

**YUKON ENERGY CORPORATION (YEC)
2012-2013 GENERAL RATE APPLICATION**

**CITY OF WHITEHORSE (“CW” or the “City”) INFORMATION REQUEST NO.2 TO
YEC**

CW-YEC-45

Issue: Industrial Rate 39

Reference: CW-YEC-1-7

YEC was asked:

- a) Why, in YEC’s opinion, have industrial customers not elected to take the peak shaving rate option?
- b) What could YEC do within the test years to make this option more attractive and what would be needed to gain approval for these changes?

Preamble: The City does not consider that YEC was sufficiently responsive and will further clarify the information requested.

Request:

- a) Does YEC consider that peak shaving is a conservation measure and, if employed by industrial customers, would contribute to diesel displacement? If yes, how has YEC incorporated peak shaving into its DSM initiatives? If YEC has not incorporated peak shaving into its DSM initiatives, what plans, if any, does YEC have to do so?
- b) YEC’s response to CW-YEC-1-7 states: “YEC cannot amend the provision. The Rate Schedule 39, which sets out this provision, is fixed by OIC until the end of 2013.” Is YEC referring to OIC 2009-74, as discussed at pages 11-7 to 11-12 of the Application? If not, please specify which OIC(s) constrain YEC’s actions with respect to Rate 39?
- c) Does the OIC or OICs discussed in response to (b) above constrain the rate or Terms and Conditions of Service under Rate 39 or both? If yes, please specify how the rate or what Terms and Conditions of Service in the Electric Service Regulations or elsewhere are constrained by the OIC(s)?
- d) What changes to the Terms and Conditions of Service could YEC implement immediately in order to make Rate 39 more attractive to customers?

- e) Has YEC made, or does YEC intend to make, any recommendations to the Yukon government concerning Rate 39 prior to its expiry in 2013? If yes, please specify the recommendations made or intended to be made.

- f) If YEC is granted an increase in revenue for the test years, what will be the directional and quantitative change in the Peak Shaving Credit available under Rate 39?

CW-YEC-46

Issue: Diesel Contingency Fund

Reference: CW-YEC-1-24 (a)

YEC was asked:

Based on the description and parameters set out in Appendix 3.2, please provide numerical examples of Diesel Contingency Fund additions, withdrawals, opening and closing balances and secondary sales credits for the following conditions:

- i. 20% lower than average water flow.
- ii. 10% lower than average water flow.
- iii. Average water flow.
- iv. 10% higher than average water flow.
- v. 20% higher than average water flow.

YEC's response states that "The Diesel Contingency Fund (DCF) operation is affected by the variability in, and not by the variability of water flow." The response directs the City to YUB-YEC-1-30 (b) for the required information.

Preamble: The response to which the City was directed does not provide the requested information with respect to hydro variability nor does it provide information in the requested format.

Request:

Please provide numerical examples of Diesel Contingency Fund additions, withdrawals, opening and closing balances and secondary sales credits for the following conditions:

- i. 20% lower than existing grid hydro generation.
- ii. 10% lower than existing grid hydro generation.
- iii. Existing grid hydro generation.
- iv. 10% higher than existing grid hydro generation.
- v. 20% higher than existing grid hydro generation.

CW-YEC-47

Issue: Forecast Cost of Debt

Reference: Response to CW-YEC-1-38 (e)

YEC was asked:

What is the timing of the forecast new loans from YDC and how have YEC and YDC forecast the cost of these new issues? (underlining added)

Preamble: YEC's response to this information request appears to have omitted a response to the second half of the question (underlined).

Request:

Please provide a detailed description of the process employed by YDC and YEC to determine its forecast cost of debt for the test years. Please provide all the forecasts employed, historical spreads observed and all other numerical and judgemental factors employed in determining YEC's forecast cost of debt.