

YUKON  
ENERGY



YUKON ENERGY  
CORPORATION

P.O. Box 5920  
WHITEHORSE  
YUKON Y1A 6S7  
(867) 393-5300

July 28, 2014

Mr. Bruce McLennan, Chair  
Yukon Utilities Board  
Box 31728  
Whitehorse, Yukon Y1A 6L3

Dear Mr. McLennan:

**Re: Application to Revise the Diesel Contingency Fund (“DCF”) & Related Amendments to  
the Energy Reconciliation Adjustment (“ERA”) – Information Requests to YECL**

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Pursuant to Board Order 2014-08, please find attached information requests for YECL in the above noted proceeding.

Yours truly,

A handwritten signature in black ink, appearing to read 'Ed Mollard'.

Ed Mollard CGA  
Chief Financial Officer

**YUKON ENERGY CORPORATION ("YEC")**  
**INFORMATION REQUESTS TO YUKON ELECTRICAL COMPANY LIMITED ("YECL")**  
**Yukon Energy Corporation**  
**Application to Revise the Diesel Contingency Fund ("DCF") and**  
**Related Amendments to the Energy Reconciliation Adjustment ("ERA")**

- YEC-YECL-1**                    **YECL proposed approach, section 4 of cover letter, section 4.2 of Appendix A**
- a) Using actuals for 2012 and 2013 as provided in filings to date, please provide examples of the calculation to determine the deferral account deposit-to or withdraw-from described in YECL's proposed approach, as described in YECL's January 31, 2014 submission (section 4 of letter to YUB and section 4.2 of Appendix A).
  - b) With reference to the 2012 and 2013 examples provided under (a), please provide details regarding:
    - How "diesel revenues recovered by YEC rates" will be determined with YECL's proposed approach; and
    - How "actual diesel costs" will be determined with YECL's proposed approach.
- YEC-YECL-2**                    **YECL January 31, 2014 submission, page 7 of cover letter**
- a) Please provide a copy (with the relevant date) of the proposal "submitted to YEC during the utilities' discussions" as identified by YECL in its January 31, 2014 submission cover letter page 7.
  - b) Please explain the differences, if any, between the YECL proposal "submitted to YEC during the utilities' discussions" as noted in a) above and the YECL proposal in its January 31, 2014 submission.
- YEC-YECL-3**                    **YECL January 31, 2014 submission, Appendix A, page 7**
- YECL states that "the mechanism to address diesel volume variance must adhere to certain principles", including that it be "based on actual data and relates to all fuel volume variances on the interconnected system".
- a) Is YECL proposing that YEC have a deferral account that addresses all actual fuel volume variances from GRA forecast regardless of the reason for the variance, including forecast variances related to weather, outages and load growth?
  - b) If YECL's proposal were accepted by the Board, would YECL propose that this concept also be applied to off-grid diesel communities?
  - c) Please confirm that, if accepted, this concept would result in transfer of risk from the utilities to ratepayers.

- d) Please identify all situations today in Yukon where ratepayers bear the cost impact of variances in diesel fuel volume from GRA approved forecast?

**YEC-YECL-4**

**Expected diesel generation**

- a) Please provide, as filed in YECL's 2013-15 GRA, YEC-YECL-3 (h) Attachment 1 and YEC-YECL-4 (f) Attachment 1.
- b) Please confirm regarding the documents provided in (a) above that about 72% of commercial and 66% of residential load growth for the Hydro zone in 2012 over 2011 was for the six colder months of the year (November through April).

**YEC-YECL-5**

**Energy Reconciliation Adjustment (ERA), page 8 and page 2 of cover letter**

On page 8 of its January 31, 2014 submission YECL notes that "if it is ultimately determined that an ERA amount should be charged to Yukon Electrical, then Yukon Electrical respectfully submits this amount would be flowed through to all Yukon ratepayers" and the ERA is "better served being administered by YEC." On page 2 of YECL's cover letter, YECL states as follows regarding the basis for the ERA as jointly proposed by the utilities, and ultimately approved by the YUB in the 1990s: "The ERA allowed YEC to flow-through its incremental diesel generation costs – as determined by the DCF – to YECL when actual wholesale sales varied from the companies' joint Board-approved forecast."

- a) Please confirm that:
- i. no ERA amount actually charged to YECL by YEC during the history of the DCF has ever "flowed through to all Yukon ratepayers"; and
  - ii. all ERA amounts actually charged to YECL by YEC in the past were in fact "administered by YEC".
- b) Please confirm that the ERA as applied in the past to increased wholesales (i.e., wholesales above GRA approved forecasts) assumed that any added expense to YECL from the ERA charge was fully mitigated by added YECL revenues related to the same increased YECL sales derived from the increased retail sales responsible for the increased wholesales.
- c) Please confirm that Purchase Power Flow Through Deferral Account approved in Decision 2010-13 was approved only for YECL costs related to ERA charges.
- d) Please confirm that no amounts have been charged to the Purchase Power Flow Through Deferral Account.

- e) Please confirm that without an ERA mechanism there is no further need for the Purchase Power Flow Through Deferral Account and that, without an ERA mechanism, this account can be terminated.