

**IN THE MATTER OF
the *Public Utilities Act***

and

**an Application by Yukon Energy Corporation for
an Energy Project Certificate and an
Energy Operation Certificate
regarding the Proposed Whitehorse Diesel
to Liquefied Natural Gas Conversion Project**

BEFORE: B. McLennan, Chair) January 14, 2014
 R. Laking)
 A. Fortin)
 R. Boisvert)

BOARD ORDER 2014-01

WHEREAS:

- A. On December 30, 2013, the Yukon Utilities Board (Board) received a letter and terms of reference from the Yukon Minister of Justice (Minister) directing the Board to carry out a review and prepare a report with recommendations in accordance with the terms of reference respecting Yukon Energy Corporation's (YEC) Whitehorse Diesel to Natural Gas Conversion Project which was designated in OIC 2013/200 as a regulated energy project under Part 3 of the *Public Utilities Act*.
- B. The Minister's terms of reference state that the Board shall hold a public hearing as required in relation to the application submitted to the Minister by YEC on December 9, 2013, under Part 3 of the *Public Utilities Act* for an energy project certificate and an energy operation certificate regarding the project (Application).
- C. The Whitehorse Diesel to Natural Gas Conversion Project is described in the terms of reference as a project to modernize the existing YEC Whitehorse thermal generating station to meet growing requirements for reliable and flexible thermal generation on the Yukon grid, including the replacement of two diesel generating units (9.1 MW total capacity) scheduled for retirement by 2015 with up to three new modular natural gas-fired generating units (13.1 MW total capacity) supplied by liquefied natural gas (LNG), and the installation of LNG truck offloading, storage, vapourization, and related infrastructure. YEC wishes to begin construction of the project during the 2014 construction season.

- D. The Minister's terms of reference further state that a proposal respecting the Whitehorse Diesel to Natural Gas Conversion Project was submitted in November 2013 to the Yukon Environmental and Socio-economic Assessment Board (YESAB) under the *Yukon Environmental and Socio-economic Assessment Act* (Canada), and is subject to a screening by the Executive Committee of YESAB. This process will lead to a recommendation by the Executive Committee and a response by the Government of Yukon and other decision bodies in the form of a "decision document". Any government authorizations issued in support of the project, including any energy project certificate or energy operation certificate under Part 3 of the *Public Utilities Act*, will have to conform to this decision document.
- E. The Board is to provide a report and recommendations on the potential benefits, costs, risks and customer impacts that influence whether the Whitehorse Diesel to Natural Gas Conversion Project should proceed as proposed by YEC, and any terms and conditions that the Board considers should apply. Specifically, the Board is directed to report on and make recommendations about the necessity for the Whitehorse Diesel to Natural Gas Conversion project and its timing and design. More specifically, the report and recommendations are to address:
- i. The public need for the Whitehorse Diesel to Natural Gas Conversion Project under various reasonable electric load forecasts, including near-term requirements related to industrial and non-industrial loads, and the effect of the project on the rates of customers;
 - ii. The capability of existing and currently committed generation and transmission facilities including thermal generation facilities to provide reliable electric power generation to meet the forecast load requirements and YEC's capacity planning criteria, and the effect of the Whitehorse Diesel to Natural Gas Conversion Project on this capability;
 - iii. The risks facing the Whitehorse Diesel to Natural Gas Conversion Project and their potential impacts on rates for customers;
 - iv. What, if any, alternatives to the Whitehorse Diesel to Natural Gas Conversion Project might be advisable given reasonable load assumptions and risk assessments; and
 - v. Whether it is prudent to build the Whitehorse Diesel to Natural Gas Conversion Project at this time.

NOW THEREFORE the Board orders as follows:

1. Subject to the Minister's approval, a public hearing into the Application will be held in Whitehorse, Yukon, commencing on March 31, 2014, in accordance with the process schedule set out below.

2. Parties seeking intervener status are requested to provide the following information to the Board by January 31, 2014:
 - i. Issues the party intends to pursue;
 - ii. Whether the party intends to hire legal counsel or consultants and, if so:
 - the qualifications of each professional,
 - the retainer letter for each professional, and
 - a description of why each professional is required; and
 - iii. Whether or not the party intends to file evidence, and if so, on what issues.

3. Process Schedule for the Application

Action	Date (2014)
Notice of hearing published	January 17
Register with the Board	January 31
Information Requests to YEC	February 17
Information Responses from YEC	February 27
Intervener Evidence	March 6
Information Requests to Interveners	March 13
Information Responses from Interveners	March 20
Oral Public Hearing including oral argument and oral reply	March 31 to April 3
Public Session	March 31

4. YEC will arrange for publication in display-ad format, not later than January 17, 2014 of a Notice of Hearing, as per attached copy, in such appropriate local news publications in the service area of the Company so as to provide adequate notice to the public.

Dated at the City of Whitehorse, in the Yukon, the 14th day of January 2014.

BY ORDER



Bruce McLennan
Chair