

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

and

**An Application by Yukon Energy Corporation
for review of its 20-Year Resource Plan: 2006-2025**

BEFORE: W. Shanks, Acting Chair) February 9, 2007
 B. Morris)
 R. Hancock)
 M. Phillips)

BOARD ORDER 2007-01

WHEREAS:

- A. On June 1, 2006, Yukon Energy Corporation (YEC, or the Company) filed an application with the Yukon Utilities Board (the Board) to review its 20-Year Resource Plan: 2006-2025 (Resource Plan) to address Yukon's major electrical generation and transmission needs;

- B. The Resource Plan set out YEC's expected near-term and longer-term requirements. Four near-term projects are proposed in the Resource Plan. Four alternatives, based on various scenarios to meet the needs of industrial customers, are set out to meet longer-term requirements. Certain near-term planning activities are proposed to protect longer-term options to address new load requirements;

- C. On June 5, 2006, the Minister of Justice of the Government of Yukon requested the Board to review and hold a hearing on the Resource Plan. The Board is to forward its report on its findings to the Commissioner in Executive Council, and make the report public, by October 31, 2006 (this date was extended to January 15, 2007 by letter dated August 29, 2006). Specifically, the Minister of Justice requested the Board review the proposals in the Resource Plan with emphasis on:
 - i) those projects related to the Resource Plan which require commitments by YEC before the year 2009 for major investments with anticipated costs of \$3 million or more for feasibility assessment and engineering, environmental licensing, or construction; and

 - ii) planning activities related to the Resource Plan which YEC may be required to carry out in order to commence construction on other projects before the year 2016 to meet the needs of potential major industrial customers or other major potential developments in Yukon.

Further specifics regarding the scope of the review requested are stated in the June 5, 2006, letter from the Minister of Justice;

- D. An oral hearing into YEC's 20-Year Resource Plan was held November 14 to 16, 2006, during which time YEC indicated that it had undertaken a number of planning activities with respect to the Carmacks-Stewart Transmission Project and it had reached agreement on key terms of a Power Purchase Agreement with the Minto Mine owners, who plan to complete construction of the Minto mine in 2007;
- E. In a letter to the Board dated December 31, 2006, YEC outlined the key terms of the PPA agreed to with the Minto Mine owner. These included a \$7.2-million customer contribution, a \$24-million minimum take or pay power purchase provision within the first eight years of YEC service, and security to be provided by the mine owner for these commitments;
- F. In its December 31, 2006, correspondence to the Board, YEC indicated it would be filing an application with the Board for approval once the YEC-Minto PPA was finalized, prior to the end of January 2007;
- G. The Board provided its recommendations related to the hearing into YEC's 20-Year Resource Plan on January 15, 2007, which reiterated that the finalized PPA should be submitted to the Board for full review by the Board and Intervenor and subsequent approval by the Board; and
- H. On February 9, 2007, YEC filed the finalized PPA for review and approval by the Board.

NOW THEREFORE the Board orders as follows:

- 1. The Board considers the PPA review to be a continuation of the 20-Year Resource Plan Review proceedings;
- 2. The following schedule will be applicable to the PPA review portion of this proceeding:
 - February 16: Intervenor Applications due
 - February 26: Information Requests to YEC due
 - March 8: Responses to Information Requests from YEC due
 - March 15: Intervenor Arguments due
 - March 22: YEC Reply Argument due
- 3. All Parties who have registered status in the 20-Year Resource Plan Review proceeding will be considered to have the same status in the review of the PPA;
- 4. Registered Observers who wish to be elevated to Registered Intervenor status for this portion of the proceeding need to apply to the Board for such status;

5. Any new parties who wish registered status for this portion of the proceeding need to apply to the Board for Registered Intervenor status; and
6. The Board will defer consideration of Intervenor cost applications received to date for the 20-Year Resource Plan Review proceeding and will consider those together with any applications for costs related to the PPA portion of this proceeding following the Board's decision regarding the PPA.

DATED at the City of Whitehorse, in the Yukon Territory, the ⁹ day of February 2007.

BY ORDER

A handwritten signature in black ink, appearing to read "M. Phillips", written over a horizontal line.

Michael Phillips
Board Member