

March 2007

PROPOSED CARMACKS-STEWART/MINTO SPUR TRANSMISSION PROJECT



What is involved in the project?

Yukon Energy is proposing to develop the Carmacks-Stewart/Minto Spur Project to connect the Whitehorse-Aishihik-Faro and the Mayo-Dawson power grids. The Project includes a new 138 kV transmission line generally along the Klondike Highway from Carmacks to Stewart Crossing, a 35 kV spur line from Minto Landing to the Minto Mine Site, new transmission substations at Carmacks, Pelly Crossing, and Minto Landing, and expansion to the existing substation at Stewart Crossing.

Regulatory Approvals and Reviews

No decisions have been made at this time to proceed with the project. Regulatory permits/approvals for land use, river crossings and other activities are required for the project. Before such permits/approvals can be issued, an environmental and socio-economic assessment is required under the Yukon Environmental and Socio-Economic Assessment Act.

After completing several rounds of consultation with various stakeholders, Yukon Energy submitted a Project Proposal to the Executive Committee of the Yukon Environmental and Socio-Economic Assessment Board (YESAB) on October 13, 2006. The Project Proposal was reviewed by YESAB, and on February 2, 2007 was determined as adequate for assessment. A public review period is scheduled for February 12 through March 14, 2007 (30 days).

A draft report from YESAB with recommendations to the Decision Bodies is currently targeted for spring 2007. Regulatory approvals are targeted for July 30, 2007 after YESAB renders its Final Report.

In addition to this process, the Yukon Utilities Board (YUB) has reviewed Yukon Energy's 20-Year Resource Plan (January 15, 2007) and generally recommended proceeding with the development of the Carmacks-Stewart/Minto Spur Transmission Project.



A 138 kV H-Frame Transmission Pole
Whitehorse-Aishihik-Faro Transmission Line

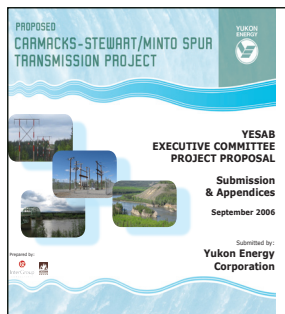
What are the benefits?

If developed as currently planned, the Project will enable the Minto Mine to access current surplus grid power rather than rely on diesel generation. This will benefit all Yukon ratepayers, Minto Mine, governments and others. The line will allow Pelly Crossing, a community relying on diesel generation, to have access to grid power. Connecting the two existing power grids will provide long-term benefits, encourage economic development along the corridor, and enhance overall system reliability and flexibility.

A Power Purchase Agreement (PPA) was signed with Minto Explorations Ltd. on February 8, 2007. Yukon Energy has submitted an application to the YUB to approve this PPA, which is currently on-going.

Project Proposal to YESAB Executive Committee

Yukon Energy has submitted the Carmacks-Stewart/Minto Spur Transmission Project Proposal to the Executive Committee of YESAB. The document is organized in the following way:



Chapter 1:	Project Introduction and Overview
Chapter 2:	Project Location
Chapter 3:	Assessment Approach
Chapter 4:	First Nation and Community Consultation
Chapter 5:	Project Description
Chapter 6:	Description of Existing Environmental and Socio-Economic Conditions
Chapter 7:	Evaluation of Alternative Routes
Chapter 8:	Environmental and Socio-Economic Effects Assessment
Chapter 9:	Acknowledgement and Certification
Chapter 10:	Appendices
Addendum:	January 2007 Response to YESAB for Supplementary Information Requests

Selecting a Preferred Route

The route presented in the Executive Committee Project Proposal was carefully selected to avoid potentially significant adverse environmental and socio-economic effects. The route selection process relied heavily upon public consultation along with professional judgement to identify and evaluate potential route options before selecting a preferred route.

This process began by researching the current environment to understand the physical, terrestrial, aquatic and socio-economic environments in the Project region. Preliminary meetings were held with government departments and the Northern Tutchone First Nations to identify initial opportunities and constraints and create a series of route alternatives.

These route alternatives were presented in the May 2006 newsletter through the use of maps and descriptive text. These route alternatives formed the basis for additional consultation activities with Little Salmon/Carmacks First Nation, Selkirk First Nation, First Nation of Nacho Nyak Dun, other Project area residents, Renewable Resource Council members, government departments and other publics to understand key issues and perspectives on the route options. This led to further route refinement (in an iterative process) and the determination of a preferred route.

