

Appendix A to Board Order 2017-09

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

And

General Rate Application for 2017 through 2018 by Yukon Energy Corporation

Reasons for Decision

The Board has considered the respective motions for further and better information request (IR) responses from Utilities Consumers Group (UCG) and John Maissan (JM), the submissions of YEC on the motions and the replies of UCG and Mr. Maissan to the YEC submissions in light of the record and the responses provided to date by YEC, and the Board's Rules of Practice. In making its ruling on the motions, the Board also has taken into account the nature of the current proceeding, which is to test the requested revenue requirements for YEC for the years 2017 and 2018, whether the information requested is relevant to the testing of the reasonableness of the requested revenue requirement or the prudence of costs incurred. Further, the Board considered the level of detail requested in the IRs and whether that level of detail was necessary to clarify the Application, simplify the issues, or to permit a full and satisfactory understanding of the matters to be considered in relation to the Application. The Board further took into account that interveners may ask YEC specific questions in cross-examination on the documentary evidence on the record.

Regarding UCG-YEC-1-25, the Board notes that, in its reply, UCG stated that "YEC confirmed that there has been no material firm load growth on the grid since 2013, and so no capital projects have been specifically identified as being implemented to meet system load growth."¹ UCG added that the issue could be addressed further during cross-examination at the hearing or in argument. As a result, the Board need not rule on this question in the motion.

The Board also notes that Mr. Maissan, in his reply, acknowledged that the YEC response to the motion provided the information requested in JM-YEC-1-5(e) and additional information in relation to JM-1-31-(e). As such, he was no longer asking for any further information in relation to these questions. Therefore, the Board need not rule on these questions. In addition, Mr. Maissan stated that the information requested in JM-YEC-1-6 (c), JM-YEC-1-10 (b), (v) and (vi), JM-YEC-1-12 (b), and JM-YEC-1-24 (b) could be sought by way of cross-examination. As a result, the Board need not rule on these questions.

¹ UCG reply, October 13, 2017, PDF page 5.

With respect to the UCG motion, the Board rules as follows:

UCG-YEC-1-4(a): The Board has reviewed YEC's IR response to this question which referred to its responses to JM-1-23(a), YUB-YEC 1-5(a) and UCG-YEC-1-23 (a-e). The Board considers that YEC has provided a detailed response to UCG; however, the Board notes that YEC did not provide the underlying calculations which form the basis for tables 1 and 2 in IR response YUB-YEC1-5 and Table 1 of IR response JM-YEC-1-23. Accordingly, the Board directs YEC to provide the underlying calculations for tables 1 and 2 in IR response YUB-YEC1-5 and for the information in IR response JM-YEC-1-23 in an Excel worksheet, with formulas intact, because these calculations are relevant and would be of assistance to the interveners and the Board.

UCG-YEC-1-5: The Board notes that YEC has provided in its IR response to this question tables indicating the 2012 and 2013 revenue requirements approved by the Board, the 2012, 2013, 2014, 2015 and 2016 actuals and the annual percentage change. However, the tables were not provided in an EXCEL workbook showing the underlying calculations. Accordingly, the Board directs YEC to provide tables 3.1 to 3.15 in an EXCEL workbook, with formulas intact.

UCG-YEC-1-13(e): The Board notes that YEC, in this IR response, stated "[t]he assessment of legal counsel and management is that the expected settlement exceeds the costs to defend the case. This assessment cannot be determined until the legal proceeding has been completed, therefore, YEC is not applying for any of these costs to be recovered at this time."² YEC further stated in its response to the motion that the legal matter in question "is still ongoing and is not being included in the applied for revenue requirement or rates at this time."³ Accordingly, the Board considers that the information sought is not relevant to the Application and no further response is required at this time. Further, the Board need not comment on whether the invoices of legal fees are subject to legal privilege as these costs are not included in the Application.

