

IN THE MATTER OF the *Public Utilities Act*

and

**An Application by Yukon Energy Corporation
for Approval of Revenue Requirements for 2012 and 2013**

BEFORE: B. McLennan, Chair) August 22, 2012
 R. Laking)
 A. Fortin)
 N. Prasad)

BOARD ORDER 2012-08

WHEREAS:

- A. On April 27, 2012, Yukon Energy Corporation (YEC or Company) filed with the Yukon Utilities Board (Board), pursuant to the *Public Utilities Act* (Act), and Order-In-Council 2012/68, an Application requesting an order approving a forecast revenue requirement for the 2012 and 2013 test years, an interim refundable rate rider effective July 1, 2012, and implementation of overall rate adjustments through implementation of Rider J and Rider R (General Rate Application).
- B. On May 4, 2012, the Board issued Board Order 2012-03 providing notice of the General Rate Application, and set a process schedule for the Application.
- C. On May 22, 2012, the Board issued Board Order 2012-04 which granted Intervenor status to:
 - Yukon Electrical Company Limited (YECL);
 - John Maissan (Leading Edge);
 - Utilities Consumers' Group (UCG);
 - Yukon Conservation Society (YCS); and
 - The City of Whitehorse.
- D. In a June 7, 2012 Order, Board Order 2012-05, interim rate adjustments of 6.3% for retail customers and 2.9% for industrial customers were approved on a refundable basis. These interim rate adjustments were approved through implementation of Rider J effective July 1, 2012.

- E. Board Order 2012-06, issued on June 28, 2012, revised the process schedule for the General Rate Application. The dates for the oral public hearing were amended to November 12 to 14, 2012 inclusive. The Board also set dates for written final argument and reply argument of November 28, 2012 and December 12, 2012, respectively. The remaining dates in the process schedule from Board Order 2012-03 were unchanged.
- F. Information Requests (IRs) were submitted to YEC by the Board, Yukon Electrical Company Limited (YECL), the City of Whitehorse (CW), the Utilities Consumers' Group (UCG), Leading Edge Projects Inc. (LE) and the Yukon Conservation Society (YCS).
- G. On July 3, 2013, the Board received a letter from YEC requesting an extension for the time to answer IRs. YEC asked that the dates for intervenor evidence, IRs to intervenors, information responses from intervenors and YEC rebuttal evidence be adjusted accordingly.
- H. In Board Order 2012-07, issued July 13, 2012, the Board granted YEC an extension for additional time to answer IRs and set out a revised the process schedule. In Board Order 2012-07, the Board also directed Parties that:

... when providing a response to an IR which refers to the answer in another IR, to identify the cross-referenced IR and to include a copy of the response to the cross-referenced IR.
- I. YEC filed IR Responses on July 27, 2012, and consolidated IR Responses on August 1, 2012.
- J. On August 1, 2012, UCG submitted a motion requesting that the Board issue an order requiring YEC to provide adequate responses to certain IRs submitted by UCG and identified in the motion. UCG identified 42 IR Responses that it argued were deficient. In support of its motion, UCG stated on IRs relating to previous years' numbers that it is necessary to have the numbers for previous years on the record as they were not tested in the last General Rate Application.
- K. By way of a memorandum dated August 3, 2012, the Board invited comments from YEC on UCG's motion. Comments were due on August 10, 2012 and reply comments from UCG were due on August 14, 2012.
- L. In an August 10, 2012 letter, YEC responded to the UCG motion. YEC noted that the General Rate Application provides actuals for 2009, actuals for 2010, and full year forecast information for 2011. Years prior to 2009 were tested and reviewed in the 2008-09 General Rate Application and in the 2005

Required Revenues and Related Matters Application. YEC submitted that many of the IRs in UCG's motion address issues that are outside of the scope of this General Rate Application, they relate to the prior 2008-09 General Rate Application, or they are unreasonably extensive. Some of the information requested would require YECL customer data or a full cost-of-service study. YEC provided further comments on the need for further IR Responses by individual IR or by subject matter.

- M. UCG replied to the YEC on August 14, 2012. The UCG stated that its position on the information requested has not changed, except for UCG-YEC-1-60(a). UCG submitted that much of the requested information appears to be readily available and the lack of cost-of-service information lessens the ability of the Board and interested parties to test YEC's proposals. Whether the requested information is available on prior proceedings is irrelevant to establishing trends in the current application. UCG argued for the need for at least five years of historical data for trending analysis, which is not restricted to load forecasts and capital additions. UCG provided additional comments on individual IRs.
- N. By way of a memorandum dated August 15, 2012, the Board suspended the proceeding schedule outlined in Board Order 2012-07 pending a ruling on the UCG motion.
- O. The Board has considered the UCG motion, the response from YEC and the UCG reply in making its determinations on the need for further IR Responses in this proceeding.

