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

and

An Application by Yukon Energy Corporation (YEC)
for approval of the Power Purchase Agreement (PPA) between YEC and Alexco Resource Corp. (Alexco)

BEFORE:	B. McLennan, Chair	)	January 26, 2011
	B. Laking, Vice-Chair	)	
	R. Hancock	)	
	J. Woodland	)	
	K. Avery	)	

BOARD ORDER 2011-01

WHEREAS:

A. On September 28, 2010, Yukon Energy Corporation (YEC) filed an application with the Yukon Utilities Board (Board) seeking an Order approving the Purchase Power Agreement (PPA) between YEC and Alexco;

B. The application stated that Alexco intends to develop mines and mills in the Mayo-Keno area and was to be connected to the transmission facilities in early October. Also, Alexco was to commence service as a major industrial customer, as defined in OIC 1995/90, by mid-October 2010;

C. The PPA includes provisions whereby Alexco will pay YEC for the reasonably incurred costs related to the initial mine facilities spur, capital costs for any other mine facilities, costs to negotiate and conclude the PPA and decommissioning costs;

D. YEC requested approval to issue only one bill totaling the Electric Demand and Electric Energy at the Points of Delivery under section 6.1 of the PPA;

E. YEC is also sought approval for the Alexco Fixed Charge of $7,289 per month as defined in Schedule A of the PPA;

F. The Board determined through Board Order 2010-10 that a written proceeding was sufficient and that persons wishing to seek intervenor status were ordered to register with the Board by November 10, 2010;

G. The Board determined through Board Order 2010-11 the status of intervenors and confirmed the process schedule as outlined in Board Order 2010-10;

H. The Board considered the evidence, the written Argument and Reply argument of the Parties respecting the Application, and subsequent correspondence from YEC dated December 17, 2010 regarding YECL's Reply Argument and from Utilities Consumers' Group dated December 18, 2010 replying to YEC's letter;

I. The Board issued Board Order 2010-14 dated December 31, 2010 in which it denied the PPA as applied for because a change was required with respect to totalized metering as discussed in Appendix A of Board Order 2010-14 – Reasons for Decision. The Board directed YEC to revise the PPA based on the foregoing and file a revision with the Board by January 31, 2011. The Board stated that it accepted all other terms included in the PPA;

J. On January 11, 2011, YEC filed a letter in response to Board Order 2010-14. It explained that section 6.1 of the PPA is the only section that pertains to totalized metering. It confirmed that section 6.1 of the PPA provides for billing only as approved by the Board or permitted by the Electrical Services Regulations (ESRs). YEC noted that the Board did not approve totalized metering and the current ESRs do not allow for totalized metering in the Alexco case because the multiple Points of Delivery are not within a half-mile radius of each other. Also, the Board has directed in Board Order 2010-13 that the provision on totalized metering in the proposed Terms and Conditions of Service be revised to reflect the current provision respecting totalized metering. Therefore, YEC submitted that section 6.1 of the PPA provides for totalized billing as approved in Appendix A of Board Order 2010-14, Reasons for Decision. On this basis, YEC requested the approval of the PPA; and

K. The Board is satisfied that YEC has clarified that section 6.1 of the PPA only applies to totalizing billing.

NOW THEREFORE the Board orders as follows:

The Board approves the PPA which includes provisions regarding:

i. the Fixed Charge of $7,289 per month as defined in Schedule A of the PPA;
ii. the customer contribution as provided in section 5.1 and 5.2 of the PPA, for all capital costs for to the initial mine facilities spur, costs to negotiate and conclude the PPA and any other mine facilities spurs that YEC agrees to develop in the future as provided in section 4.5 of the PPA;
iii. the customer obligation to pay decommissioning costs for mine facilities spurs as provided in Part 11 of the PPA; and
iv. the issuance of totalized billing in accordance with section 6.1 of the PPA where the energy and demand charges applicable to each point of delivery under the PPA are totaled and included in one bill.

DATED at the City of Whitehorse, in the Yukon Territory, the 26th day of January 2011

BY ORDER



Bruce McLennan
Chair