The route selection process provided measures for avoidance, minimization and mitigation of potential adverse effects. The technical feasibility of options and overall cost of alternatives were also taken into consideration.

Public Influence on Route Selection

Many route refinements and alignments were made to address public perspectives and concerns.

- Buffer – wildlife related concerns expressed by various parties resulted in an 'at least' 30 metre buffer between the highway ROW and transmission line ROW, wherever feasible.
- Trapping – route design was refined to avoid traplines and associated camps/cabins wherever possible. Additional discussion with trappers on access management and mitigation is ongoing.
- Aesthetics – concerns raised about potential visual effects the transmission line may have on valued viewsapes were considered, and where feasible, routing was designed to minimize the effect on valued viewsapes.
- Future Development Plans – suggestions were made to routing that provided the opportunity to optimize development in the future, by taking steps today.

Project Stages

The Project will be developed in stages. Stage One includes development of the transmission line from Carmacks to Pelly Crossing and the Minto Spur transmission line, along with the Carmacks, Minto Landing and Pelly Substations. Stage Two includes the transmission line from Pelly Crossing to Stewart Crossing, and the expansion of the Stewart Crossing substation.

The 138 kV line from Carmacks to Stewart Crossing will require a 60 metre right of way, with a cleared area of 30 to 40 metres. The 35 kV Minto Spur line will require a 30 metre right of way, with a cleared area of 15 – 20 metres. Trees and vegetation will initially need to be cleared before construction can start. Occasional brushing will occur every 5 – 10 years to ensure the safety and reliability of the line.

The Northern Tutchone First Nations will have the opportunity to provide, on a sole source basis, all route clearing and brushing activities related to the project. Clearing will typically be done by mechanical methods, although hand clearing will be used in areas with sensitive terrain, such as near rivers and wetlands.



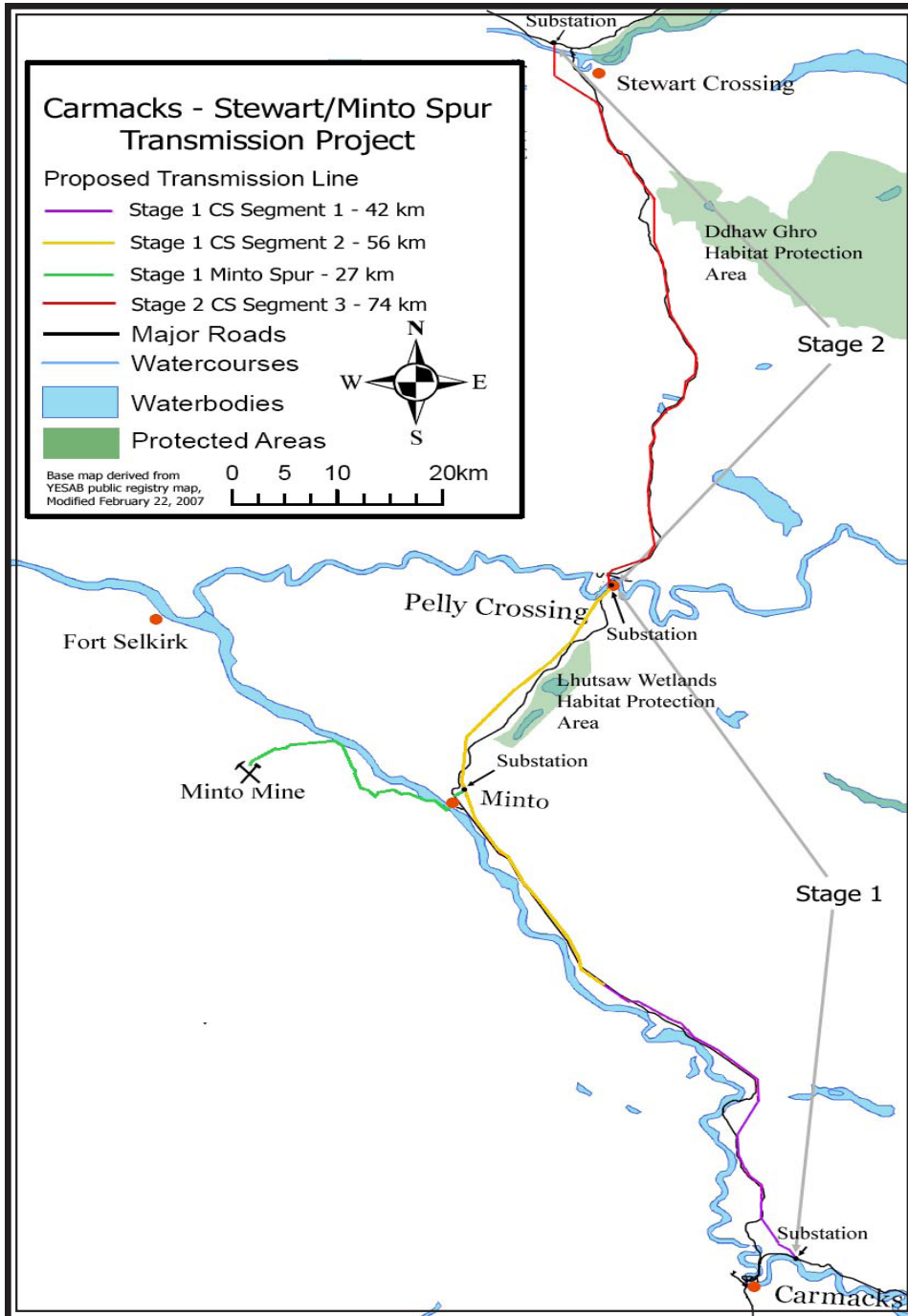
Distribution line from the Stewart Crossing substation to the community

