

UTILITIES CONSUMERS' GROUP
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January 31, 2011

Yukon Utilities Board
Box 31728
Whitehorse, Yukon Y1A 6L3

Attention: Deana Lemke, Executive Secretary

**Re: Yukon Energy Corporation Application for Approval of Escalation of Rate Schedule 39
Demand and Energy Charges per OIC 2007/94**

Dear Ms. Lemke:

The Utilities Consumers' Group, pursuant to Board Orders 2010-12 and 2011-02, hereby submits information requests to Yukon Energy Corporation.

Yours truly,

Roger Rondeau
Utilities Consumers' Group

YUKON ENERGY CORPORATION
APPLICATION FOR APPROVAL OF ESCALATION OF RATE SCHEDULE 39 DEMAND
AND ENERGY CHARGES PER OIC 2007/94

Utilities Consumers' Group
Information Request No. 1

UCG 1

Reference: Application, November 30, 2010, Page 1

Please confirm that the "*Escalation of Demand and Energy Charges*" clause of OIC 2007/94 referenced in the first paragraph of YEC's application should read:

Demand and Energy charges for the directed changes are to be escalated once each calendar year, starting January 1, 2010, based on the latest percentage increase in the 12 month implicit chain price index for gross domestic product at market prices for Canada as reported by Statistics Canada.

UCG 2

Reference: Application, November 30, 2010, Page 1

Please confirm that the "*Escalation of Demand and Energy Charges*" clause of OIC 2007/94 states that the demand and energy charges to industrial customers "*are to be escalated once each calendar year*" and that there is no provision in the OIC 2007/94 for demand and energy charges to be reduced or not escalated.

UCG 3

Please provide a copy of the schedule produced by Statistics Canada which, at the time of the Application, indicated that the 12 month Implicit Chain Price Index for the Third Quarter of 2010 warranted an increase in demand and energy charges of 2.8%.

UCG 4

Please identify whether the schedule provided in response to UCG-3 is seasonally adjusted or not. If seasonally adjusted, please identify where in OIC 2007/94 this adjustment is required.

UCG 5

Please provide the 12 month Implicit Chain Price Index for the Third Quarter of 2010 without seasonal adjustment. Please provide all relevant data and calculations.

UCG 6

Reference: Application, November 30, 2010, Page 1

YEC indicates that the current Rate Schedule 39 was approved in a proceeding that resulted in Board Order 2008-13.

Reference: YEC Application for Approvals regarding the Alexco Power Purchase Agreement, YEC Response to UCG-YEC-1-3(e) (December 1, 2010).

"OIC 2007/94 provides for annual "escalation" at January 1 of each year (from 2010 until 2012) based on the most recent 12 month implicit chain price index for GDP per Statistics Canada. During the process to finalize Rate Schedule 39 (early last fall) Yukon Energy committed to provide a letter to YUB by December 5, 2009 that would set out any required adjustment.

In 2009, there was no basis for an increase, i.e., the Implicit Chain Price Index (CPI) for the Third Quarter of 2009 was negative, indicating no increase in CPI and no requirement pursuant to OIC 2007/94 to escalate the demand and energy charges. Given the OIC requires an adjustment for “escalation” and not reduction, no change to demand and energy charges in Rate Schedule 39 was required.”

Request:

- (a) Please provide a copy of YEC’s submission to the YUB in 2009 which indicated that there was no requirement pursuant to OIC 2007/94 to escalate the demand and energy charges in Rate Schedule 39 effective January 2010.
- (b) Please provide evidence of YEC’s submission referenced in part (a) being circulated to other interested parties in the Yukon and a listing of those parties.
- (c) Please provide a copy of any notices that were publicly published related to YEC’s submission referenced in part (a).
- (d) Please provide a copy of all correspondence among the YUB, YEC and other parties regarding the submission referenced in part (a).

UCG 7

Please confirm that YEC intends to submit similar applications in 2011 and 2012 to the YUB for Rate Schedule 39 demand and energy charge escalations effective January 1, 2012 and January 1, 2013.

UCG 8

Reference: Board Order 2010-13, Reasons for Decision, pages 3 and 4

Consolidated Firm Rate Revenue Requirements - \$50,833,000

YEC/YECL 2009 Consolidated Customer, Demand and Energy Forecast

<u>Customer Class</u>	<u># of Customers</u>	<u>Demand (kW)</u>	<u>Energy (kW.h)</u>
Res-Non Gov’t	14,128		137,637,626
Res-Gov’t	252		2,160,438
Gen Serv-Non Gov’t	2,539	484,399	113,497,895
Gen Serv-Gov’t	547	165,716	51,410,733
Industrial	1	62,400	29,023,000
Street Lights (61/66)	5,392	9,264,080 (W)	3,712,124
Street Lights (67)	64	222,600 (W)	87,660
Sentinel Lights (75/76)	977	1,666,600 (W)	645,700
Sub-total	23,900		338,175,176
Secondary Sales	23		7,584,000
Total	23,923		345,759,176

Request:

- (a) Based on the approved consolidated customer, demand and energy forecast in Board Order 2010-13, please identify revenues deemed to be recovered from the industrial class related to demand and energy charges under the current Rate Schedule 39.
- (b) Please provide details of the actual revenues for 2009 and 2010 recovered from the industrial class related to demand and energy charges under the current Rate Schedule 39. Please provide details of the calculations.
- (c) Please provide details of the forecast revenues for 2011 to be recovered from the industrial class related to demand and energy charges under the current Rate Schedule 39.
- (d) Please provide details of the forecast revenues for 2011 to be recovered from the industrial class related to demand and energy charges under the proposed Rate Schedule 39.

UCG 9

Please provide details of any mechanism in place or available to credit or accumulate credits for non-industrial ratepayers for over-recovery of approved rate revenue requirements.

UCG 10

Reference: Rate Schedule 39, Base Load Energy

“A Base Load Energy amount per month may be established for a customer of 90% of forecast use when YEC expects to require diesel fuel generation to service use in excess of such a Base Load Energy amount. At such time, Rate Schedule 39 will be submitted to the Yukon Utilities Board for amendment to adjust the Energy rate as required for a two part rate that yields the same overall energy charge at forecast energy use, with all energy consumed in excess of the Base Load being charged at a rate reflecting the incremental cost of service using diesel fuel generation and all other energy being charged at the reduced rate required to yield the same overall energy charge at forecast energy use”.

Request:

- (a) Please confirm that, in the event that diesel generation is forecast to be on the margin, YEC has the option to apply to the Board to implement the Base Load Energy rate provisions of Rate Schedule 39.
- (b) Please identify when diesel generation was on the margin in 2009, 2010 and 2011 to date.
- (c) Please identify Base Load Energy amounts that have been established for any customer served by YEC.
- (d) Has YEC actually required diesel fuel generation to service use in excess of such Base Load Energy amounts?