

REASONS FOR DECISION
WATER USE APPLICATION HY05-015
AMENDMENT #1 TO WATER USE LICENCE HY99-011

The Yukon Water Board has approved Amendment #1 to water use licence HY99-011, which is a type A water use licence for Power Undertaking issued to Yukon Energy Corporation.

Section 35 of Licence HY99-011 required Yukon Energy to modify certain earth fill structures to prevent overtopping during a Probable Maximum Flood event. In Application HY05-015, Yukon Energy proposed to change that requirement so that the structures would be modified to pass an Inflow Design Flood.

Clause 35:

No later than December 31, 2003, the Licensee shall submit to the Board detailed design construction drawings and specifications for modifications to the earth-fill structures adjacent to the Aishihik Lake Control Structure to prevent overtopping during a Probable Maximum Flood event. The modifications shall be completed by December 31, 2004.

Amendment Proposed by Yukon Energy Corporation:

No later than June 30, 2006, the Licensee shall submit to the Board detailed design construction drawings and specifications for modifications to the earth-fill structures adjacent to the Aishihik Lake Control Structure to pass an Inflow Design Flood. The modifications shall be completed by December 31, 2007.

If approved, the amendment would not result in an alteration to the use, flow or quality of waters, or to the expiry date of the licence. Notice of application was therefore provided in accordance with the requirements of the *Waters Act*. In response, the Board received one intervention, from Government of Yukon. The Board did not receive any request for a public hearing.

In their intervention, Government of Yukon recommended that the licence should include a requirement for all works to be conducted in accordance with the Canadian Dam Safety Guidelines. The Board determined that inclusion of this requirement would obligate the Licensee to work in strict accordance with those guidelines. However, as stated in section 1.1, the guidelines are not intended to be specifications : "These guidelines are not intended as specifications for dam design, construction, safety evaluation or rehabilitation..."

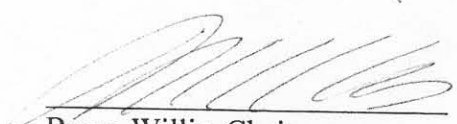
The Board also determined that the requirements of section 45 of the licence, where Yukon Energy are required to carry out dam safety reviews in accordance to the guidelines, and to submit a report on their response to that review, provides an appropriate level of obligation and accountability on the part of Yukon Energy to operate and modify the facilities in a way that reflects the guidelines.

Yukon Energy Corporation HY05-015
Amend #1 to HY99-011

In their intervention, Government of Yukon also noted that standard licence requirements would provide mitigation to address fuel handling, storage and spills as well as sedimentation and confirmation of final works through the submission of as built designs. All of these requirements already exist in licence HY99-011.

The Government of Yukon also issued a Decision Document for this project, pursuant to the *Yukon Environmental and Socioeconomic Assessment Act*. There is no conflict between Amendment #1 and the Decision Document.

The Yukon Water Board agreed to issue Amendment #1 to Water Use Licence HY99-011, as proposed by Yukon Energy Corporation. The Board's decision was subsequently approved by the Minister, Executive Council Office, and the amendment took effect on June 19, 2006.


Bruce Willis, Chairperson

July 19, 2006