



PUBLIC INTEREST ADVOCACY CENTRE

LE CENTRE POUR LA DEFENSE DE L'INTERET PUBLIC

ONE Nicholas Street, Suite 1204, Ottawa, Ontario, Canada K1N 7B7

Tel: (613) 562-4002 ext 26

Fax: (613) 562-0007

e-mail: mjanigan@piac.ca

<http://www.piac.ca>

August 23, 2013

Yukon Utilities Board
Box 31728
Whitehorse, Yukon Y1A 6L3

Attention: Mr. Bruce McLennan, Chair

**Re: Yukon Electrical Company Limited – 2013 - 2015 General Rates Application
UCG Reply to YECL Comments re Motion on Responses to Information Requests**

Dear Mr. McLennan:

Our client, the Utilities Consumers' Group ("UCG") is in receipt of the comments submitted by Yukon Electrical Company Limited ("YECL") on August 20, 2013 regarding UCG's Notice of Motion on the adequacy of YECL's responses to 31 of UCG's 128 multi-part information requests.

As is the case for all regulatory proceedings, the Yukon Utilities Board must rely on the evidence and argument put forward during this proceeding in order to make a decision on the application's merits. In past proceedings, the utilities have argued that "absent further evidence" to support positions of interested parties, there was no merit to arguments put forward.

UCG submits that without getting the information that YECL has in its possession on the record of this proceeding, interested parties are prevented from making fact-based arguments to the Board. The Board has previously dismissed arguments of interested parties where it considered the basis of these arguments to be "new evidence" that had not been discussed at the hearing.

Through the information request process, UCG is simply trying to get as much information on the record as possible in order to avoid an unnecessarily long oral hearing. YECL's position of not providing information it has readily available only adds to the frustration that intervenors such as UCG face in these types of proceedings.

In response to YECL's submissions, UCG submits the following:

1. UCG-YECL-4

With respect to Rider R recoveries, YECL submits that to suggest that the utilities will be recovering more from ratepayers than has been allowed by the Board is without basis and wholly inappropriate. YECL goes on to say that any difference between the amounts collected on interim refundable rates and those finally approved by the Board will be refunded to, or collected from customers.

This last point is the basis for UCG's information request to see the monthly recoveries under the Rider R applied by the utilities using the current load forecast to ensure that

Yukon ratepayers are not being unduly burdened with excessive collections that would be refunded at a later date. At the time of any future refund, there is no guarantee that those that have actually over paid will receive a refund because of changes in customer make-up and specifics.

The request for monthly details of all expected recoveries through Rider R for the period July 2013 through December 2014 was simply to better track the recoveries using forecast consumption rather than simply apply the expected 50% factor to the proposed revenue deficiency. UCG submits that if the detail suggests that there will be over recoveries starting in a certain month, then argument can be made to adjust the level of allowed recoveries on an interim basis.

As UCG has argued in the past, the burden on Yukon ratepayers of higher electricity bills can be excessive especially as the colder weather approaches. UCG is simply trying to gather details behind the assertions of the utilities that they are simply recovering what has been allowed by the YUB.

Without the requested details using the most up to date load forecast, it would not be possible to measure the cumulative impact on ratepayers of the charges that are being levied by YECL and Yukon Energy Corporation and to verify the details of the forecasts provided by YECL.

Given that there has been no arguments put forward that the requested data is not readily available, UCG submits that YECL should provide the data as requested.

2. UCG-YECL-5

In UCG-YECL-5(b), UCG was simply looking for YECL to provide details of the bills that Yukon ratepayers are expected to see when issued by the utility. UCG clearly indicated in the submitted question that it was looking for detailed calculations of the total bill “including all riders, rate relief, and taxes” which may or may not have been adjusted over this time.

YECL submits that the inclusion of GST would result in an immaterial decrease in the bill change impacts it had calculated in response to the information request and YECL feels that knowing the bottom line bill is not necessary for Yukon ratepayers to test its Application.

It seems absurd to UCG that a utility would not be willing to simply add the tax component to its bill calculation spreadsheet since it is so readily available. This is the evidence of the utility and parties to this proceeding should not have to start adjusting and re-submitting filed evidence to get the whole picture illustrated for ratepayers.

Again, given that there has been no arguments put forward that the requested data is not readily available and given that YECL has not provided the requested detail, UCG submits that YECL should provide the bill calculation as requested in UCG-YECL-5(b).

If the ATCO Electric proceeding is the only reference that YECL has to “cross-subsidization between rate classes” being used as a rate impact mitigation in other jurisdictions, then it appears as though UCG-YECL-5(c) has been answered.

