

**REASONS FOR DECISION
WATER USE LICENCE HY99-012
YUKON ENERGY CORPORATION**

The Yukon Territory Water Board ("the Board") has concluded deliberations pertaining to application HY99-012, an application for renewal of licence Y2L5-0306, which is a Type A licence for Class II power undertaking. The Licensee is Yukon Energy Corporation ("YEC"),

Notice of public hearing was provided in accordance with the requirements of the Yukon Waters Act ("the Act"). The Board received interventions from

Indian and Northern Affairs Canada ("DIAND")
The Yukon Salmon Committee ("YSC"), and
the Utilities Consumers' Group ("UCG").

No party requested a public hearing and, in accordance with the provisions of the Act, the hearing was cancelled. The Licensee submitted a written response to the interventions.

As the Responsible Authority for Type A water use licences, DIAND reviewed the application and determined that there was no requirement for an assessment under the Canadian Environmental Assessment Act.

In making the licencing decisions pertaining to the application, the Board took into account the information contained in the application, the interventions, and the existing water use licence.

These reasons address only those areas where the renewal differs from the application and/or the recommendations of the interveners, or where the Board has determined that further elaboration would be helpful.

Reports

YEC requested changes to the reporting dates for monthly and annual data. The reporting periods specified in the licence are calendar quarters, with reports due 30 days after the end of each quarter. Annual reports cover the period from April 1 to March 31 and are due 60 days after the end of the period.

UCG made recommendations regarding the licensee's reporting to the Board. UCG was concerned that quarterly reports are insufficient and that reporting should be monthly. The Board concluded that collecting data daily and reporting it quarterly is sufficient, and that monthly reporting would be overly complicated and unduly onerous. The UCG also recommended that the annual reporting period be changed to the calendar year in order to match the reporting period of the water Survey of Canada. The Board concluded that the reporting period of April 1 to

March 31 was requested by the applicant to allow it to manage the timing of its reporting submissions with other requirements, and should remain as April 1 to March 31. The Board also noted that monthly data is available from both sources and can be matched on a calendar year basis, if required.

Dam Safety Inspections

A requirement to carry out an annual dam safety monitoring inspection and a five-year comprehensive dam safety review is included in the licence. The terms of the requirement are consistent with the recommendations of the *Canadian Dam Safety Guidelines* and with the dam safety monitoring program already established by YEC. YEC is required to submit the results of the annual and five-year inspections to the Board and to implement any recommendations arising from the inspections. The timing of the submissions has been set to reflect YEC's practice of carrying out the inspections in the late summer and fall. In its intervention, DIAND Water Resources recommended that the inspections be carried out by independent professional engineers. In the case of the five-year inspection, the Board agreed; however, in the case of the annual inspections, it concluded that it was appropriate for YEC to use its own qualified professional engineers.

Lake Elevations

The licence specifies maximum and minimum water elevations on Mayo Lake and Wareham Lake. The term "controlled" has been attached to these elevations to reflect the fact that natural events beyond the control of the licensee could cause them to be exceeded.

Repairs and Upgrading

In its application, YEC indicated that it is currently undertaking several repairs identified in recent inspections. These include reconstructing rip rap on the face of the Wareham Dam and on the left abutment of the Mayo Dam, and replacing a flow monitoring weir at the toe of the Wareham Dam. In its intervention, DIAND recommended that a requirement for these works to be completed be specified in the licence. The Board concluded that these items constitute maintenance items and, as such, will not be included in the licence. The Board is confident that YEC will complete the repairs, as well as other repairs which are recommended by future inspections, in a proper and timely manner.

Similarly, YEC indicated in its application that it is undertaking several items of upgrading that have been identified in the inspections. These include the development of an emergency


preparedness plan, preparation of an operations and maintenance/surveillance manual, an evaluation of the bubbler system at the Wareham spillway, and the installation of insulation on the second spillway gate at the Wareham Dam. In its intervention, DIAND Water Resources recommended that completion of these items be specified in the licence. The Board concluded that as these items are already underway, and since they have been undertaken by the initiative of YEC, and since YEC has clearly indicated its intention to complete the items, there is no need to individually specify them in the licence. The licence contains a general requirement for YEC to implement any recommendations arising from annual or 5-year inspections. The Board is confident that YEC will complete the work currently underway according to the timelines specified in the application.

Fish Compensation Plan

The Yukon Salmon Committee requested that a fisheries compensation plan be developed to replace fish habitat destroyed during the construction of the project in 1951. The Board concluded that such a plan would be a Fisheries and Oceans Canada issue, and noted that Fisheries and Oceans did not intervene in the application.

A number of housekeeping revisions were made to the terminology contained in the previous licence to reflect the Board's current approach to the structure and language of its licences.

YUKON TERRITORY WATER BOARD



Vice-Chairperson

May 17, 2000

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