



Office of the Minister
Box 2703, Whitehorse, Yukon Y1A 2C6

February 15, 2010

Mr. Bruce McLennan
Chair
Yukon Utilities Board
P.O. Box 31728, Whitehorse, Yukon
Y1A 6L3

Dear Mr. McLennan:

Re: Application by Yukon Energy Corporation for an Energy Project Certificate and an Energy Operation Certificate regarding the Proposed Mayo Hydro Enhancement Project (Mayo B)

In your letter to me of February 4, 2010, you asked that I extend the date on which the YUB is to report, under subsection 41(1) of the *Public Utilities Act*, on the above matter. In the Terms of Reference attached to my letter of December 18, 2009, that date was specified as March 31, 2010. Your requested reporting date is May 31, 2010.

I understand the reasons for your request, and I have given it full consideration. Unfortunately, the timeline for this process is shaped largely by factors that are beyond the control of this Government, most notably the requirements of the federal funding arrangement. This gives us less flexibility to extend the time for Board's review than we might otherwise have, and I am regrettably not in a position to grant you the full extension you have sought.

I do however take seriously your advice that the YUB would find it extremely difficult to complete all that is being asked of it in the time available. With that in mind I have reviewed the Terms of Reference provided on December 18, 2009, to see if anything can be done to reduce the burden on the YUB without in any way compromising the integrity of the hearing process. I have determined that two steps can in fact be taken. First, while I cannot provide the full extension you have asked for, I can increase the time somewhat by postponing the reporting date. Second, I can modify some aspects of the reporting requirements to clarify what is expected of the YUB.

I am therefore with this letter adjusting the Terms of Reference attached to my letter of December 18, 2009, as follows:

1. The purpose of the review and hearing is to obtain the YUB's report and recommendations on the potential benefits, costs, risks and customer impacts that influence whether Mayo B should proceed as proposed by YEC. (The existing Terms of Reference describe this as the "general purpose" of the review and hearing, implying that they have other, more specific purposes. This is not the case.)
2. Paragraphs 3(a) to (d) of the Terms of Reference list certain matters to which the YUB is encouraged to pay particular regard. It is not expected, however, that the YUB will analyze these in greater detail than the YUB itself considers necessary in order to fulfill the purpose of the review and hearing. Nor, despite the existing wording of these paragraphs, is it intended that the YUB will necessarily report and provide recommendations on each of the enumerated items. The YUB is instead expected to



focus on those items that in its judgment bear most directly on the decisions to be made in respect of the application.

3. Despite existing paragraph 4, the YUB is to submit its report and recommendations to the Minister of Justice no later than Friday, April 16, 2010.

I trust that these modifications will enable the YUB to carry out its mandated tasks in a timely and effective manner.

In closing, I would like to thank you and your fellow board members for your commitment to this proceeding. I look forward to receiving your report and recommendations.

Yours very truly,



Marian C. Horne
Minister of Justice