

YUKON UTILITIES BOARD

PRE-HEARING CONFERENCE

**YUKON ELECTRICAL COMPANY LTD.
GENERAL RATE APPLICATION 2008-09
HELD IN WHITEHORSE, YUKON
JUNE 12, 2008**

**VOLUME 1
PAGES 1 - 32**

BEFORE BOARD MEMBERS:

Wendy Shanks
Robert Laking
Richard Hancock
Jody Woodland

Chair
Vice-Chair
Member
Member

BOARD COUNSEL:

Allan Domes

BOARD STAFF:

Dwayne Ward
Deana Lemke

Technical Consultant
Executive Secretary

TRANSCRIBER:

Lois Cameron

APPEARANCES:

Yukon Electrical Company Ltd.	Loyola Keough
Yukon Energy Corporation	John Landry
City of Whitehorse	Brian Crist
Dept. of Energy, Mines and Resources	Val Mather
Leading Edge Projects Inc.	John Maissan

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1 *The Pre-Hearing Conference convened at 10:20 a.m.*

2

3 **1. Opening Statement by Board Chair**

4 MS. SHANKS: Good morning, I would like to call this Pre-Hearing
5 Conference to order.

6 I would like to first introduce the Board members. On my right is Robert
7 Laking, Vice-chair of the Yukon Utilities Board. To my left is Richard Hancock,
8 member, and to his left is Jody Woodland, member. My name is Wendy Shanks,
9 Chair of the Yukon Utilities Board.

10 I would also like to introduce Board counsel, Allan Domes; Board staff,
11 Dwayne Ward; and the court reporter, Lois Cameron. If any party requires a copy
12 of the transcript of this Pre-Hearing Conference, they should speak directly to Ms.
13 Cameron in that regard.

14 The Board's Executive Secretary is Deana Lemke, and if anybody has any
15 questions with respect to the process or procedural matters generally, they
16 should speak with Ms. Lemke, who is at the side of the room.

17 This Pre-Hearing Conference has been convened as a result of an application
18 received by the Board on April 30, 2008, from the Yukon Electrical Company
19 Limited (YECL) requesting approval of their 2008-09 General Rate Application
20 (GRA).

21 In its 2008-09 GRA, YECL seeks approval of a revenue requirement of
22 \$46.66 million for 2008 and a revenue requirement of \$47.902 million for 2009.

23 YECL is also requesting approval to continue existing deferral accounts for
24 Purchase Power Flow Through costs, Fuel Price Flow Through costs and costs
25 for the Diesel Contingency Fund. In addition, YECL is requesting new deferral
26 accounts to cover the Increased Fuel Costs Associated with Pelly Crossing and
27 an Income Tax Rate Variance Deferral Account.

28 YECL also requests approval of Interim Rate Rider, Rider R, and Temporary
29 Refund/Surcharge Rider, Rider G. These riders would apply to all rate classes in

1 YECL and Yukon Energy Corporation (YEC) retail customers, excluding
2 Secondary Energy Rate 32 and Industrial Primary Rate 39. YECL would like the
3 interim rates to commence July 1, 2008.

4 Further, YECL requested that certain costs from ATCO I-Tek Ltd. And ATCO
5 I-Tek Business Services Ltd., affiliates of ATCO Electric Ltd., which wholly owns
6 YECL, be reserved as placeholders until such time as the Alberta Utilities
7 Commission (AUC) rules on those costs as part of the benchmarking process
8 that's presently before that Commission.

9 Notice of YECL's application was issued with Board Order 2008-4, dated May
10 16, 2008. In Order 2008-4, the Board ordered YECL to publish, in display-ad
11 format, a notice of Application and Pre-Hearing Conference no later than May 23,
12 2008, in appropriate local news publications in YECL's service area. YECL was
13 also ordered to make the application and supporting materials available for
14 inspection at its Whitehorse office at 100-1100 First Avenue and at the Watson
15 Lake and Haines Junction public libraries.

16 By way of a letter dated May 20, 2008, the Minister of Justice authorized the
17 Board to incur the necessary expenses to hold a public hearing in relation to
18 YECL's application, pursuant to section 50 of the *Public Utilities Act*.