NOW THEREFORE the Board orders as follows:

1. YEC shall provide further and better IR Responses in accordance with the Reasons attached in Appendix A to this Order by September 13, 2012.
2. The Board is concerned with the quantity of issues regarding this application and the ability to adequately clarify and test these issues in the time allotted for the oral public hearing. Therefore, in order to facilitate a thorough and expeditious oral public hearing, the Board has allowed for a second round of IRs as the Board has further IRs for YEC. Subject to the findings and directions in this Board Order, Parties may also submit a second round of IRs to clarify YEC's July 27, 2012 and August 1, 2012 IR Responses or on any arising issues that relate to the application from the IR Responses provided. The Board therefore amends the remaining process schedule for the YEC 2012-2013 GRA as follows:

Action	Date (2012)
Information Requests (Round 2) to YEC	August 31
Information Responses from YEC	September 13
Intervenor Evidence	September 27
Information Requests to Intervenors	October 11
Information Responses from Intervenors	October 25
YEC Rebuttal Evidence (if necessary)	November 1
Hearing	November 12-14 inclusive
Final Argument	November 28
Reply Argument	December 12

3. The Board notes that YEC did not comply with the second direction given in Board Order 2012-07:

... that responses to IRs should be cross-referenced wherever there are references to another IR or there is duplication in a response to more than one IR. The Board directs all Parties, when providing a response to an IR which refers to the answer in another IR, to identify the cross-referenced IR and to include a copy of the response to the cross-referenced IR.

For instance, the Board notes the response to YUB-YEC-1-2(a) where there is a reference to CW-YEC-1-1(a). A copy of the response to CW-YEC-1-1(a) is not included in the response to YUB-YEC-1-2(a). Similar examples include references contained in YUB-YEC-5(a & b), CW-YEC-1-6(a), LE-YEC-1-3(a), UCG-YEC-1-3(c), YCS-YEC-1-3, and YECL-YEC-1-8(a). The Board does not consider this an exhaustive list, and it expects YEC to provide cross-references wherever it is appropriate to do so given its IR Responses in this proceeding.

The Board requests that the YEC comply with its second direction in its September 13, 2012 IR response filing.

DATED at the City of Whitehorse, in the Yukon Territory, this 22nd day of August 2012.

BY ORDER



Bruce McLennan
Chair

**IN THE MATTER OF the *Public Utilities Act*
Revised Statutes of Yukon, 2002, c. 186, as amended**

and

**General Rate Application for 2012 and 2013 by
Yukon Energy Corporation**

Reasons for Decision

The Board has considered the requests of UCG for further and better IR Responses. The Board reviewed the record in relation to the IRs in question and the responses provided to date by YEC, and the submissions of UCG and YEC relating to the IRs. The Board has considered the nature of the current proceeding, the materiality and potential impacts to parties of further information responses being provided or not provided, and the Board's *Rules of Practice* in considering UCG's motion. In general, as this General Rate Application is to test the prudence of the requested revenue requirements for YEC for the years 2012 and 2013, questions directed at the rate class level for costs are outside the scope of the application and they are more appropriately addressed in a Phase II proceeding.

In arriving at this determination the Board balanced the level of detail requested in some of the IRs, whether or not the IRs were relevant to the proceeding, and whether or not the information responses could be provided in a timely manner. The Board views that data provided by YEC from 2009 forward is generally sufficient to test the application. However, the Board has specified below where further IR Responses are required from YEC.

The Board wishes to remind Parties that information relating to prior proceedings and decisions are part of the public record. If any Party wishes for specific information from a prior proceeding to be used as an aid to cross-examination or to be used in the course of the hearing, the Party may request that individual documents be marked and entered into the record either prior to the commencement of the oral hearing or at the oral hearing prior to the appearance of witnesses.

1.0 UCG Motion

UCG-YEC-1-3(b): The Board finds that YEC has provided its response to UCG's question posed in the information request and no further IR response is required. Any further clarification of YEC's response, if required, can be addressed in the oral hearing.

