

YUKON UTILITIES

MAR 21 2007

BOARD



Office of the Minister
Box 2703, Whitehorse, Yukon Y1A 2C6

March 20, 2007

Ms. Wendy Shanks
Acting Chair
Yukon Utilities Board
19 1114 1st Avenue
Whitehorse, Yukon
Y1A 1A3

Dear Ms. Shanks:

Re: Yukon Utilities Board Review of Stage One of the Carmacks-Stewart Transmission Project

Thank you for your letter of March 19, 2007 regarding the Yukon Energy Corporation's (YEC) Power Purchase Agreement (PPA) Application.

Further to my March 5th letter, I can advise that on March 16, 2007 the government designated the Carmacks-Stewart Transmission Project as a "regulated project" under Part 3 of the *Public Utilities Act*. Please find attached for your information copies of the relevant Orders-in-Council.

As a result of the designation, I anticipate that the YEC will in the very near future make an application for an energy project certificate and an energy operation certificate under Part 3 for Stage One of the Project. As soon as that application is received, I will, as required by Part 3 of the Act, be referring it to the Board for a review and hearing in accordance with specified terms of reference.

In the meantime, however, I recognize that the Board is currently conducting a review and adjudication of the PPA application. I also understand from your letter that the Board's intention is to issue its decision on that application by the end of April.

I am writing today in order to clarify for you the process envisioned for the review of the Project under Part 3 and its relationship to the Board's current PPA process. While I recognize that the current review of the PPA is a separate proceeding from a Part 3 review of the Project, they are related. The terms of reference which I will be forwarding to you for the review of YEC's application will specify particular aspects of the Project the Board is to consider as part of the Part 3 review. One such matter will be the implications of the Board's findings on the PPA on Stage One of the Project.



The terms of reference will also specify that the Board shall endeavour to submit its report and recommendations on the Part 3 review to me and to make them public by April 30, 2007, but in any event by no later than May 31, 2007.

This, it is hoped, will allow, to the extent possible, for an integrated approach which recognizes the separate but related proceedings before the Board and which will allow the matters to be dealt with in a timely and efficient manner.

I will provide YEC's application for certificates under Part 3 as soon as I receive them, and at that time I will also forward the full terms of reference for the Part 3 review.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Horne', written in a cursive style.

Marian C. Horne
Minister of Justice

Encl.

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ORDER-IN-COUNCIL 2007/50

DÉCRET 2007/50

PUBLIC UTILITIES ACT

LOI SUR LES SERVICES PUBLICS

Pursuant to sections 39 and 76 of the *Public Utilities Act*, the Commissioner in Executive Council orders as follows

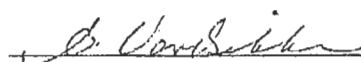
Le commissaire en conseil exécutif, conformément aux articles 36 et 76 de la *Loi sur les services publics*, décrète :

1 The annexed *Energy Project Certificate and Energy Operation Certificate Application Regulation* is hereby made.

1 Est établi le *Règlement portant sur les demandes de certificats de construction et d'exploitation* paraissant en annexe.

Dated at Whitehorse, Yukon,
this 16 MARCH 2007.

Fait à Whitehorse, au Yukon,
le 16 mars 2007.



Commissioner of Yukon/Commissaire du Yukon

2007/50

PUBLIC UTILITIES ACT

LOI SUR LES SERVICES PUBLICS

ENERGY PROJECT CERTIFICATE AND ENERGY
OPERATION CERTIFICATE APPLICATION
REGULATIONRÈGLEMENT PORTANT SUR LES DEMANDES DE
CERTIFICATS DE CONSTRUCTION ET
D'EXPLOITATION

1 An application with regard to a regulated project under section 39 of the *Public Utilities Act* for an energy project certificate or an energy operation certificate shall include

1 Une demande concernant un projet agréé en vertu de l'article 39 de la *Loi sur les services publics* et portant sur un certificat de construction ou un certificat d'exploitation doit comprendre :

(a) Applicant

(i) the name, address, telephone number and any other telecommunications numbers of the Applicant, and

(ii) the name, title and address of the person with whom communication should be made respecting the application;

a) Demandeur

(i) le nom du demandeur, son adresse, son numéro de téléphone, ainsi que tout autre numéro pouvant servir à rejoindre un appareil de télécommunications,

(ii) le nom, le titre et l'adresse de la personne avec qui l'on doit communiquer aux fins de la présente demande;

(b) Project Description

(i) a summary description of the project, its purpose and cost, including key facilities design and capacity, location, operation, customers served and, where relevant, decommissioning, as well as ancillary or related facilities that are proposed to be constructed,

