

**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) March 18, 2014
 R. Laking, Vice-Chair)
 A. Fortin)
 R. Boisvert)

BOARD ORDER 2014-04

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. On January 14, 2014, the Board issued Board Order 2014-01 giving notice of the Application, setting out the process schedule for the Application and giving notice that, subject to the Minister's approval, a public hearing into the Application would be held in Whitehorse, Yukon commencing on March 31, 2014, in accordance with terms set out in the order.
- E. Board Order 2014-01, also requested that parties intending to participate in this proceeding were to register in writing with the Board by January 31, 2014. In their submissions, interested parties were to indicate the nature of their interest and the issues of interest in relation to the Application.
- F. The Board received requests for intervener status from the Yukon Electrical Company Limited (YECL), the Utilities Consumers' Group (UCG), The City of Whitehorse (CW), Donald Roberts, and from John Maissan (Leading Edge Projects Inc.) and the Yukon Conservation Society, a joint intervention request (YCS-LE). All requests for intervener status were granted.
- G. Information Requests (IRs) were submitted to YEC by the Board, YECL, CW, UCG, and YCS-LE.
- H. YEC filed IR responses on February 27, 2014. Moreover, in an accompanying cover letter, YEC submitted that consolidated IR Responses, complete with hyperlinks where there are cross-references, along with five paper copies would be provided by March 3, 2014.
- I. On March 4, 2014, UCG submitted a Notice of Motion requesting that the Board issue an order requiring YEC to provide adequate responses to certain IRs identified in the motion. UCG identified five IR responses that it argued were deficient. In support of its motion, UCG stated that the requested material was relevant and, unless YEC could advance a compelling argument, the material should be made available.
- J. By way of a memorandum dated March 4, 2014, the Board invited comments from YEC and interveners on the UCG motion. YEC and interveners were to provide comments by March 7, 2014, while UCG was to reply to the comments by March 11, 2014.
- K. On March 6, 2014, YCS-LE submitted a Notice of Motion requesting that the Board direct YEC to file complete answers to certain of its IRs. YCS-LE stated that because of the complexity of the IRs and lead time required to prepare answers to the IRs for which it was requesting complete answers, follow-up cross-examination may not be sufficient given the compressed timeframe within which the Board is required to respond to the Minister.

- L. The Board, by way of a memorandum dated March 7, 2014, invited comments from YEC and interveners on the YCS-LE motion. YEC and interveners were to provide comments on March 11, 2014, while YCS-LE was to reply to the comments on March 13, 2014.
- M. On March 11 and March 14, 2014, YEC provided revised responses to certain IRs.
- N. The Board has reviewed the submissions and has made its determination with regard to the UCG and YCS-LE motions.

NOW THEREFORE the Board orders as follows:

YEC shall provide further and better information responses in accordance with the reasons in Appendix to this Order by March 24, 2014.

Dated at the City of Whitehorse, Yukon, the 18th day of March 2014.

BY ORDER



Bruce McLennan
Chair

Appendix A to Board Order 2014-04

Reasons for Decision

In consideration of the UCG and YCS-LE motions for further and better IR responses, the Board has reviewed the record in relation to the IRs in question, the responses provided to date by YEC, and the submissions of UCG, YCS-LE and YEC relating to the motions.

In general, the purpose of this Part 3 Application is to make recommendations about the necessity for the Whitehorse Diesel LNG conversion project and its timing and design as set out in the Minister's Terms of Reference. In arriving at its determinations, the Board has considered the nature of the current proceeding, the materiality and potential impacts to parties of further information responses being provided and the Board's *Rules of Practice*. Moreover, the Board balanced the level of detail requested in some of the IRs and whether the IRs were relevant to the proceeding. Accordingly, the Board has specified below whether or not further IR responses are required from YEC.

1.0 UCG motion

UCG-YEC-1-8(d): The Board acknowledges YEC's submission that it has undertaken a technical study on vapour dispersion modelling that it filed with YESAB. As there is a specific report referred to in this IR, the Board directs that YEC provide the report on the record of this proceeding as it may be relevant to the proceeding.

UCG-YEC-1-9(c): the Board accepts that YEC has responded adequately to this IR and no further response is required.

UCG-YEC-1-11(a): the Board accepts that YEC has responded adequately to this IR and no further response is required.

UCG-YEC-1-12 (d) – (f): YEC is directed to place the referenced presentations from the January 2012 Liquefied Natural Gas Workshop on the record of this proceeding as it may contain information that is relevant to the proceeding

UCG-1-15(c): The Board accepts YEC's response that the information in the reports did not directly inform any of the analyses provided in the Part 3 Application and therefore the information requested is not relevant. No further response is required.

2.0 YCS-LE motion

YCS-LE-1-28 (a): the Board accepts YEC's response. Nonetheless, YEC is directed to provide the referenced appendix E on the record of this proceeding as the appendix contains underpinning information to YEC's response.

YCS-LE-1-30 (b) and (c): the Board accepts YEC's revised responses of March 14, 2014. If necessary, YCS-LE can pose follow-up questions at the hearing.

YCS-LE-1-41(a): the Board accepts that YEC has responded adequately to this IR and no further response is required.

YCS-LE-1-43: the Board accepts that YEC has responded adequately to this IR and no further response is required.

YCS-LE-1-44: the Board accepts that YEC has responded adequately to this IR and no further response is required.