

2005-6



**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 of 2005 Revenue Requirements**

**BEFORE:**                      B. Morris, Chair                      )    March 15, 2005  
                                     W. Shanks                                )  
                                     R. Hancock                            )  
                                     M. Phillips                             )

<b>YUKON UTILITIES BOARD</b>		
<b>EXHIBIT</b> A-20		
DAY	ENTERED BY <i>Okemke</i>	DATE <i>Mar 15/05</i>

**BOARD ORDER 2005-6**

**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 ("the Application"); 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. By Order 2004-1, the Board approved an interim refundable increase in rates to Secondary (interruptible) Energy customers and to the Faro mine site as requested in the Application. Board Order 2004-1 further scheduled a Workshop into the Application for January 13, 2005 and a Pre-hearing Conference for January 14, 2005; and
- F. By Order 2005-2, the Board scheduled an oral public hearing into the YEC Application for April 18, 2005 in Whitehorse, Yukon and issued a regulatory timetable and a final issues list; and
- G. By letter dated February 23, 2005, YEC advised the Board, registered intervenors and interested parties of a reduction in the Secondary Energy retail



rate to 5.2 cents per kW.h. and the Secondary Energy wholesale rate to 4.1 cents per kW.h. effective April 1, 2005, in accordance with the proposed quarterly rate- setting mechanism; and

- H. By letter dated February 28, 2005, the Board informed YEC and the registered intervenors that while Board Order 2004-1 approved the January 1, 2005, Secondary Energy rates on an interim basis, it did not deal with the quarterly rate changes and the corresponding approval process which remain as issues in the current proceeding. The Board considered YEC's February 23, 2005, letter to be an application for an interim change in Secondary Energy rates effective April 1, 2005; and
- I. The Board has reviewed YEC's application for an interim change in Secondary Energy rates.

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

- 1. The YEC application to reduce the Secondary Energy retail rate to 5.2 cents per kW.h. and the Secondary Energy wholesale rate to 4.1 cents per kW.h. is approved on an interim basis effective April 1, 2005.
- 2. The interim Secondary Energy rates 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.
- 3. YEC is to inform its Secondary Energy retail and wholesale customers about the approved rate changes by a customer notice.

**DATED** at the City of Whitehorse, in the Yukon Territory, this 16<sup>th</sup> day of March 2005.

BY ORDER



Brian Morris  
Chair