

2002-2

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

and

**A Utility Franchise to Construct and Operate
a Piped Gas Distribution System in Whitehorse, Yukon**

BEFORE:	B. Morris, Chair)	
	W. Shanks, Vice-Chair)	
	G. Leslie, Member)	
	R. Hancock, Member)	
	M. Phillips, Member)	July 31, 2002

ORDER 2002-2

WHEREAS:

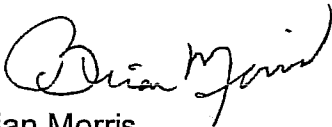
- A. Pursuant to Section 21(1) of the *Public Utilities Act* ("the Act"), the Commissioner in Executive Council may, with the approval of the Yukon Utilities Board ("the Board"); and subject to such terms and conditions as the Board may recommend, grant a franchise to a public utility; and
- B. On March 27, 2002, by Order-In-Council 2002/74, the Commissioner in Executive Council outlined the information that Applicants for a piped propane distribution franchise in the City of Whitehorse must provide and directed the Board to address these matters in its consideration of the Application; and
- C. In response to a public notice issued in accordance with Board Order 2002-1, Whitehorse Gas applied on July 12, 2002 for a utility franchise to construct and operate a piped gas distribution system in Whitehorse, Yukon ("the Application"); and
- D. In accordance with Order 2002-1 Board staff held a Pre-Hearing Conference into the Application on July 31, 2002, in Whitehorse, Yukon; and
- E. Whitehorse Gas ("the Applicant") is the sole Applicant; and
- F. Participants at the Pre-hearing Conference agreed that certain commitments and more detailed information are necessary before the economic feasibility of the piped gas distribution system can be ascertained; and
- G. The Board agrees that further information is required before an oral public hearing can be held.

NOW THEREFORE THE BOARD orders as follows:

1. Whitehorse Gas, as the sole Applicant, is directed to proceed with its Application, providing additional information in the following areas:
 - Market viability, including a more detailed market survey, customer commitments, and costs of customer conversions, mains extensions, service lines and appliances;
 - Any flexible pricing proposals that maybe requested;
 - Franchise and/or Operating Agreement terms;
 - Cost of operating the public utility, based on the expected market;
 - Propane commodity costs;
 - Other approvals required; and
 - Impact on availability and price of competing fuels in Whitehorse and other Yukon communities.
2. Upon completion of its assessment of the economic feasibility of the piped gas distribution system, Whitehorse Gas is expected to revise its Application by December 31, 2002, and provide a General Rate Application setting out the gas distribution utility's forecast revenue requirement and proposed rates to customers.
3. After receipt of this information, the Board will issue an Order and a Regulatory Timetable to the Applicant and Registered Intervenors.
4. Due to the special nature of franchise application proceedings, and the lack of captive customers, the Board has determined that participant funding will not be provided.

Dated at the City of Whitehorse, in the Yukon Territory, this 20 day of August 2002.

BY ORDER

A handwritten signature in dark ink, appearing to read "Brian Morris", is written over a horizontal line.

Brian Morris
Chair