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City of Whitehorse



YUKON UTILITIES BOARD		
EXHIBIT C2-1		
DAY	ENTERED BY City of Whse	DATE July 21/06

File #: 3800-01

July 21, 2006

Ms. Deana Lemke
Yukon Utilities Board
19-1114 1st Avenue
Whitehorse, YT Y1A 1A3

Dear Ms. Lemke:

RE: Request for The City of Whitehorse to be granted Intervener Status Yukon Energy Corporation's 20-Year Resource Plan

The City of Whitehorse requests Intervener status in the above noted application.

It is not clear at this time whether the City will participate in the Hearing tentatively scheduled for October 2, 2006. However, representatives from the City will attend the Public Workshop on July 25, 2006 and the Pre-Hearing Conference on August 4, 2006.

It should be noted that the City of Whitehorse is also very concerned with the tight timelines for these proceedings. With the report scheduled for completion October 31, 2006, summer meetings and deadlines occurring during the busiest time of the year for City staff and during the time of year that our citizens are away on vacations, the City suggests that the Board request the Minister to grant a time extension to complete the report, which would allow more time to schedule meetings.

Also, in reviewing the Resource Plan as submitted by Yukon Energy Corporation, and the preliminary information requests made by the YUB staff, the City has the following concerns:

1. The changes that have been made to the secondary sales by Yukon Energy has resulted in a significant revenue increase for the Corporation but has negatively resulted in few, if any, new conversions. The cost to provide a secondary backup system appears no longer to be cost effective.
2. The 20 year Resource Plan appears to make no reference or consideration to possible alternative fuel supplies such as the use of natural gas or propane. The City has received enquiries from private utility companies on operating a propane gas distribution system. This may offer opportunities to Yukon Energy to reduce its reliance on diesel fuel, and hence the production of greenhouse gases. Further, with the Plan forecasting 40 years into the future, no reference is made to fuel supply security. With numerous forecasts of declining world oil resources, the Plan should address scenarios that incorporate variable fuel supplies and its impact on the provision of power to the Yukon.

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3. The Resource Plan does not identify the use of alternative energy sources such as wind, in order to diversify the energy production capabilities and to reduce greenhouse gas production. The City applauds YEC on their efforts so far on reducing diesel generator use, such as the construction of MD grid. However, it is our understanding that YEC has 2 wind turbines which are no longer contributing to the grid at this time, and no new turbines are being considered. It is our understanding that wind turbines cannot compete with the current surplus of hydro power, but become more cost effective when compared to the cost of using diesel generators. As fuel costs increase, taking advantage of renewable energy will become more advantageous and necessary for a sustainable community.
4. We see that the Board has questioned whether any consultation with YECL on potential expansion of their production has taken place. YECL recently announced their confirmation of their Water License application to expand the Fish Lake power system in the McIntyre Creek area, the scope of which has yet to be confirmed. Further to those discussions, the City would be interested to hear of any discussions that may have occurred between YEC and other private industry opportunities that may possibly occur.
5. In reference to the Whitehorse Diesel Replacement and Expansion Project, we see the Board has asked YEC about the impact on rates. However, the City is also concerned about the negative environmental impacts due to noise, greenhouse gases, and other air pollutants to its residents and visitors that would occur with the continued and/or expanded use of diesel generators located within the downtown core of Whitehorse. This is particularly important, as the increase in diesel generator use will service new mines and/or other industries located outside of Whitehorse, while the negative environmental impacts will be produced in Whitehorse.

Please contact us at 668-8612 should you wish to discuss more fully our status and/or the issues we have raised. Please feel free to contact me, or Wayne Tuck, P. Eng., Manager Engineering and Environmental Services. Otherwise, either Mr. Tuck and/or I will be in attendance at the upcoming meetings.

Thank you.

Yours truly,

The City of Whitehorse



Robert L. Landrick, CGA
A/City Manager

RIF/wt

c: Dennis Shewfelt, City Manager
Brian Crist, Director of Operations
Wayne Tuck, Manager Engineering and Environmental Services
Chrono File