UCG-YEC-1-14: The Board considers that YEC has provided an adequate response to this IR and no further response is required for the following reasons. The project costs are set out in the Application; an analysis of those costs is contained in YUB-YEC-1-62, and JM-YEC-1-24. The Board notes that the burden of proof is on the applicant to support the applied-for project costs. Further, the Board is of the view that the level of detail sought by UCG does not seem to clarify the project information in the Application, simplify the issues, or assist in gaining a fuller understanding of the project costs.

UCG-YEC-1-15: The Board considers that YEC has provided an adequate response to this IR and no further response is required for the following reasons. Project costs are set out in Section 5.2.1.3 of the Application and YEC referred to its response to Yukon Utilities Board-YEC-1-63 and CW-YEC-1-36, in which there is further information in relation to the project. The Board notes that the burden of proof is on the applicant to support the applied-for project costs. Further, the Board is of the view that the level of detail sought by UCG does not seem to clarify the project information in the Application, simplify the issues, or assist in gaining a fuller understanding of the project costs.

² UCG-AEY-1-13 (f).

³ YEC response to motions, October 10, 2017, PDF page 5.

UCG-YEC-1-16: The Board considers that YEC has provided an adequate response to this IR and no further response is required for the following reasons. Section 5.2.1.4 of the Application sets out information on the project and YEC referred to its response to YUB-YEC-1-67, CW-YEC-1-37 and YCS –YEC-1-7, in which there is further information on the project. The Board notes that the burden of proof is on the applicant to support the applied-for project costs. Further, the Board is of the view that the level of detail sought by UCG does not seem to clarify the project information in the Application, simplify the issues, or assist in gaining a fuller understanding of the project costs.

UCG-YEC-1-17: The Board considers that YEC has provided an adequate response to this IR and no further response is required for the following reasons. The project costs are set out in Section 5.2.1.5 of the Application; an analysis of those costs is contained in YUB-YEC-1-68. The Board notes that the burden of proof is on the applicant to support the applied-for project costs. Further, the Board is of the view that the level of detail sought by UCG does not seem to clarify the project information in the Application, simplify the issues, or assist in gaining a fuller understanding of the project costs.

UCG-YEC-1-18: The Board considers that YEC has provided an adequate response to this IR and no further response is required for the following reasons. Section 5.2.1.6 of the Application sets out information on the project and YEC referred to its response to YUB-YEC-1-69, in which there is further information on the project. The Board notes that the burden of proof is on the applicant to support the applied-for project costs. Further, the Board is of the view that the level of detail sought by UCG does not seem to clarify the project information in the Application, simplify the issues, or assist in gaining a fuller understanding of the project costs.

UCG-YEC-1-19: The Board considers that YEC has provided an adequate response to this IR and no further response is required for the following reasons. The, elements, justification and costs of the project are set out in the Application and YEC referred to its response to CW-YEC-1-39, in which there is further information. The Board notes that the burden of proof is on the applicant to support the applied-for project costs. Further, the Board is of the view that the level of detail sought by UCG does not seem to clarify the project information in the Application, simplify the issues, or assist in gaining a fuller understanding of the project costs.

UCG-YEC-1-20: The Board considers that YEC has provided an adequate response to this IR and no further response is required for the following reasons. The elements, justification and costs of the project are set out in Section 5.2.1.8 of the Application. An assessment of certain line components of key backbone lines on the integrated system was performed by Powertech Labs Inc. and provided as CW-YEC-1-40 Attachment 1. The Board notes that the burden of proof is on the applicant to support the applied-for project costs. Further, the Board is of the view that the level of detail sought by UCG does not seem to clarify the project information in the Application, simplify the issues, or assist in gaining a fuller understanding of the project costs.

UCG-YEC-1-21: The Board considers that YEC has provided an adequate response to this IR and no further response is required for the following reasons. The project was completed in 2015 and project cost information for 2014 and 2015 is provided in this IR response. YEC provided an external assessment done by Internal Quest Engineering

as UCG-YEC-1-21 Attachment 1. The Board notes that the burden of proof is on the applicant to support the applied-for project costs. Further, the Board is of the view that the level of detail sought by UCG does not seem to clarify the project information in the Application, simplify the issues, or assist in gaining a fuller understanding of the project costs.