19 The purpose of this Pre-Hearing Conference is to facilitate the hearing
20 process for later this year. Under cover of a letter dated June 10, 2008, the Board
21 circulated to parties an Agenda and Preliminary Issues List.

22 The Board would like to identify any procedural or jurisdictional matters that
23 need to be determined for this process. These matters can include, but not
24 necessarily be limited to, the following items:

- 25 - identification of Intervenor and interested parties;
- 26 - amendments to the Preliminary Issues List;
- 27 - party status;
- 28 - discussion of the hearing schedule, the steps involved in the process,
29 and any potential amendments to the schedule, as outlined in Board Order

- 1 2008-4;
- 2 - comments on the hearing process;
- 3 - comments on YECL's proposed interim rates and any process
- 4 necessary to determine those rates;
- 5 - and any other matters that will assist in the orderly review of the
- 6 application.

7 Subsequent to this Pre-Hearing Conference, the Board will issue its decision

8 on any matters arising today that require a Board decision. For example, a Final

9 Issues List, the status of Intervenors, potential scheduling changes and any

10 further process required in respect of YECL's proposed interim rates.

11 For the record, I would like all of the parties intending to participate in the Pre-

12 Hearing Conference here today to be identified. When you are identifying

13 yourself, please also indicate what interest you represent.

14 When we deal with each of the later items on the agenda, parties will be

15 called in the order in which they are identified, with YECL being given a final

16 opportunity to reply. And I would ask the Board Counsel, Mr. Domes, to facilitate

17 the identification of Intervenors and interested parties at this time.

18 **2. Identification of Intervenors and Interested Parties**

19 MR. DOMES: Good morning. We'll start with YECL.

20 MR. KEOUGH: Thank you, Madam Chair. Loyola Keough for YECL.

21 Seated next to me is Mr. Jerome Babyn, who's the General Manager of YECL.

22 We do have other people here in support who will be witnesses during the course

23 of the proceeding. I think I'll hold my comments on any issues until later but,

24 obviously, we will be fully engaged in anything that happens here.

25 MR. DOMES: Yukon Energy Corporation.

26 MR. LANDRY: Good morning, Madam Chair and members. My name is

27 John Landry; that's L-A-N-D-R-Y. I'm appearing on behalf of Yukon Energy

28 Corporation, and we've indicated our interest in the letter that we sent in per our

29 application for Intervenor status.

1 MR. DOMES: City of Whitehorse.

2 MR. CRIST: Good morning. My name is Brian Crist, City of Whitehorse.
3 We also have registered as an Intervenor. I did send an e-mail basically outlining
4 our interest, mostly being the fact that we are a major consumer of electricity.
5 Also, we have a sustainability plan with a number of issues that we feel should be
6 brought to the table.

7 Thank you.

8 MR. DOMES: Is there anyone here from the Utilities Consumers' Group?
9 It wouldn't appear so.

10 Val Mather.

11 MR. MATHER: I'm Val Mather with the Government of Yukon Energy,
12 Mines and Resources, and we're quite interested in the energy policy and
13 electricity matters and issues.

14 MR. DOMES: And is there anyone here from the Yukon Conservation
15 Society? No.

16 Leading Edge Projects, Inc., John Maissan.

17 MR. MAISSAN: Good morning. My name is John Maissan. I have a little
18 consulting business called Leading Edge Projects. I'm here as an interested
19 member of the public, as well as, I guess, my business. So my primary focus is
20 as an interested member of the public in various aspects related to renewable
21 energy, energy efficiency, costs, rates, those kinds of things.

22 MR. DOMES: Paul Kischuk, Vector Research? Not here today.

23 Just for some practice, Darielle Talarico?

24 MS. TALARICO: Good morning, my name is Darielle Talarico. I'm a
25 consultant. I have a consulting company in Whitehorse — Tipping Point
26 Strategies — and I'm on contract with Yukon Development Corporation right now
27 and I work on their policy issues.

