

**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 review of its 2007 Financial Forecasts**

BEFORE: W. Shanks, Acting Chair) March 14, 2007
 B. Morris)
 R. Hancock)
 M. Phillips)

BOARD ORDER 2007-02

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 other requested approvals;
- B. The Board considered the application, the evidence filed at the oral public hearing and the arguments filed by YEC and the Intervenor and issued Order 2005-12;
- C. In Order 2005-12, YEC was ordered to fund its approved 2005 revenue shortfall from the Faro Mine de-watering deferral account. The 2005 approved revenue shortfall was the maximum drawdown allowed for each of the calendar years of 2005 to 2007;
- D. YEC was ordered to file a financial forecast by December 1, 2005, to confirm drawdown to be approved for the 2006 calendar year and a financial forecast by November 1, 2006, to confirm the drawdown that was approved for the 2007 calendar year;
- E. On October 10, 2006, YEC requested that the filing deadline for the 2007 financial forecast be amended to December 15, 2006, to ensure the Board is provided with the most relevant and accurate information possible;
- F. The November 1, 2006, deadline was extended to December 15, 2006 in Board Order 2006-9;
- G. YEC filed the 2007 financial forecast on December 14, 2006. The filing included a transfer of \$0.292 million from the Faro Mine dewatering deferral account in 2007 with an ROE less than the approved ROE. The December 31, 2006 forecast balance in the Faro Mine dewatering deferral account is \$1.191 million;
- H. The Board provided information requests dated February 6, 2007, to YEC and YEC provided responses to those requests on February 20, 2007;
- I. No other information requests nor comments were provided by any other interested party;


- J. The Board has reviewed YEC's 2007 financial forecast and the responses to the information requests.

NOW THEREFORE the Board orders as follows:

1. The Board finds the 2007 forecast drawdown of the Faro Mine dewatering deferral account of \$292,000 to be appropriate and approves the drawdown.
2. This approval is not approval of any portion of revenue requirement or rate base. Such reviews will occur in detail and the Board will make such rulings in YEC's next General Tariff Application.

DATED at the City of Whitehorse, in the Yukon Territory, this 15th day of March, 2007.

BY ORDER

A handwritten signature in black ink, appearing to read 'WS', is written over the printed name.

Wendy Shanks
Acting Chair