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Yukon Energy Corporation (YEC)
P.O. Box 5920
Whitehorse, Yukon
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AND

Yukon Utilities Board (YUB)
Box 31728
Whitehorse, Yukon
Y1A 6L3

Re: Information Requests (IRs) to YEC Concerning the Power Purchase Agreement (PPA) between YEC and Minto Exploration Ltd.

The following are my first round of IRs to YEC regarding the above referenced PPA:

- 1) What are the normal line losses (%) for a 34.5 kV distribution power line?
- 2) What are the normal line losses (%) for a 138 kV transmission power line?
- 3) What % of YEC' current transmission lines are at 34.5 kV?
- 4) Provide information from other adjacent jurisdictions' electric utilities that would support YEC' classification of a 34.5 kV power line as a transmission line rather than a distribution line.
- 5) What % of other adjacent jurisdictions' electric utilities' transmission (not distribution) systems are 34.5 kV verses other higher voltages?
- 6) At what line lengths and at what electrical base loads do other jurisdictions' utilities on average normally switch from distribution at 34.5 kV to transmission at 69 or 138 kV?
- 7) Will the Mine Spur line follow the mine access road corridor fairly closely or will it follow a more direct route cross country? What is (or are) the anticipated length(s) of the Spur Line route(s) from the Minto Landing substation to the point of delivery at the Mine?
- 8) What is the current preliminary design length of the main 138kV transmission line from the Carmacks substation to the Minto Landing substation?
- 9) Please provide, in a table format, the detailed preliminary cost estimates to construct the Mine Spur 34.5 kV distribution power line. The table to show the costs and quantities for each of: the major materials components (poles/support structures, conductors/cables, cross arms, insulators, anchors, transformers, other supplies, etc); freight costs; the costs and quantities (hours) for each piece of equipment to be employed; all labour cost components; mobilization costs; camp costs; and, the costs for each of the following: planning, design, engineering, surveying, construction supervision, quality control inspection, environmental monitoring, etc and administrative overheads; plus details of any and all other costs which may be significant.

- 10) Please provide, in a table format, the detailed preliminary cost estimates as per 9) above to construct the main 138 kV transmission power line from Carmacks to the Minto Landing Mine Spur substation.
- 11) What steps and safe guards does YEC plan to institute so as to ensure that the costs associated with the: planning, design, engineering, surveying, construction supervision, quality control inspection, environmental monitoring, etc and administrative overheads are properly allocated to each of the two projects, the Mine Spur line and the Main Transmission line?
- 12) Please provide further background information on the rationale (what is the practice of most other electric utilities when establishing and collecting customer contributions) and the detailed calculations that support how the \$7.2 M customer contribution was determined.
- 13) On page 17 of the application the last paragraph of section 5.1.5 Decommissioning Costs states "..., Minto will pay to YEC any excess costs above the Accrued Decommissioning Fund (and YEC will repay to Minto any excess in the Fund that is not required)." As Minto, its parent and any subsidiaries may in fact be non existent by the time the Spur is finally decommissioned, what assurances does YEC have that excess costs can be recovered other than to ensure that the Fund is in fact over funded?
- 14) It appears that the Mine Net Revenue Account (MNRA) is really an entirely internal accounting procedure that YEC is seeking approval from the YUB to establish. Nowhere under section 3.6 on page 17 of the PPA does the Minto Mine have any obligations to or within the MNRA! So why pray tell is this Account included in the PPA? Why should this section not be removed from the PPA in keeping with the KISS principle - to keep it simple!
- 15) Why under **3.6 Mine Net Revenue Account** (d) would each Party provide independent submissions to the YUB as to how the MNRA should be disposed of for the benefit of Yukon Territory rate payers? What interest does Minto have in the disposition of this Account and why?
- 16) Please reproduce the Tables B-2 through B-8 on 11" x 17" sheets so that they can be more easily read and compared.
- 17) Please reprint the Table D-1 so that it can be more easily read.
- 18) Why in **PART 5 CAPITAL COST CONTRIBUTION** is the \$7.2M amount not actually stated as being the Carmacks-Minto Landing Capital Cost Contribution? Why does this \$7.2M figure only appear in the Definitions?
- 19) Please describe in detail and provide draft reporting forms that YEC plans to employ under **SCHEDULE D** (1) to prove/ensure that "the customer" has provided "YEC with auditable reporting and controls as reasonably required by YEC to confirm that all Secondary Energy so provided has been used only to process Low Grade Ore". And provide similar details / forms to be used under (2) c).
- 20) In **SCHEDULE D** under **INTERRUPTIONS**: should the wording "on notice not exceeding 24 hours" not be changed to read "on notice of not less than 24 hours"?
- 21) On page 19 of the PPA under **4.4 Point of Delivery** it states "YEC may,.....,establish and maintain the Point of Delivery at the Diesel Plant Site after YEC having provided written notice to Minto." Is YEC considering establishing the Point of Delivery elsewhere? If so where and why? Would it not be to YEC' and the rest of the electric rate payers' advantage for YEC to establish the Point of Delivery with appropriate metering at the Minto Landing substation thereby having the mine pick up the line losses on the lengthy 34.5 kV distribution line?

- 22) In Schedule F **GENERAL SECURITY AGREEMENT** pp 3; 1.2 **Collateral** is there a repeat typo error at the end of the paragraph?
- 23) In Schedule F **GENERAL SECURITY AGREEMENT** pp 4; 1.3 (c) **Exclusions** please explain what “consumer goods” might include.
- 24) In Schedule F **GENERAL SECURITY AGREEMENT (GSA)** pp 4; 1.7 **Floating Charge Not a Fixed Charge** if the PPA and this Security Agreement are to be governed by the laws of Yukon why is the meaning defined by the *BC Land Title Act*?
- 25) In the **GSA PART 3** pp 6; 3.1(a) (iv) Has the Debtor (Minto) obtained the consent in writing referred to?
- 26) In the **GSA PART 4** pp 9; 4.1(p) Under what circumstances and for what purposes would the Secured Party (YEC) contemplate advancing money to the Debtor (Minto) to purchase or acquire anything? Please explain.
- 27) Regarding the **GSA SCHEDULE 1**: Please provide the dollar amounts for each and all of the Prior Security Interests.
- 28) In the Event of Default can YEC elect to only assume the Debtor’s collateral security / assets that do not have liabilities attached to them - i.e. avoid mining claims to which there may be large outstanding environmental remediation work still required or possibly the acid generating low grade ore stockpile and the site / claim(s) on which this stockpile is located? Or does the loser take all?
- 29) Please reproduce all the maps of SCHEDULE A & B on 11”x17” at a suitable scale so that they can be seen by the naked eye.