Leading Edge Projects Inc.

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Yukon Utilities Board
Box 3178
Whitehorse, Yukon
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By Email

Attn: Ms. Deana Lemke, Executive Secretary

Dear Ms. Lemke:

Re: Yukon Energy Corporation (Yukon Energy) and The Yukon Electrical Company Ltd. (YECL) Rider F Policy review proceeding – responses to Leading Edge IRs

Leading Edge is of the view that Yukon Energy and YECL (the Utilities) have not adequately responded to Leading Edge's legitimate Information Requests and requests that the Yukon Utilities Board order the Utilities to provide more complete responses.

In May 2011the issue of whether the Utilities were entitled to collect from rate payers costs for diesel fuel in excess of the approved fuel prices when the generation was in excess of the GRA approved diesel generation came up and was deferred to this present Rider F policy review proceeding. In this regard Rider F as proposed by the Utilities does transfer some of the risk of under-forecasted diesel requirements to ratepayers, and the Board and ratepayers deserve complete information. In this regard the Utilities' responses to IRs LE-YEC/YECL-1-6 and 1-7 are inadequate.

Furthermore the Utilities clearly contend that Rider F be applied to all diesel fuel consumption regardless of the forecast diesel generation. This is particularly relevant when diesel generation is on the margin which according to information presented in the Phase II GRA it was by 4 GWh per year and increasing with load growth and which we witnessed this past winter. In this (present) situation the DCF is designed to deal with hydro generation above and below the long term averages and the diesel generation required to make up any difference between the long term average hydro and actual loads. Thus there must be an interaction between Rider F (which applies to ALL diesel generation according to the Utilities) and its calculation methodology and the DCF (which is to deal with diesel generation costs related to fluctuations in hydrology). Yet the Utilities refused to answer IRs LE-YEC/YECL-1-4 and 1-5 which sought to understand the relationship between these two.

As 2011 is turning out to be an above average water inflow year it is important that any credits that may be due to the DCF by virtue of above average hydro energy availability is not used instead to cover in whole or in part the Utilities costs for fuel for diesel generation that above forecasted levels. The Board and the ratepayers deserve straight and complete answers to these questions and I ask the Board to order the Utilities to provide complete answers to them.

Respectfully submitted,

John F. Maissan, P.Eng.
Electronically copied to the YEC – YECL 2009 GRA Phase II circulation list