

YUKON
ENERGYYUKON ENERGY
CORPORATION
P.O. Box 5920
WHITEHORSE
YUKON Y1A 5L6
(867) 393-5300

November 1, 2006

Ms. Wendy Shanks
Yukon Utilities Board
19-1114 First Avenue
Whitehorse, Yukon Y1A 1A3

Dear Ms. Shanks,

**RE: Yukon Energy Corporation 20-Year Resources Plan 2006-2025 UCG
Request for Further disclosure from Yukon Energy Corporation**

Yukon Energy has received UCG's October 30, 2006 letter in regards to the adequacy of Yukon Energy's responses to certain Resource Plan interrogatories (IRs). Pursuant to the Board's request, Yukon Energy has prepared the following response in an attempt to be helpful. Yukon Energy's response to each point is provided below:

UCG-YEC-2-1

The question sought a copy of the YUB's report from the 1992 Resource Plan review. YEC provided a copy of this report as well as a copy of the response of the companies (YEC and YECL) to the YUB 1992 report filed in their 1993/94 YEC/YECL General Rate Application. This response has been cited a number of times to date in other IRs and related materials on the record. In that regard, and given the lapse of time since the 1992 review, Yukon Energy views this document as providing useful information to the Board directly related to the YUB 1992 report. Yukon Energy further notes that the document is already on the public record.

The reasons YEC included this document are set out above. YEC also considered it helpful to all parties that this be included in the same IR response as the YUB 1992 report. If for some reason it is helpful to the Board, Yukon Energy would be amenable to having the 1993/94 GRA response to the Board 1992 report filed separately as its own exhibit rather than as part of the noted IR response. Yukon Energy is not aware of any other relevant information that might also be included in this regard.

UCG-YEC-2-19

The UCG question requested details of agreements or assurances that would be put in place for any new industrial customer (and gave the example of energy efficiency best practices). Yukon Energy's answer referenced its response to UCG-2-15 which sets out information on the proposed framework for serving proposed new industrial customers (focused on Minto mine) as well as indicating where in the Resource Plan material relevant policy considerations for serving new industrial customers are discussed.

UCG's October 30 letter asks for YEC to file specifics of the agreements and assurances that it is putting in place with respect to new industrial customers.

Yukon Energy has answered the question and already filed such information to the level of detail now available. To date, no finalized Purchase Power Agreement (PPA) has been signed with Minto mine or Carmacks Copper mine. The key specifics from the Letter of Intent with Minto pertaining to the structure of industrial service are included in materials filed to date, including YUB-YEC-2-21(d) and Tab 2 of the Supplemental Material. and YEC is working diligently with Minto to get a PPA in place. Yukon Energy will file any PPA agreements with the Board as soon as they are completed.

UCG-YEC-2-20

This question asks how the Resource Plan will affect non-industrial customer revenue to cost ratios "without affecting rate stabilization". The response answers fully the question asked, noting that the Resource Plan options are not expected to affect materially revenue to cost ratios. It also notes that rate stabilization, as it is now generally discussed in Yukon, is a YTG program.

UCG's October 30 letter now seeks information on how the Resource Plan will affect the stability of rates, which is a different question. However, to be helpful, Yukon Energy notes that it set out detail on the impacts of the proposed near-term projects on rates in Section 4.4.4. In respect of the stability of rates, at the current time rates in Yukon (power bills prior to the application of YTG Rate Stabilization Fund subsidies) the most significant factor affecting the stability of rates is the price of diesel fuel. All options that note an ability to reduce diesel fuel usage (such as Carmacks-Stewart and Aishihik 3rd turbine) are expected to contribute to long-term rate stability.

