

1997-13

AN ORDER IN THE MATTER OF the Public Utilities Act  
Revised Statutes, 1986, c. 143, as amended

and

Application by the Yukon Energy Corporation  
and the Yukon Electrical Company Limited

**BEFORE:** B. Morris, Chair )  
G. Duncan, Vice Chair )  
G. Leslie, Member ) December 24, 1997

**ORDER 1997-13**

**WHEREAS:**

- A. On December 16, 1997, Yukon Energy Corporation ("YEC") and Yukon Electrical Company Limited ("YECL") (the "Companies"), in accordance with Board Orders, filed an application to finalize 1997 rates (the "Final Rates Application") made interim by Board Order 1997-6, requesting the following Board Orders:
  - (a) an interim refundable Rider of 3% to non-Anvil customers to collect that portion of YEC's 1997 revenue shortfall to be collected from those ratepayers;
  - (b) an interim refundable rider of \$118,000 per month to Anvil to recover the 1997 Cost of Service shortfall relating to Anvil; and
  - (c) an Order directing Rider G charges and Rider G rebates be extended after December 31, 1997, until they are fully collected/rebated; and
- B. Appendix A of Board Order 1997-6 directed that an application to finalize 1997 rates be made at the earlier of October 1, 1997 or when the Mine reopens and the uncertainties are removed.
- C. The Final Rates Application is designed to recover a projected revenue shortfall of \$2.447 million, including a normal commercial return on Yukon Energy

Corporation's equity, less one half of one percent as originally required by Section 2 of Order-in-Council 1995/90 (the "OIC"); and

- D. In response to a Board request pursuant to Section 17 (3) of the Public Utilities Act, the Commissioner in Executive Council amended the OIC to permit the Board to approve a lower return for YEC; and
- E. Citing "Ongoing Uncertainties and Ratepayer Risks Related to Faro Mine", the Final Rates Application included a request for the following Board Orders:
  - (a) starting January 1, 1998 and until the long-term Anvil financing is established, Anvil be required to pay 80% of its forecast bill at the beginning of the month, the balance being paid at the end of the month;
  - (b) starting January 1, 1998 Rate Schedule 39 be amended to reflect winter/summer rate variation; and
  - (c) the Electric Service Regulations be amended to address concerns related to gaming noted in Order 1997-6.
- F. On December 18, 1997 Anvil Range Mining Corporation stated that it would be unable to comply with the proposed billing arrangements and rate structure, and requested that the Board not approve the proposals until a response can be filed.
- G. The Board concludes that a written process on two of the Companies' requests referred to in clause E above is required to be followed.

**THE BOARD THEREFORE** orders as follows:

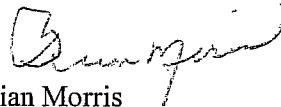
- 1. The Board denies the finalization of 1997 rates, the interim refundable Rider of 3% to non-Anvil customers and the interim refundable rider of \$118,000 per month to Anvil pending a public hearing to be determined by a later Board Order.
- 2. The Board directs that Rider G charges and Rider G rebates approved by Order 1996-8 be extended after December 31, 1997 until they are fully collected/rebated.
- 3. A further Board Order will be issued with respect to the Companies' request to amend Rate Schedule 39 to reflect winter/summer rate variations.
- 4. Anvil Range Mining Corporation, and any Intervenors registered in the Board's May 1997 Hearing who wish to comment on the proposals to require Anvil to prepay 80% of forecast bills and to amend the Electric Service Regulations with

respect to gaming noted in Board Order 1997-6, are to make their submissions in writing, one copy each , with the Board and the Companies, on or before Monday, January 12, 1998.

5. The Companies are to file Reply evidence to the submissions on or before Monday, January 19, 1998, after which the Board will issue its Decision.

Dated at the City of Whitehorse, in the Yukon Territory, this 27 day of December, 1997.

**BY ORDER**



Brian Morris  
Chair

# YUKON UTILITIES BOARD

P.O. Box 6070, 19 - 1114 First Avenue,

Whitehorse, Yukon Y1A 5L7

Telephone (403) 667-5058, Fax (403) 667-5059

Our file no.:

Your file no.:

December 24, 1997

J. Carroll  
Yukon Electrical Company Limited  
P.O. Box 4190  
Whitehorse, Yukon  
Y1A 3T4

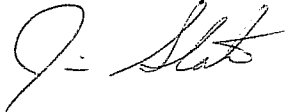
R. McWilliam  
Yukon Energy Corporation  
P.O. Box 5920  
Whitehorse, Yukon  
Y1A 5L7

Dear Sirs:

## Re: 1997 Final Rate Application

I enclose a copy of Board Order #1997-13 with respect to your application to finalize 1997 rates.

Yours truly,



Jim Slater

Enclosure

|    |                   |         |           |          |
|----|-------------------|---------|-----------|----------|
| cc | K. Forgaard       | Anvil   | Fax       | 668 6518 |
|    | I. Blue           | Anvil   | Fax (416) | 369 8877 |
|    | Larry Bagnell     | AYC     | Fax       | 668 7574 |
|    | G. Everitt        | Dawson  | Fax (403) | 993 7434 |
|    | P. McMann         | Ec. Dev | Fax       | 667 8601 |
|    | Energy Commission |         | Fax       | 667 8424 |
|    | C. Dean           | Faro    | Fax (403) | 994 3154 |
|    | R. Clarkson       | NEE     | Fax       | 668 3978 |
|    | R. Veale          | RRDDC   | Fax       | 668 3710 |
|    | R. Rondeau        | UCG     | Fax       | 633 5210 |
|    | B. Newell         | Whse    | Fax       | 668 8639 |
|    | P. Percival       |         | Fax       | 667 2647 |