



March 11, 2014

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

Dear Mr. McLennan:

Re: Yukon Energy Application for an Energy Project Certificate and Energy Operation Certificate regarding the Proposed Whitehorse Diesel – Natural Gas Conversion Project – Yukon Conservation Society and Leading Edge (“YCS/LE”) Motion for Further Disclosure

In correspondence dated March 6, 2014, YCS/LE made application for further information from Yukon Energy Corporation (“YEC” or “Yukon Energy”) arguing that the information provided in responses filed February 27, 2014 was not fully responsive. The Yukon Utilities Board (“YUB” or the “Board”) by letter dated March 7, 2014 invited Yukon Energy and intervenors to provide comments by March 11, 2014 and provided UCG with the opportunity to respond to any comments by March 13, 2014.

Outlined below is Yukon Energy’s response to each specific concern raised by YCS/LE.

YCS/LE-YEC-1-28

YCS/LE asserts that YEC’s response to part (a) refers to Appendix E, Attachment E2 of the Yukon Energy 20-Year Resource Plan: 2011 – 2030, that to YCS/LE’s knowledge this appendix and all the other appendices to the Resource Plan are not publicly available, and that YEC should provide all of the appendices to the Resource Plan.

Yukon Energy Response

YCS/LE’s original information request was to confirm that the variable cost of LNG generation would be in the order of \$0.165 per kWh (\$0.135 for fuel plus \$0.03 variable O&M) and that the variable cost of generation for new diesel units would be in the order of \$0.276 per kWh (\$0.246 for fuel and \$0.03 variable O&M), and if this could not be confirmed, to provide the variable costs.

The response answered the question posed. The only reference to the Resource Plan Appendices was the following: “The 2011 Resource Plan assumed diesel O&M costs at about 3 cents/kW.h for old

units and 2 cents/kW.h for new units.” To confirm that these assumptions were used in the 2011 Resource Plan, please see page 79, footnote 135 of the 2011 Resource Plan at the link below.

<http://www.yukonenergy.ca/about-us/business-documents/resource-plans/>

YCS/LE-YEC-1-30 (a) to (c)

With regard to part (a) YCS/LE notes that the request was for long term average and monthly annual inflows and not generation, and that Yukon Energy should provide these long term inflows.

With regard to part (b), YCS/LE notes that YEC is required to provide flow and water flow level information to the Yukon Water Board pursuant to its Mayo and Aishihik water licences on a quarterly and annual basis, and end of year water levels should be available and should be provided.

With regard to part (c) YCS/LE indicates that the second part of the question was not answered regarding the stored energy (in GWh) that the volume of water between 913 meters and 915.16 meters represents.

Yukon Energy Response

Yukon Energy is working on a revised response and will endeavor to provide this as soon as possible and no later than March 14, 2014.

YCS/LE-YEC-1-41(a)

YCS/LE indicates there may be an error in the response as it appears that the reference in the Mayo hydro plant capacity relates to the pre-Mayo B era, and notes that the question requested the average minimum night time load (not the maximum).

Yukon Energy Response

Please see YCS/LE-YEC-1-41 REVISED attached to this correspondence.

YCS/LE-YEC-1-43

YCS/LE notes the response to this question is incomplete as the expanded table does not contain the comparative information on new diesel at \$0.200 as the original Table 4-5 does and requests that YEC provide this information.

Yukon Energy Response

Please see YCS/LE-YEC-1-43 REVISED attached to this correspondence.

YCS/LE-YEC-1-44

YCS/LE notes that with a complete Table 1 in response to YCS/LE IR 1-43, Table 4-6 will need to be expanded as requested to include lower LNG savings numbers and should be revised accordingly.

Yukon Energy Response

Please see YCS/LE-YEC-1-44 REVISED attached to this correspondence.

Please direct any questions on this communication to the undersigned.

Yours truly,

A handwritten signature in black ink, appearing to read "Ed Mollard". The signature is written in a cursive style with a large initial "E" and a long horizontal stroke at the end.

Ed Mollard
Chief Financial Officer