UCG-YEC-2-24

The UCG question asked about consultation held during preparation of the Resource Plan with stakeholders and utilities. Yukon Energy noted that consultations held during the preparation of the plan were focused on supply options and potential new loads. In this regard, Yukon Energy sets out in detail its discussions with YECL (such as UCG-YEC-2-45) and notes discussions with BC Hydro in regards to the potential to supply Atlin (no further detail is provided as this potential project is not pursued as part of the Resource Plan). It also noted it had held numerous discussions with various mining outfits

regarding potential industrial loads. Yukon Energy has separately set out considerable detail on its consultation plan in respect of the Resource Plan with other parties, such as in YUB-YEC-1-17 (note that consistent with the Resource Planning process, these general consultations occurred as part of the Resource Plan review, and not as part of the Plan preparation – as such they were not repeated as part of the answer to the specific noted UCG question).

UCG now seeks further details on these conversations.

Yukon Energy has not compiled specific records of all the discussions and meetings it held in the multi-year process of preparing the various components of the Resource Plan. It can confirm that conversations were held with, among others, the following sources of information about potential new loads: Sherwood Copper, Western Copper, Adanac, Tintina Mines Ltd., Northern Platinum, Tagish Lake Gold Corporation, Cash Minerals Ltd, Strata Gold, Expatriate Resources, developers associated with the potential Alaska Highway Pipeline, as well as the Yukon Government mining officials and the Yukon Chambers of Commerce and Mines. Detail on the relevant information arising from these discussions is provided in Chapter 5 as well as Supplemental Materials Tab 2 and 3.

YEC has not prepared detailed submission materials on these discussions. Should the Board find it useful to have further information in regards to any particular discussion or issue, YEC can work to compile such specific information on that topic.

UCG-YEC-2-26

UCG asked for YEC's Resource Plan hearing costs to date, and budgets to the end of the hearing. YEC provided its total costs incurred in relation to the regulatory process established pursuant to the Minister's June 5, 2006 letter. YEC indicated it did not have detailed forecasts for the remainder of the hearing process. YEC did provide a summary of its costs incurred for the similar stage of the 2005 YEC hearing (April and May 2005) to help give a sense of the costs this type of process might drive.

The Board has already noted in Exhibit A-16 that it plans to do a review of each party's costs at the end of the hearing. YEC expects that at that time it will provide full details on the costs incurred for the entire process.

UCG's October 30 letter also asks for an update "given the time that has passed since the original response". Yukon Energy notes that original response was filed on October 13, only 18 days ago, and reflected the information available at that time.

UCG-YEC-2-44

UCG asked for details of all contributions to YEC from YTG or YDC in 2004, 2005 or 2006. YEC responded that the only contribution related to the Resource Plan was \$450,000 for the planning of the Carmacks-Stewart transmission line.

UCG indicates in its October 30 letter that YEC incorrectly assumed the question only applied to Carmacks-Stewart.

YEC did not incorrectly read the question. The only contribution from YTG or YDC related to bulk power on YEC's system was the contribution noted. Other small contributions have occurred related to individual distribution system connections of individual customers; however these are very small and have no relevance to the bulk power system or the Resource Plan scope for the current hearing.

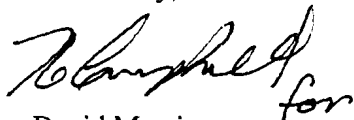
UCG-YEC-2-38

UCG notes that YEC has committed to providing an update to the Resource Plan in respect of the Marsh Lake Fall/Winter Storage project, and requests that it be provided immediately.

Yukon Energy is in fact working at this time to prepare a full update to all relevant projects and recommendations in the Resource Plan, based on all new information received to date. This includes the Marsh Lake project as well as other projects that are receiving ongoing attention and new information, such as Carmacks-Stewart. On Carmacks-Stewart in particular, Yukon Energy has already filed with the Board for information its submission to the YESAB Board setting out the route and environmental impacts associated with the project. Yukon Energy is working diligently to provide the other update information to the Board as far in advance of the hearing as possible.

We trust this submission helps UCG and the Board with respect to these noted concerns. If you have any question regarding the above topics, please feel free to call me.

Yours truly,

A handwritten signature in black ink, appearing to read "David Morrison", with a small "for" written below it.

David Morrison
President & CEO