking approval for the Alexco Fixed Charge of \$7,289 per month as defined in Schedule A of the PPA;
- F. The Board determined through Board Order 2010-10 that a written proceeding was sufficient and that persons wishing to seek Intervenor status were ordered to register with the Board by November 10, 2010;

- G. The Board determined through Board Order 2010-11 the status of Intervenor and confirmed the process schedule as outlined in Board Order 2010-10; and
- H. The Board has considered the evidence, the written Argument and Reply argument of the Parties respecting the Application, and subsequent correspondence from YEC dated December 17, 2010 regarding YECL's Reply Argument and from Utilities Consumers' Group dated December 18, 2010 replying to YEC's letter.

NOW THEREFORE the Board orders as follows:

1. The Board denies the PPA as applied for. In order to approve the PPA, a change is required with respect to totalized metering as discussed in the attached Appendix A – Reasons for Decision. The Board directs YEC to revise the PPA based on the foregoing and file a revision with the Board by January 31, 2011. As guidance to YEC, the Board accepts all other terms included in the PPA.

DATED at the City of Whitehorse, in the Yukon Territory, the 31st day of December 2010.

BY ORDER



Bruce McLennan
Chair