28 MR. DOMES: And just to confirm, Ms. Talarico, you're just observing
29 today.

1 MS. TALARICO: Yes.

2 MR. DOMES: Okay.

3 MS. SHANKS: Thank you, Mr. Domes.

4 **3. Issues List**

5 MS. SHANKS: I'd like to move to Item 3 on the agenda, which is the
6 Issues List.

7 Along with the agenda for this Pre-Hearing Conference, the Board circulated
8 a Preliminary Issues List. As indicated in the letter accompanying the Issues List,
9 the list was prepared by Board staff according to the headings and subheadings
10 set out in YECL's application. Board staff has ranked the issues in importance as
11 "Low", "Medium" and "High", according to the criteria that were set out in the
12 Board's letter.

13 The purpose of developing an Issues List is to assist both the parties and the
14 Board in identifying the issues that are material in dollar terms or significant in
15 principle, or both. By focusing on material or significant issues, the Board expects
16 the proceeding to be conducted efficiently and at a reasonable cost. If the Board
17 finds that a party's efforts do not align with the ranking finally assigned to the
18 issue, the Board will take the factor into account when considering cost claims for
19 the proceeding.

20 As the Board indicated, this is a Preliminary Issues List only and the Board
21 invites comments from parties. Parties may suggest alternate descriptions of the
22 issues, new sub-issues and different rankings than those indicated on the
23 Preliminary Issues List.

24 The Board will provide the Final Issues List in the procedural order following
25 the Pre-Hearing Conference.

26 And I'd ask Mr. Domes to facilitate comments on the Issues List at this time.

27 MR. DOMES: All right. Mr. Keough?

28 MR. KEOUGH: Thank you. Madam Chair, as you've noted, the Issues
29 List does parallel the application and, as such, we think it captures all of the

1 material issues arising from the application. We really don't have a problem with
2 the Issues List, as set out. We may want to quibble over the ranking of a couple
3 of the items, but nothing major, so I think that can probably evolve as the
4 evidentiary record is developed. I don't think we need to get into a debate about
5 it. For example, the company considers capital structure rate of return to be fairly
6 important, and whether it's medium or high really doesn't matter. But that I use as
7 an example of something, as I say, that we might quibble about, but it really is not
8 important for purposes of moving forward and determining issues that are
9 relevant. So, I would propose to just simply leave it at we are content with the
10 Issues List and, obviously, if parties have views on matters or wish to add issues,
11 or whatever, we can deal with those in reply. Thank you.

12 MR. DOMES: Mr. Landry?

13 MR. LANDRY: Madam Chair, I'm a very strong proponent of issues lists,
14 and I think it's helpful for a number of different things, not the least of which is to
15 identify to the applicant some of the key issues that will be looked at by the
16 various Intervenors. So what we've attempted to do — and I would say off the top
17 that Yukon Energy's looking at the application and their perspective. What we've
18 attempted to do is use the Issues List that the Board staff had come up with and
19 try to add to or at least restate some of the items that were dealt with. I've just
20 asked my colleague, Mr. Bowman, to hand a copy of this out to the Board and
21 interested parties, and I can give you some idea as to how I put it together.

22 These are suggested from Yukon Energy as additions to the list, and these
23 are areas that Yukon Energy intends to scrutinize as the application goes
24 forward. So you can see, Madam Chair, that we've effectively tried to use the
25 exact same outline as the Board staff did. We've added a new item at the
26 beginning called "Overview", which actually does follow exactly the application of
27 Yukon Electrical. And what we've done — in bold and italics — is added or
28 amplified issues under most of the major headings; we've not tried to get down
29 into the subheadings of the headings that were prepared by Board staff, and

1 provided to the right is the ranking — given the rankings that were proposed in
2 the letter we received — we consider to be on those.

3 In effect, we're not really quibbling — to use Mr. Keough's word — with the
4 Issues List, given that it is reflective of the application that was filed. I think we
5 would agree with him that we might quibble a little bit on some of the medium
6 classifications, but I think that will develop as we go through the IR process.

7 I would like to just make a comment that — and I'm sure we'll get to this in a
8 couple of moments, as we go through the agenda, but obviously some of these
9 issues point out that there is a fair amount of historical information that we say is
10 very relevant to the application. By "historical" I mean basically post the last GRA
11 that was brought forward by Yukon Electrical, and we'll be speaking to that about
12 the need to perhaps get some of that information before we start the IR process,
13 but I'll speak to that at a later time.