UCG-YEC-1-22: The Board considers that YEC has provided an adequate response to this IR and no further response is required for the following reasons. Actual project cost information is provided in this IR response. The Board notes that the burden of proof is on the applicant to support the applied-for project costs. Further, the Board is of the view that the level of detail sought by UCG does not seem to clarify the project information in the Application, simplify the issues, or assist in gaining a fuller understanding of the project costs.

UCG-YEC-1-23: The Board notes that the LNG Plant project was reviewed and approved under Part 3 of the *Public Utilities Act*. The Board has reviewed YEC's responses to this IR. Forecast and actual costs have been provided with variance explanations. Moreover, YEC provided further information in JM-YEC-1-27. The Board further notes YEC responses that "YEC's annual fuel costs are based on LTA hydro and thermal generation for actual grid loads, and therefore are not affected by varying water level/availability scenarios for specific years." Accordingly, the Board considers that YEC has provided an adequate response to this IR and no further response is required.

UCG-YEC-1-24: The Board considers that YEC has provided an adequate response to this IR and no further response is required for the following reasons. The project costs are set out in Section 5.2.1.11 of the Application; an analysis of those costs is contained in YUB-YEC-1-71. Further information was provided in CW-YEC-1-41 and JM-1-28. The Board notes that the burden of proof is on the applicant to support the applied-for project costs. Further, the Board is of the view that the level of detail sought by UCG does not seem to clarify the project information in the Application, simplify the issues, or assist in gaining a fuller understanding of the project costs.

UCG-YEC-1-34: The Board considers that YEC has provided an adequate response to this IR and no further response is required for the following reasons. YEC's response to this IR contains the costs incurred for the project and refers to Board Order 2013-01 and specific IR responses in the 2012-13 GRA. Further, the Board is of the view that the level of detail sought by UCG does not seem to clarify the project information in the Application, simplify the issues, or assist in gaining a fuller understanding of the project costs.

UCG-YEC-1-35: The Board considers that YEC has provided an adequate response to this IR and no further response is required for the following reasons. The project costs are set out in Section 5.2.1.11 of the Application, while a detailed analysis of those costs is contained in YUB-YEC-1-84. In its response to this IR, YEC refers to specific IR responses on this project in the 2012-13 GRA. The Board notes that the burden of proof is on the applicant to support the applied-for project costs. Further, the Board is of the view that the level of detail sought by UCG does not seem to clarify the project information in the Application, simplify the issues, or assist in gaining a fuller understanding of the project costs.

UCG-YEC-1-36: The Board considers that YEC has provided an adequate response to this IR and no further response is required for the following reasons. The Board notes that YEC, in its IR response, referred to the information in the Application and that further information was contained in YUB-YEC-65 and YCS-YEC-1-11. YEC also referred to specific IR responses in the 2012-13 GRA on this project. In the Board's view, the information provided is adequate. The Board notes that the burden of proof is on the applicant to support the applied-for project costs. Further, the Board is of the view that the level of detail sought by UCG does not seem to clarify the project information in the Application, simplify the issues, or assist in gaining a fuller understanding of the project costs.

With respect to Mr. Maissan's IR, the Board rules as follows:

JM-YEC-1-21: The Board notes that YEC, in its response to the motion, stated that "Updated conditions for the Victoria Gold mine and the Minto mine (as well as Alexco mine) are currently being assessed by Yukon Energy and will be provided to the Board and other parties at such time as a PPA application related to the Victoria Gold mine is provided for review and approval of the board."⁴ As YEC possesses updated information that is relevant to the current Application, the Board directs YEC to respond fully to this IR. In particular, YEC is to explain "how the impacts listed on page 3.4-12 of the Application would change with the addition of the Victoria Gold mine at 62 GW.h per year [with the Minto mine load]".

⁴ YEC response to motions, October 10, 2017, PDF page 14.