

2004-1

**IN THE MATTER OF the Public Utilities Act  
Revised Statutes of Yukon, 2002, c. 186, as amended**

**and**

**An Application by Yukon Energy Corporation  
for Approval Increase 2005 Rates**

**BEFORE:**            B. Morris, Chair        )    December 16, 2004  
                      W. Shanks                )  
                      R. Hancock               )  
                      M. Phillips               )

<b>YUKON UTILITIES BOARD</b>		
<b>EXHIBIT</b> A-1		
DAY	ENTERED BY <i>Sherrice</i>	DATE <i>Dec 16/04</i>

**BOARD ORDER 2004-1**

**WHEREAS:**

- A.    On December 13, 2004, Yukon Energy Corporation ("YEC", "the Company") filed with the Yukon Utilities Board ("the Board"), pursuant to the *Public Utilities Act* ("the Act"), and *Order-In-Council 1995/90*, an Application requesting an Order granting new rates for Secondary (interruptible) Energy and the Faro Mine site, on an interim refundable basis, effective with consumption January 1, 2005; and
- B.    The Application proposes the creation of a new Income Stabilization Trust and does not request any increase in firm rates charged to residential and commercial customers in 2005; and
- C.    The Application proposes for Secondary (interruptible) Energy, a new quarterly rate-setting mechanism to maintain the retail rate at 70 percent of the customers' avoided cost of fuel oil. This will result in a retail rate of 5.5 cents per kW.h. as of January 1, 2005; and
- D.    The Application also proposes for the Faro mine site, to change the current rate schedule to the normal General Service - Government rate; and
- E.    The Board has reviewed the Application and requires that a Workshop and Pre-hearing Conference be established.

**NOW THEREFORE** the Board orders as follows:

- 1.    A Workshop into the Application will commence at 9:00 a.m. on January 13, 2005, at the High Country Inn, 4051 Fourth Avenue, Whitehorse, Yukon.
- 2.    A Pre-hearing Conference into the Application will commence at 9:00 a.m. on January 14, 2005, at the High Country Inn, 4051 Fourth Avenue, Whitehorse, Yukon.

3. Parties intending to participate in the Workshop and Pre-hearing Conference and subsequent review process, or who wish to receive documentation only, are to register in writing with the Board Secretary no later than January 11, 2005, indicating the nature of their interest and whether they plan to attend the Workshop and Pre-hearing Conference.
4. The Board approves an interim increase in rates to Secondary (interruptible) Energy customers and to the Faro mine site as requested in the Application. The current firm rates charged to residential and commercial customers are set as interim.
5. The interim rates are effective January 1, 2005, and the interim increases in rates for Secondary (interruptible) Energy customers and the Faro mine site are refundable with interest at the average prime rate of YEC's principal bank as determined by the Board Order that establishes permanent rates for YEC.
6. YEC will arrange for publication in display-ad format, not later than December 31, 2004, of a Notice of Application, Pre-hearing Conference and Workshop, as per attached copy, in such appropriate local news publications in the service area of the Company so as to provide adequate notice to the public.
7. The Application and supporting material are to made available for inspection at the Head Office of Yukon Energy Corporation, Whitehorse Hydro Dam, Robert Service Way and at the District Offices located at Mayo, Faro and Dawson, Yukon as well as Yukon community and public libraries.  
  
The Application and supporting material are also available for inspection at the office of the Yukon Utilities Board, 19-114 First Avenue, Whitehorse, Yukon.
8. YEC is to distribute copies of the Application and any supplemental information to Intervenors as they become registered with the Board. YEC is to distribute the Application to Interested Parties.

**DATED** at the City of Whitehorse, in the Yukon Territory, this 20<sup>th</sup> day of December, 2004.

BY ORDER



Brian Morris  
Chair

**YUKON UTILITIES BOARD**  
**NOTICE OF APPLICATION**  
**PRE-HEARING CONFERENCE AND WORKSHOP**

**Yukon Energy Workshop**

Time:	9:00 a.m.
Date:	January 13, 2005
Location:	High Country Inn 4051 Fourth Avenue Whitehorse, Yukon

**Pre-Hearing Conference**

Time:	9:00 a.m.
Date:	January 14, 2005
Location:	High Country Inn 4051 Fourth Avenue Whitehorse, Yukon

**Summary of the Application**

On December 13, 2004, Yukon Energy Corporation ("Yukon Energy") filed an application to the Yukon Utilities Board ("the Board") requesting approval of a 2005 Revenue Requirement, as well as creation of a new Income Stabilization Trust ("IST"). The Application does not request any increase in firm rates charged to residential and commercial customers in 2005.

Yukon Energy is requesting increases for about 25 customers under two rate schedules effective January 1, 2005, on an interim refundable basis, as follows:

- For Secondary (interruptible) Energy, a new quarterly rate setting mechanism to maintain the retail rate at 70 percent of the customers' avoided cost of heating with fuel oil. This will result in a retail rate as at January 1, 2005, of 5.5 cents per kW.h.
- For the Faro Mine site, change the current rate schedule to the normal General Service – Government rate schedule.

The application also seeks approval of a new voluntary green power rate and changes to the Maximum Utility Investment provisions of the Electrical Service Regulations.