14 I'm at your pleasure, but I didn't intend to go through each one of the issues
15 that we put in this document. It was an attempt to bring it forward to Board and
16 staff to give some idea where Yukon Energy thinks there are issues in the
17 application.

18 MS. SHANKS: Thank you, Mr. Landry. The Board acknowledges the
19 paper submission you've made on the Issues List. Thank you.

20 MR. DOMES: Mr. Crist?

21 MR. CRIST: I have nothing to add at this point, thank you.

22 MR. DOMES: Mr. Mather?

23 Mr. Maissan?

24 MR. MAISSAN: I have a few items I would like to add to the Issues List.
25 In a few cases, there are things that may be captured already under the issues
26 you've listed, but just for clarification, first, item number 3, under Diesel Fuel
27 Costs, I would particularly like to address issues related to diesel-served
28 communities, the cost of diesel-power generation, any actions or efforts to reduce
29 costs in these communities that the applicant may have undertaken, including

1 looking for other power sources, demand-side management programs, efficiency
2 increases and loss reductions.

3 Under item number 4 — perhaps it's captured under Labour Costs, but
4 staffing levels, I think is something that merits discussion.

5 Under item number 8, Capital Additions, the new metering that's being
6 proposed — automatic meter reading — and its suitability for programs such as
7 net metering or smart meters, I think is worth some discussion. And a couple of
8 new items that I don't see on the list: the issue of electric heating leading to
9 increased diesel peaking on the Whitehorse-Aishihik-Faro system. We have an
10 issue developing now with higher costs of fuel that makes it cheaper to heat with
11 electricity, given the current rates, and yet we know that's going to lead to
12 significant winter diesel consumption and peaking requirements, and appropriate
13 signals need to be given to customers so that we don't run into the same kind of
14 problem we had 10 or 15 years ago, when we had a huge amount of winter
15 electric heat that was causing enormous diesel usage in the wintertime.

16 So that needs to be discussed, perhaps through discussion of purchase
17 power rates from Yukon Energy or demand charges or some kind of run-out rate.
18 And the last issue is, on a territory-wide basis, I think there needs to be some
19 discussion on net metering to cover some of the requirements currently being
20 served by diesel or about to be served by diesel. Thank you.

21 MR. DOMES: Mr. Keough, do you have anything in reply?

22 MR. KEOUGH: Thank you. Madam Chair, I think when I'm taking a look
23 at the issues that have been identified, both by YEC in their listing as well as
24 those just raised by Mr. Maissan, I think, really, the issues are essentially
25 captured in the headings that the Board has already identified. I haven't really
26 had a chance to particularly look at Mr. Landry's shopping list, but glancing at it
27 briefly, what I would suggest is that we don't need to try, in this proceeding —
28 and I don't think the intention of an issues list is to be exhaustive and list in detail
29 every sub-issue that a party might legitimately attempt to explore during a

1 proceeding. That's really not what I've seen issues lists used for.

2 And this seems to be drilling down a fair bit into the detail. I think the vast
3 majority of the issues, for sure, just on a quick glance, seem to be reasonable
4 issues that could legitimately be pursued in information requests or in cross-
5 examination at the proceeding, that type of thing, but I really don't know if you
6 need to try and make this an exhaustive sub-list.

7 I guess what I'm getting to is that I don't know if you need to amend your
8 Issues List to capture all these identified sub-issues. Should any party pursue an
9 issue that we would think is not relevant, we will obviously make that known to
10 the Board, but I think, save that, parties are entitled to explore sub-issues that
11 come underneath each of these headings. And that's how I would view the
12 matters that have been identified thus far. If there's anything that we, on
13 reflection, see in these lists that we think is not an appropriate matter for these
14 proceedings, we will let you know. But I don't think you need to, at this point in
15 time, try to create an expansive, exhaustive issues list.

16 So I would suggest to you that you can probably accommodate the issues
17 that have been identified within your current list, and our recommendation would
18 be to leave that list as is and, if we encounter any turbulence regarding relevance
19 as we move through the piece, people asking questions we don't think are
20 appropriate, I'm sure the Board will be the first to know.

21 MS. SHANKS: So I take it, Mr. Keough, you have no objections to any of
22 the comments or the list raised by YEC and the other Intevenors.