UCG-YEC-1-5(c): The Board notes that UCG is testing the assertion that "Yukon Energy's first requested increase in firm retail rates since 1998/99 rate review after closure of Faro

mine” made by YEC in slide No. 6 of the May 30, 2012 Summary and Overview Presentation. In the Board’s view it is fair to test that assertion and directs YEC to fully respond to this IR.

UCG-YEC-1-7: UCG is testing the YEC statement that “Yukon non-government residential rates remain the lowest of utilities North of 60.” The Board views that Appendix 4.2 of the application provides sufficient information to support YEC’s statement. No further IR response is required.

UCG-YEC-1-11: In the Board’s view, YEC has provided its assumptions in the response to YUB-YEC-1-2(a). No further IR response is required.

UCG-YEC-1-17(c): The Board is of the view that this IR has been adequately responded to by YEC.

UCG-YEC-1-18(d): The Board is of the view that this IR was not adequately responded to and directs YEC to respond by providing requested information for the years 2009 forward.

UCG-YEC-1-19(b): The Board is of the view that this IR has been adequately responded to by YEC.

UCG-YEC-1-20(a): The Board is of the view that this IR has been adequately responded to by YEC.

UCG-YEC-1-21(a, b & d): The Board is of the view that this IR has been adequately responded to by YEC.

UCG-YEC-1-22(a, b & c): The Board is of the view that this IR has been adequately responded to by YEC.

UCG-YEC-1-23(b & c): The Board is of the view that this IR has been adequately responded to by YEC.

UCG-YEC-1-24(a): The Board is of the view that this IR has been adequately responded to by YEC.

UCG-YEC-1-25(b & c): The Board is of the view that this IR has been adequately responded to by YEC.

UCG-YEC-1-26(a, b & c): The Board is of the view that this IR has been adequately responded to by YEC.

UCG-YEC-1-27(a): The Board is of the view that this IR has been adequately responded to by YEC.

UCG-YEC-1-28(a): The Board is of the view that this IR has been adequately responded to by YEC.

UCG-YEC-1-29(a): The Board is of the view that this IR has been adequately responded to by YEC.

UCG-YEC-1-30(a): The Board is of the view that this IR has been adequately responded to by YEC.

UCG-YEC-1-31(a): The Board is of the view that this IR has been adequately responded to by YEC.

UCG-YEC-1-32(a): The Board is of the view that this IR has been adequately responded to by YEC.

UCG-YEC-1-33(a): The Board is of the view that this IR has been adequately responded to by YEC.

UCG-YEC-1-34(a): The Board is of the view that this IR has been adequately responded to by YEC.

UCG-YEC-1-35(a & c): The Board is of the view that this IR has been adequately responded to by YEC.

UCG-YEC-1-41(a): The Board is of the view that this IR has been adequately responded to by YEC.

UCG-YEC-1-43(b): The Board is of the view that this IR has been adequately responded to by YEC.

UCG-YEC-1-45(d): The Board is of the view that this IR has been adequately responded to by YEC.

UCG-YEC-1-48(b): The Board is of the view that this IR has been adequately responded to by YEC.

UCG-YEC-1-49(b): The Board is of the view that this IR has been adequately responded to by YEC.

UCG-YEC-1-50(d): The Board is of the view that this IR has been adequately responded to by YEC.

UCG-YEC-1-59(a & c): The Board is of the view that YEC responded adequately to the (a) part of this IR. The Board does not agree that the (c) part of the question has been adequately responded to and directs YEC to fully respond to the (c) part of the question regarding capital projects and expenditures for the years 2009 and forward.

UCG-YEC-1-60(a): The Board is of the view that the issues with this IR have been subsequently addressed. As acknowledged by YEC and UCG, the referenced attachment to UCG-YEC-1-60(a) is already available on the record of this proceeding.

UCG-YEC-1-61(c): The Board is of the view that this IR has been adequately responded to by YEC.

UCG-YEC-1-62(c): The Board is of the view that this IR has been adequately responded to by YEC.

UCG-YEC-1-63(c): The Board is of the view that this IR has been adequately responded to by YEC.

UCG-YEC-1-64(c): The Board is of the view that this IR has been adequately responded to by YEC.

UCG-YEC-1-66(b): The Board does not agree that the (b) part of the question has been adequately responded to UCG regarding cost data for projects and directs YEC to fully respond to the (b) part of the question.

UCG-YEC-1-67(a): The Board is of the view that this IR has been adequately responded to by YEC.

UCG-YEC-1-68(a): The Board is of the view that this IR has been adequately responded to by YEC.