

1999-3

YUKON UTILITIES BOARD

ORDER 1999 - 3

October 27, 1999

RE:

THE YUKON ENERGY CORPORATION

and

THE YUKON ELECTRICAL COMPANY LIMITED

DIESEL CONTINGENCY FUND REPORTS

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

and

Yukon Energy Corporation and The Yukon Electrical Company Limited
Diesel Contingency Fund Reports

BEFORE:

B. Morris, Chair)	
G. Leslie, Member)	
C. Metz Murray, Member)	
D. Schmekel, Member)	
W. Shanks, Member)	October 27, 1999

ORDER 1999-3

WHEREAS:

- A. The terms of the 1996/97 Negotiated Settlement approved by Board Order 1996-6 provided for the creation of a Diesel Contingency Fund ("DCF") to smooth customer rate changes and offset forecast diesel costs.
- B. The terms also provided that an annual report detailing additions and deletions to the fund is to be filed with the Board so that the Board may oversee the fund activities. The Board is to direct the Companies on the additions and deletions to the fund.
- C. On June 6, 1999 Yukon Energy Corporation filed a report, detailing the changes to the Diesel Contingency Fund in 1998, together with revised reports for 1996 and 1997. The filing also included, for convenience, copies of relevant DCF tables for The Yukon Electrical Company Limited.
- D. On June 17, 1999 the Board distributed copies of the report to interested parties for comment.
- E. On July 4, 1999 the Utilities Consumers' Group ("UCG") responded with some preliminary concerns and requested a full review of this report with a similar process to rate hearings; interrogatories and responses to/from the Companies to the various intervenor concerns. No other comments were received.

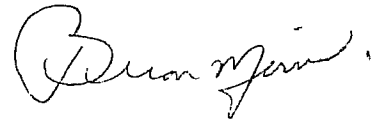
- F. The Board forwarded the UCG concerns to the Companies but noted that the Board had the ultimate jurisdiction over the DCF.
- G. On October 7, 1999 Yukon Energy Corporation provided comments on the submission from the Utilities Consumers' Group and additional information to assist the Board in its review.
- H. The Board has reviewed the material and finds that approval of the report is in the public interest.

NOW THEREFORE the Board orders that:

- 1. The Board approves the additions and deletions to the Diesel Contingency Fund for 1996 to 1998 as filed.

Dated at the City of Whitehorse, in the Yukon Territory, this 3rd day of November 1999.

BY ORDER



Brian Morris
Chair

YUKON UTILITIES BOARD
P.O. Box 6070, 19 - 1114 First Avenue,
Whitehorse, Yukon Y1A 5L7
Telephone (403) 667-5058, Fax (403) 667-5059

Our file no.: 3011
Your file no.:

November 3, 1999

R. McWilliam
Yukon Energy Corporation
P.O. Box 5920
Whitehorse, Yukon
Y1A 5L7

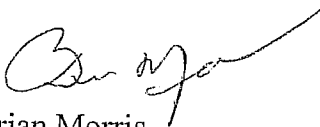
Dear Sirs:

Re: Board Order 1999 - 3

I enclose a copy of Board Order 1999-3 approving the additions and deletions to the Diesel Contingency Fund ("DCF") for 1996 - 1998. As noted in your October 7, 1999 filing, please file your submissions on the operation of the DCF for 1999 and beyond, assuming the continued shutdown of the Faro mine.

Board Order 1998 - 5 directed that the balance of the DCF be used to offset the rate increase made necessary by the shutdown of the Faro mine. Please forward, as soon as possible, a year-to-date report on the additions and deletions to the DCF in 1999. The report should include detailed schedules reconciling the DCF drawdowns in 1998 and 1999 to the information provided in the July 1998 Hearing, together with explanations as to how the bills were re-calculated and how the drawdowns were recorded in the Corporation's accounts.

Yours truly,



Brian Morris
Chair

Enclosure

cc J. Carroll Yukon Electrical Company Limited
L. Bagnell Association of Yukon Communities
J. McLaughlin AYC Energy Committee
G. Everitt Town of the City of Dawson City
R. Clarkson New Era Engineering Corp.
R. Rondeau Utilities Consumers' Group
B. Newell City of Whitehorse
P. Percival
P McMahon YTG Dept. of Economic Development