



The Yukon Electrical Company Limited  
An ATCO Company

July 18, 2006

Ms. Wendy Shanks  
Acting Board Chair  
Yukon Utilities Board  
PO Box 31728  
Whitehorse, Yukon  
Y1A 6L3

|                       |            |            |
|-----------------------|------------|------------|
| YUKON UTILITIES BOARD |            |            |
| EXHIBIT C1-1          |            |            |
| DAY                   | ENTERED BY | DATE       |
|                       | YECL       | July 18/06 |

VIA FAX 667-5059

Dear Ms. Shanks:

**Re: Request for The Yukon Electrical Company Limited (Yukon Electrical) to be granted intervener status in The Yukon Energy Corporation's "20-Year Resource Plan".**

As requested in Board Order 2006-5, Yukon Electrical requests the Board to grant Yukon Electrical intervener status in the aforementioned application. This request is made as the filing may, in the future, impact Yukon Electrical's customers. The precise impact or impacts, however, depends upon the purpose and intent of this proceeding, which remains unclear at this point in time. In this regard, Yukon Electrical is concerned that the letter from the Minister of Justice and consequently the Board's Notice refer only to future commitments by YEC and its Resource Plan.

Yukon Electrical is quite concerned with the cost implications to Yukon ratepayers as a result of this proceeding. It is our belief that any specific significant transmission or generation regulated project should, before being constructed, be dealt with under Part 3 of the existing Public Utilities Act. In fact this is exactly what the Board concluded in its December 7, 1992 Report to Commissioner in Executive Council regarding the Review of the Capital Plans of Yukon Energy Corporation and The Yukon Electrical Company Limited - Recommendation #2:

*"That the Companies' capital resource plan be reviewed on an ongoing basis as part of the general rate application process or as directed by the Board. The Board notes that before the Companies proceed with a specific project a full regulatory review must be undertaken, including an assessment of the prudence of the timing and costs of each project. The Yukon Public Utilities Act provides the Board with an*

*ability to assess the prudence of constructing a facility and the prudence of the actual costs when added to rate base."*

The 20 Year Resource Plan does not appear to be an application under Part 3 of the PUA. To have all intervenors participate in the current proceeding and then again at the time that YEC makes application for any specific project is a duplication of costs that will be borne by Yukon ratepayers and shareholders.

Another issue regarding YEC's 20 Year Resource Plan that is vastly different than the 1992 review completed by the Board is that in 1992 both Yukon Electrical and YEC were jointly planned, managed and operated via the mechanisms of a Management Agreement between Canadian Utilities Limited, Yukon Electrical's parent company, and YEC. Since the end of 1997, this joint planning and management is no longer the case. YEC is not the sole planning authority and as such, a review of only YEC's capital plan is flawed. Yukon ratepayers may be faced with the costs associated with any regulatory review of any generation and/or transmission capital projects of Yukon Electrical in order to serve the load requirements of its customers or of any Independent Power Producer that wishes to sell its output in the Yukon.

Yukon Electrical is also concerned with the tight timing of this proceeding. We understand that the Minister of Justice has requested a report be completed by October 31<sup>st</sup> and that this deadline has limited the scheduling flexibility of the Board. As a result, Yukon Electrical has written to the Minister requesting a delay in the timing of a report. An extension would allow the Board to adjust the summertime schedule more easily. Even absent an extension from the Minister, Yukon Electrical has difficulty with the current Board schedule and process. The current dates for the Public Workshop and Pre-Hearing Conference result in counsel for Yukon Electrical being unavailable to attend either of these events due to preexisting regulatory commitments in Ontario and Alberta. Normally, counsel would not be required to attend the Public Workshop. However, given that the agenda for the Public Workshop reads more like that of a Pre-Hearing Conference, it is desirable for Counsel to attend. Yukon Electrical would rather that the afternoon session of the Public Workshop be delayed until the Pre-Hearing Conference and that the Pre-Hearing Conference be rescheduled to the week of August 21.

Regardless of the scheduling, Yukon Electrical will attend the July 25, 2006 Workshop and will participate in the Pre-Hearing conference tentatively scheduled for August 4, 2006. It is not yet clear as to whether Yukon Electrical will fully participate in the Hearing that is tentatively scheduled for October 2, 2006. Greater clarity of the purpose of the Hearing and the consequences that

could flow from the Report to the Minister are required in order to make an informed decision in this regard.

Yours truly,

THE YUKON ELECTRICAL COMPANY LIMITED

A handwritten signature in black ink, appearing to read "D. Tenney", with a long horizontal flourish extending to the right.

for  
Doug Tenney  
General Manager