Key Route Features

Detailed maps of the entire Project route are available in the proposal submitted to YESAB. The proposal also describes in detail the considerations made in evaluating route alternatives.

Some of the key features of the preferred route are as follows:

- Generally follows the Klondike Highway and Minto Mine access road
- 30 metre vegetative buffer is provided between the highway and the transmission line right of way where feasible
- New substations at Carmacks, Minto Landing and Pelly Crossing. Expansion to the substation at Stewart Crossing
- Routed to avoid viewsapes at locations such as Five Finger Rapids and Yukon Crossing
- Spans rivers and creeks such as Tatchun and McGregor Creeks to ensure no harmful effects to fish or fish habitat
- Avoids protected areas
- Avoids areas of critical habitat for moose and caribou
- Avoids areas with potential heritage resources



Important Project Dates	
2005	Initial information provided to First Nations and other publics
2006	
Spring	MOU signed with the Northern Tutchone First Nations. Beginning of consultation activities
Summer	Consultations with First Nations, government and other publics
Fall	Submission of Project Proposal to YESAB for screening assessment
2007	
January	Yukon Utilities Board reviews Yukon Energy's 20-Year Resource Plan and recommends proceeding with the Project
February	YESAB's Executive Committee completes pre-screening process. Assessment begins
	A Request for Proposals is sent to a short-list of engineering firms to develop the project
	A Power Purchase Agreement (PPA) is completed with Minto Explorations Ltd.
	Yukon Energy files an application with the Yukon Utilities Board to approve the PPA
	YESAB's public review process begins
March - May	Completion of Project Agreement with the Northern Tutchone First Nations
	Awarding of preliminary design engineering contract
	Land use permit application process begins
	Approval from the Yukon Utilities Board on the Yukon Energy's PPA with Minto Explorations Ltd.
	Targeted date for draft screening report from YESAB
	Long-lead equipment will be tendered
June - July	Targeted date for final report from YESAB with recommendations to Decision Bodies
	All regulatory approvals and land use permits in place
Fall - Winter	First stage of construction activities from Carmacks to Pelly Crossing and the Minto Spur to commence
2008	
Fall	Targeted date for Stage One of the project to be in operation
After 2008	
	Construction of second stage from Pelly Crossing to Stewart Crossing

Where to find more information

A copy of the Project Proposal is available through the YESAB online registry (www.yesab.ca/registry), the Yukon Energy website (www.yukonenergy.ca), at public libraries in Whitehorse, Carmacks, Pelly Crossing, and Mayo, and at the YESAB offices in Mayo and Whitehorse.

Comments? Questions?

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Further Consultation

Yukon Energy and the Northern Tutchone First Nations are currently working towards the development of a Project Final Agreement targeted to be concluded in the Spring of 2007. This agreement will include provisions for NTFN participation in construction and maintenance of the transmission project, providing employment opportunities for local people. Yukon Energy will also be discussing trapper compensation with each trapper affected by the proposed transmission line.