23 MR. KEOUGH: As I say, on our initial reflection here right now — and we
24 just got it moments ago — as I say, I don't think we would object to the matters
25 being pursued but, depending on how they're pursued, you may hear from us. So
26 I think, right now, if they want to take a stab at pursuing some of these issues,
27 there's nothing that jumps off the page that we would say we will object to that,
28 but I don't want to waive a right forever if they start getting into something we
29 don't think is appropriate.

1 So, yeah, I think right now, our suggestion would be to leave the list as it is. I
2 think these issues can and are included within the broader headings in your list
3 and that we can move forward on that understanding.

4 MS. SHANKS: Thank you, Mr. Keough.

5 **4. Intervenor Status**

6 MS. SHANKS: In that regard, I'd like to move on to item 4 on the
7 agenda, Intervenor Status.

8 Along with the Agenda and Preliminary Issues List, the Board circulated the
9 various requests it had received from parties seeking Intervenor or Observer
10 Status in the proceeding.

11 The Board will make its determinations on Intervenor and Observer Status
12 requested by parties in its procedural order that arises from this Pre-Hearing
13 Conference. And, at this time, the Board invites any comments from parties on
14 the requests for Intervenor or Observer Status of any other party.

15 Mr. Domes can facilitate that process now.

16 MR. DOMES: I think Mr. Keough has something to say.

17 MR. KEOUGH: Thank you, Madam Chair. The only comment I have at
18 this point is more of an observation. We're not sure what the status is of the
19 Utilities Consumers' Group and Mr. Rondeau. His communications with the
20 Board appear to indicate that he does not intend to show up for this Pre-Hearing
21 Conference or, in fact, the hearing. I'm not sure if he'll have a change of heart or
22 not, but I'm not sure if a party has declared they're not going to participate, that
23 they in fact are intervening. And so it's a curious — you know, if he showed up, I
24 don't think we would object to his participation. The organization has participated
25 in proceedings before this Board in the past. It just seems rather odd for a party
26 to be suggesting from the outset, "I'm not coming; I'm not playing this game at all;
27 I've taken my ball and gone home."

28 So I query whether or not, when a party has made that declaration at the
29 start, whether in fact they are intervening, and I just leave that with you, because

1 I will have a comment, probably appropriately under Other Matters, with regard to
2 correspondence Mr. Rondeau has filed with the Board on June 5, if the Board
3 has treated it as a Notice of Motion. I just will make a brief comment on that later
4 on.

5 But I guess I will leave it, saying I think there's a question for the Board as to
6 whether or not the Utilities Consumers' Group is in fact intervening, given what
7 they've said.

8 MS. SHANKS: Thank you, Mr. Keough.

9 MR. DOMES: Mr. Landry?

10 MR. LANDRY: I have no comments, Madam Chair.

11 MR. DOMES: Mr. Crist?

12 MR. CRIST: Madam Chair, I have no comments. Thanks.

13 MR. DOMES: Mr. Mather?

14 MR. MATHER: No comment.

15 MR. DOMES: Mr. Maissan?

16 MR. MAISSAN: No comments.

17 MS. SHANKS: Thank you. The Board will have some further comments
18 on that issue as well under Other Matters.

19 **5. Hearing Cost Process**

20 MS. SHANKS: I'd like to move to item 5, the Hearing Cost Process.
21 Along with the agenda for this Pre-Hearing Conference, the Board distributed
22 copies of materials setting out the Board's policy concerning hearing costs and
23 the hearing cost process. The materials are:

- 24 - the Hearing Cost Process document of August 30, 2006;
- 25 - Appendix A to Board Order 2006-7;
- 26 - the Board's Intervenor Costs Award Policy of June 3, 2005; and
- 27 - the Board's Scale of Costs, which is Schedule 1.

28 As indicated in these materials, cost applications must be filed within 30 days
29 after the Board renders a decision on the application, after which there will be an

1 opportunity for YECL to comment on cost claims from Intervenors and for
2 Intervenors to comment on YECL's cost claim. Parties will have 10 working days
3 to make those comments, following which the Board will review and make its
4 determinations on the cost applications.

