



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

June 5, 2006

Yukon Utilities Board
19 1114 1st Ave
Whitehorse, Yukon
Y1A 1A3

Dear Mr. Morris

I have recently received a copy of Yukon Energy Corporation's 20 Year Resource Plan 2006 – 2025. The Government of Yukon feels that it is imperative that the Plan be subjected to a detailed and thorough review by the Yukon Utilities Board as has been the practice in the past.

Accordingly, I would request that the Board carry out a review and hold a hearing on the Plan as follows:

- 1) The Yukon Utilities Board (the "Board") be assigned the duty of reviewing, at a public hearing, Yukon Energy Corporation's 20 Year Resource Plan regarding proposals in respect of major electrical generation and transmission requirements in Yukon during the period 2006 to 2025 with emphasis on:
 - a) those projects related to the 20 Year Resource Plan which require commitments by Yukon Energy Corporation 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,
 - b) planning activities related to the 20 Year Resource Plan which Yukon Energy 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.
- 2) This review shall include consideration of the following:

Deane Lemke

*From
Linda Dixon*



- a) significant utility spending commitments related to the generation and transmission of power in the Yukon that would affect long term utility costs and rates;
- b) the effect of the proposed spending commitments on electricity rates to be charged to Yukon consumers;
- c) with regard to generation or transmission projects, the necessity for the proposed spending commitments and, to the extent currently known, their physical and engineering characteristics and their economic consequences with emphasis on:
 - (i) effects relating to electrical load forecast requirements, including requirements related to potential new major industrial customers or other major potential developments in Yukon, and the need for the spending commitments to meet such load forecast requirements;
 - (ii) the capability of existing generation and transmission facilities to provide reliable electrical power generation to meet the load forecast requirements in (i), taking into consideration capacity planning criteria appropriate and adequate to establish requirements for such electrical power generation capacity in accordance with principles established in Canada by regulatory authorities of the Government of Canada or of a province or of a Territory regulating hydro and non-hydro electric utilities;
 - (iii) evidence that all reasonable alternative options have been considered and that the proposed spending commitments have been selected on reasonable grounds, i.e. technical feasibility, cost efficiency, and reliability; and
 - (iv) the analysis by Yukon Energy Corporation of potential risks from all causes, including but not limited to economic and financial risks, and including possible modifications to design or schedule resulting from environmental review and related regulatory approvals.
- 3) The Board shall hear submissions from any persons or groups or classes of persons who, in the opinion of the Board, have an interest in the matter.
- 4) The Board shall forward its report on its findings to the Commissioner in Executive Council, and make it public, not later than October 31, 2006.

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I am advised that YEC would by practice be required to pay the Board's costs for holding a hearing and conducting its review of the Resource Plan.

I would appreciate you undertaking your review in a timely manner and I look forward to receiving your report.

Sincerely,



John Edzerza
Minister of Justice