3. UCG-YECL-9

For UCG-YECL-9(a), while it is assumed the requested documents are in its possession, YECL has declined to provide the source documents for the monthly heating degree days provided in the Application. Instead, YECL has provided instructions on how UCG and other parties (such as the YUB) can generate the same data themselves in order to conduct any due diligence.

UCG submits that this simply adds an unwarranted expense to this regulatory proceeding. If YECL is not directed to provide all parties with the back-up documents that they obviously already have in their possession, than parties will be required to incur additional consultant expense to generate these same reports.

UCG requests that YECL be directed to provide the requested back-up material requested in response to UCG-YECL-9(a).

4. UCG-YECL-10

With respect to UCG-YECL-10(b), UCG maintains that YECL has not addressed the lessening of risks that it faces during the 2013-2015 test period.

If YECL is not directed by the YUB to provide additional response specific to the test period, UCG submits that it will need to address the overall impact that requested deferral accounts have on the risks faced by YECL at the oral hearing.

5. UCG-YECL-18

In UCG-YECL-18(a), YECL was asked to provide details of the source for its forecast diesel fuel prices but in response only referred to “actual February 2013 delivered fuel expense price from fuel suppliers”. YECL has refused to provide any actual documentation from its fuel suppliers to support the numbers in its application. UCG is not clear how any party (including the YUB) will be able to conduct any due diligence on the forecasts in the application if we are not given the documents upon which the application is based.

Again, given that there has been no arguments put forward that the requested data is not readily available, UCG submits that YECL should provide the requested documentation related to UCG-YECL-18(a).

UCG maintains that the fuel cost updates provided in response to UCG-YECL-18(b) requires a more fulsome response related to the source documents for these updated costs and the impact this has on its revenue requirement.

Instead, YECL suggests that UCG and other parties try to calculate the impact of these updated forecast costs on the revenue requirement. Instead of trying to do the calculations, UCG submits that parties will simply wait until the oral hearing and ask YECL to do the calculations anyway since they have the most knowledge of their revenue requirement model. Parties with limited resources should not have to spend excessive amounts of time of calculations that the utilities should be able to complete fairly quickly and easily.

UCG requests that YECL provide a more complete and detailed response to UCG-YECL-18(b).

6. UCG-YECL-24

In its comments regarding UCG-YECL-24(a), YECL has determined that other utilities are comparable to YECL because they have submitted depreciation studies to their regulators and / or are simply regulated.

UCG submits that this should be considered a very unique and unacceptable way to determine comparable utilities and contradicts the YUB's acceptance of Yukon Energy Corporation's position in response to UCG-YEC-1-38(b) in YEC's 2012 General Rates Application that "comparable companies were selected on the basis of owning and operating the same type of hydro and electrical generation and transmission assets as YEC" which tends to be the industry standard for determining comparability.

With respect to UCG-YECL-24(b), YECL now submits that rather than not having any time to provide requested details of regulator decisions related to Gannett Fleming's proposed provisions on recovery of costs of removal, they are not in a position to comment on how the referenced decisions impacted their positioning in the application.

If the YUB is satisfied with this response, then UCG will address the issue further at the oral hearing.

7. UCG-YECL-30

With respect to UCG-YECL-30(j), YECL has determined that parties to this proceeding do not need the detailed breakdown of the revenue requirement components they believed would be impacted under this scenario. UCG submits that it is difficult to focus arguments and oral hearing questioning on specific issues if the detail is not provided.

UCG requests that YECL provide a more complete and detailed response to UCG-YECL-30(j).

8. UCG-YECL-32

YECL did not provide any specific comments related to UCG-YECL-32 in which YECL was asked to provide all related source documents for the updated table. YECL has not provided any of the source documents to allow parties to determine how valid the updated numbers are in the table.

UCG requests that YECL provide a more complete and detailed response to UCG-YECL-32.

9. UCG-YECL-98

With respect to UCG-YECL-98(c), while YECL stated in its original response that it had contributed information to the IPP consultation process, it now has nothing that was

contributed to this consultation process. UCG submits that this contradiction is a very strange way to display transparency. If the YUB is satisfied with this new position, UCG can follow up during the oral hearing.

If there are any questions concerning the contents of this submission, I would ask that they be directed to me by email at mjanigan@piac.ca or by phone at (613) 562-4002 ext 26.

Yours truly,

Michael Janigan
Counsel for UCG

cc (by email): Yukon Electrical Company Limited
Registered Intervenors