5 The Scale of Costs states that retainer letters are to be filed with the Board at
6 the Pre-Hearing Conference or within 30 days after it for any professionals
7 parties wish to engage under section 1 of the Scale of Costs. If parties are
8 intending on engaging professionals, such as consultants or legal counsel, the
9 Board encourages parties to consider combining their efforts to avoid duplication
10 and for the best use of professional resources during the hearing time.

11 The Board would ask at this time if any party has already engaged, or is
12 currently considering whether to engage, any professionals under Section 1 of
13 the Scale of Costs.

14 Mr. Domes, please facilitate that process.

15 MR. DOMES: I'm assuming, Mr. Keough — is it a yes?

16 MR. KEOUGH: I at least think I've been retained, so I think we can count
17 me or check me off on that one.

18 MR. DOMES: Mr. Landry?

19 MR. LANDRY: Madam Chair, Yukon Energy is still considering whether
20 or not it will apply for Intervenor costs from the Board, but that's under
21 consideration now. Obviously they are retaining legal counsel for this proceeding,
22 and I will be representing them throughout the proceeding. And they've also
23 retained Intergroup, who the Board is familiar with as a consultant. But again,
24 YEC is still considering whether or not they would apply for an Intervenor cost
25 award at the end. Thank you.

26 MR. DOMES: Mr. Crist?

27 MR. CRIST: Madam Chair, the City of Whitehorse also is considering
28 bringing on legal counsel. We have not made contact yet, but we're looking into
29 that. As well, with costs, we're not sure yet so we'll determine that as time goes

1 on here. Thank you.

2 MS. SHANKS: Mr. Crist, I note in the 1996-97 GRA before the Board
3 that the City of Whitehorse was a major Intervenor and they did engage technical
4 and legal professionals at that time.

5 MR. CRIST: Yes, thank you. Yes, I'm aware of that. So I believe it will
6 likely be the same case this time. Thank you.

7 MR. DOMES: Mr. Mather?

8 MR. MATHER: No intent at this time.

9 MR. DOMES: Mr. Maissan?

10 MR. MAISSAN: I will not be retaining any professionals and I will be
11 working with other Intervenorers to the extent that I can in common interests.

12 MR. DOMES: Mr. Keough, do you have anything to add now? Have you
13 been retained?

14 MR. KEOUGH: The jury's out, I think. We'll see how it goes here.
15 Nothing to add, thanks.

16 MS. SHANKS: Thank you, Mr. Domes.

17 **6. Proceeding Schedule**

18 MS. SHANKS: That takes us to Item 6 on the agenda. We'll all be out of
19 here by lunch.

20 Moving on to Item 6, the Board provided a proposed schedule for the
21 proceeding in Board Order 2008-4, issued on May 16, 2008, with a three-day
22 public hearing tentatively scheduled to commence October 7, 2008. The Board
23 left open for determination at the Pre-Hearing Conference whether Argument and
24 Reply would be dealt with orally at the end of the public hearing or in writing
25 thereafter.

26 If Argument and Reply are to be conducted in writing, the Board suggests that
27 Argument be due two weeks following the close of the public hearing and that
28 Reply be due one week following Argument.

29 The Board will finalize the proceeding schedule in the procedural order

1 following this Pre-Hearing Conference.

2 The Board now invites comments from parties on the proceeding schedule in
3 general and Argument and Reply in particular.

4 MR. DOMES: Mr. Keough?

5 MR. KEOUGH: Thank you, Madam Chair. Generally speaking, I think
6 we are comfortable with the schedule that the Board has put forth. If the number
7 of Information Requests that are directed toward YECL exceed what we expect,
8 we may have an issue but we don't expect that to be a problem at this point in
9 time.

10 Other than that, I think the procedural steps allow sufficient time for parties to
11 address what they have to do. We would very strongly urge the Board to firm up
12 those dates for the hearing. Those dates work. We have people who are
13 assisting YECL who are involved in a number of other cases in other
14 jurisdictions, including the Northwest Territories and Alberta, and there are
15 significant overlapping process steps. I think we've looked at those dates in
16 October and those appear to work. If they slipped to any material degree it would
17 create some difficulties, but I think we're fine with the dates that you have
18 outlined. People are planning around them and I hope that we can firm those
19 dates up.

20 MR. DOMES: Could I just ask one thing? Could you comment on the
21 length of the hearing? Do you think three days is enough?