## Approvals Requested

The specific approvals requested are as follows:

1. **2005 Revenue Requirement excluding Income Stabilization Trust transfers:** Approval of the forecast 2005 Yukon Energy Revenue Requirement of \$26.757 million prior to consideration of Income Stabilization Trust transfers including approval as required of various costs, revenues and other related provisions.
2. **Approval of a new Income Stabilization Trust and confirmation of Existing Firm Rates:** Approval of the new Income Stabilization Trust to address changes in Yukon Energy's forecast Revenue Requirement and defer until at least 2007 the need for Yukon Energy, based on current forecasts, to seek approval for any increase in firm rates charged to residential and commercial customers.
3. **Secondary Energy Rate Schedule changes:** Approval to establish a new secondary sales rate schedule, terms and conditions, and related quarterly rate-setting mechanism for interruptible surplus hydro generation to maintain the Secondary Energy rate at 70 percent of the customers' avoided cost of heating with fuel oil, resulting in the retail Secondary Sales rate as at January 1, 2005, being set at 5.5 cents per kW.h.
4. **Rate Schedule 34 Faro Mine Firm Shutdown Power:** Approval to eliminate the rate under which power is currently supplied to the Faro mine site (Rate Schedule 34), and change the customer to the normal General Service – Government rate schedule, effective January 1, 2005.
5. **Interim refundable rates effective January 1, 2005:** Approval, as interim refundable rates effective January 1, 2005, of the above adjusted Secondary Energy rate schedule and the above change in rate applicable to the Faro mine site so as to allow for these changes to be established before the end of January 2005 (or as soon thereafter as is feasible).
6. **Green Power Rate:** Approval to establish a new voluntary green power rate as set out in the Application to allow those interested in supporting Yukon Energy's wind and other green power programs to financially do so.
7. **Amend Electric Service Regulations:** Approval to amend the Electric Service Regulations (ESRs) to increase General Service Maximum Utility Investments, establish a new Secondary Energy Maximum Utility Investment, and update the definition of "interconnected system."

## **Interim Rates**

By *Board Order No. 2004-1*, the Board approved the requested increase in rates to Secondary (interruptible) Energy customers and the Faro Mine site effective January 1, 2005, on an interim basis, subject to refund with interest.

## **Workshop**

Yukon Energy will hold a public workshop commencing at 9:00 a.m. local time on Thursday, January 13, 2005, at the High Country Inn, 4051 Fourth Avenue, Whitehorse, Yukon.

The Workshop will provide a summary of the Yukon Energy proposals and the contents of the Application and supporting documents.

## **The Pre-Hearing Conference**

To facilitate the oral public hearing process, the Board will hold a Pre-Hearing Conference into the Application, commencing at 9:00 a.m. local time, Friday, January 14, 2005, at the High Country Inn, 4051 Fourth Avenue, Whitehorse, Yukon.

The Board Chair for review of the Application is Mr. Brian Morris.

The Pre-Hearing Conference will address procedural matters which will include, but not be limited to, the following:

- identification of Intervenors
- identification of the principal issues
- regulatory process, including the orderly exchange of information requests and responses
- scheduling and location(s) of the proceedings
- other matters that will enable the proceedings to efficiently cover and review all aspects of the Application

After the Pre-Hearing Conference, the Board will issue a procedural order and regulatory agenda for the review of the Application.

## **Interventions**

Parties intending to participate in the Workshop and the Pre-Hearing Conference and subsequent review process (to be present at the public hearings and to give evidence or cross-examine witnesses), or who wish to receive documentation only, are to register in writing with the Board Secretary no later than Tuesday, January 11, 2005, indicating the nature of their interest, and whether they plan to attend the Workshop and the Pre-Hearing Conference.

## **Public Inspection of the Application**

The Application and supporting documents are available for inspection at the following locations:

### **Yukon Energy Corporation**

Head Office: Whitehorse Hydro Dam  
Robert Service Way

District Offices: Mayo, Yukon  
Faro, Yukon  
Dawson, Yukon

### **Yukon Public Libraries**

Beaver Creek Community Library  
Burwash Landing Community Library  
Carcross - Isabelle Pringle Library  
Carmacks Community Library  
Dawson Community Library  
Faro Community Library  
Haines Junction Community Library  
Mayo Community Library  
Pelly Crossing Community Library  
Tagish Community Library  
Teslin Community Library  
Watson Lake Community Library  
Whitehorse Public Library

### **Local Post Offices in the following Yukon communities:**

Ross River  
Old Crow

A copy of the Application and supporting documents are also available for inspection at the office of the Yukon Utilities Board at 19-1114 First Avenue, Whitehorse, Yukon.

A copy of the Application and supporting documents are provided on Yukon Energy's website at [www.yukonenergy.ca](http://www.yukonenergy.ca)

## **Clarification**

Persons intending to participate in the public hearing, and who are uncertain as to the manner in which to proceed, may contact Ms. Deana Lemke, the Executive Secretary, Yukon Utilities Board, by telephone at 867-667-5058 or in writing at Box 31728, Whitehorse Yukon, Y1A 6L3, or by fax at 867-667-5059.