(ii) an outline of the anticipated timetable for construction and operation together with dates by which critical events, including approvals required from other agencies, must take place to ensure continued economic viability,

(iii) a description of any new or expanded public works, undertakings or infrastructure that will be required by the project, together with an estimate of the costs and necessary completion dates, and

(iv) a summary of expected environmental and socio-economic impacts of the project that may materially affect costs, benefits, schedule, operation, risks or overall

b) Description du projet

(i) une description sommaire du projet, son objet et ses coûts, notamment la conception et la capacité des principales installations, leur emplacement, leur exploitation, la clientèle desservie et, s'il y a lieu, le déclassement, de même que les installations auxiliaires dont la construction est proposée,

(ii) les grandes lignes de l'échéancier prévu pour la construction et l'exploitation, ainsi que les dates prévues pour l'accomplissement des événements les plus importants, notamment les approbations nécessaires accordées par d'autres organismes, pour assurer le maintien de la viabilité économique,

(iii) une description de nouveaux travaux publics, ou de leur agrandissement, qui seront requis par le projet, avec une estimation de leurs coûts et la date de fin des travaux,

(iv) un sommaire des impacts socio-économiques et environnementaux du projet qui pourraient affecter d'une manière

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feasibility;

appréciable les coûts, les bénéfices, l'échéancier, l'exploitation, les risques ou la faisabilité;

(c) Project Justification

(i) studies or summary statements identifying the need for the project and confirming the technical, economic and financial feasibility of the project, identifying assumptions, sources of data and alternatives considered, if applicable,

(ii) a statement identifying any significant risks to successful completion of the project, and

(iii) a statement of the effect of the project on the rates of customers;

(d) Consultation

(i) a summary description of the Applicant's public information and consultation program to date; and

(e) Other Applications and Approvals

(i) a list of all approvals, permits licences or authorizations required under federal, territorial, First Nation or municipal law, and

(ii) a summary of the material conditions that are anticipated in the approvals and confirmation that the costs of complying with these conditions are included in the cost estimate in the Application.

c) Raison d'être du projet

(i) des études ou une déclaration sommaire faisant état du besoin pour un tel projet et confirmant la faisabilité technique, économique et financière du projet, l'identification des hypothèses, ainsi que des sources de données et, s'il y a lieu, tout autre scénario envisagé,

(ii) une déclaration faisant état de tout risque important pouvant compromettre la réussite du projet,

(iii) une déclaration faisant état des retombées du projet sur les taux que les clients devront payer;

d) Consultation

(i) une description sommaire du processus de consultation et d'information publiques entrepris par le demandeur;

e) Autres demandes et approbations

(i) une liste de toutes les approbations, des permis, des licences ou des autorisations requis en vertu de la réglementation fédérale, provinciale municipale ou des Premières nations,

(ii) un sommaire des conditions matérielles prévues dans le processus des approbations et la confirmation que les coûts reliés au respect de ces conditions sont compris dans l'évaluation des coûts contenue dans la demande.

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ORDER-IN-COUNCIL 2007/51

DÉCRET 2007/51

PUBLIC UTILITIES ACT

LOI SUR LES SERVICES PUBLICS

Pursuant to section 36 of the *Public Utilities Act*, the Commissioner in Executive Council orders as follows

Le commissaire en conseil exécutif, conformément à l'article 36 de la *Loi sur les services publics*, décrète :

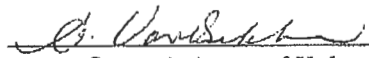
1 The energy project described as an electricity transmission line approximately 172 kilometres in length, and related new substation facilities, connecting the Whitehorse-Aishihik-Faro electricity grid at Carmacks and the Mayo-Dawson electricity grid at Stewart Crossing, and any stage undertaken with regard to such project, is hereby designated as a regulated project for the purpose of Part 3 of the *Public Utilities Act*.

1 Le projet énergétique suivant est reconnu à titre de projet désigné aux fins de la Partie 3 de la *Loi sur les services publics* :

une ligne de transmission d'électricité d'environ 172 kilomètres de long, ainsi que les nouvelles installations de postes secondaires, reliant le réseau de distribution d'électricité Whitehorse-Aishihik-Faro à Carmacks et le réseau de distribution d'électricité Mayo-Dawson à Stewart Crossing. Toute étape reliée au projet en fait nécessairement partie.

Dated at Whitehorse, Yukon,
this 16 March 2007.

Fait à Whitehorse, au Yukon,
le 16 mars 2007.



Commissioner of Yukon/Commissaire du Yukon