22 MR. KEOUGH: We certainly hope so. Obviously it will be impacted to a
23 degree by whether or not there is Intervenor evidence and the extent of that
24 evidence. At the moment, I would suspect that three days should be adequate. I
25 would think the Board may be able to have some flexibility regarding sitting hours
26 to be able to accommodate it, but I think at this point in time the three days
27 appears to be reasonable from our perspective.

28 The other thing that could affect the schedule is that, if possible, we would like
29 to deal with argument orally immediately following the proceeding if there is time.

1 Again, that is a variable we can accommodate at the time. If we use the days that
2 are set aside and they are needed fully for evidence then maybe we can go to a
3 written process, certainly a two- or even one-week reply would be a reasonable
4 process. If we have time to conduct the argument at the end of the evidentiary
5 phase in terms of what you have set aside, that could be preserved as an option.
6 What I am saying is I don't think you need to make that decision right now. We
7 can see how it unfolds. We obviously would be getting a little ahead of ourselves
8 if we concluded there are a significant number of controversial issues and
9 therefore may need to do written argument. My suggestion would be that we
10 reserve on that, we see how the proceeding goes and we see how the issues
11 involve; the Board will always have the discretion to say, "Let's go to written
12 argument".

13 Thank you, Madam Chair.

14 MR. DOMES: Mr. Landry?

15 MR. LANDRY: Madam Chair, subject to a comment that I made earlier
16 — which, I suppose, is as good a time as any to raise — Yukon Energy is fine
17 generally with the timeframes that have been proposed and are quite willing to
18 accommodate reasonable requests for extension from the applicant for
19 Information Requests. I think there might be a little bit of leeway if — and I
20 underline "if" — Yukon Energy decides to file Intervenor evidence and whether or
21 not we need the full time that is suggested in here to reply to the IRs; there might
22 be some ways to shore-up the schedule there. I know from my experience the
23 key is the final date — in other words, so we don't have to shift the hearing date. I
24 understand Mr. Keough's concerns about shifting. From our perspective, it is
25 better to set that in stone and accommodate dates if need be earlier than that.
26 So, from that perspective the dates are fine.

27 I will come back to my issue of requesting a bit of information before we start
28 the IR process in a second, but in terms of argument — perhaps it's not
29 necessary for you to make the determination today, but from Yukon Energy's

1 perspective, we would say that written argument is the appropriate way to go. I
2 say that realizing that Yukon Electrical has not been before this Board in a GRA
3 since 1996-97. Yukon Energy went through the same process back in 2005 and
4 there is a lot of material that has to be gone through to effectively bring it up to
5 today's test years. Hence, we should be looking at written argument.

6 I will make a pitch that I make to almost every board I appear before that I do
7 think the process that is used in court is the best process to use in written
8 argument. What I mean by that is that the applicant should provide the Board
9 with its argument first and clearly state exactly what it is requesting from the
10 Board in terms of an order, allowing the Intervenors to reply and then a right to
11 reply to the applicant. Obviously, that is the type of court process that has been
12 used; it has been used for a long time. I think it works a lot better than having
13 everybody argue and then everybody reply. I've made my pitch — I've made it
14 probably to every board I've ever appeared before. That is what I believe is the
15 best way to deal with argument if we are going to do written argument.

16 Generally, on the issue that arose earlier — and one I would like to pursue
17 with the Board — one of the issues in trying to come to grips with the application
18 is that the historical information for the most part on key material — and it goes
19 back to actuals in 2006. Obviously, since Yukon Electrical, as I said, has not
20 been before the Board since 1996-97 — again, it is similar to what happened to
21 Yukon Energy back in 2005 — I would submit to you that it is really important that
22 all historical information — key historical information — be provided effectively
23 back to the last GRA, and if not the last GRA, then perhaps back to 2000, which I
24 think is the cut-off date that was used for Yukon Energy in 2005. What I would
25 suggest to the Board is that Yukon Electrical provide to the Board and parties the
26 key schedules in the application where they have used a comparison of actuals
27 to the test years — that they be requested to file with the Board those schedules,
28 but go back to the date — either 1998, which is one year after the test years from
29 the 1996-97 GRA, or some other date that the Board might choose. I can say

1 this: it would simplify the process in my view if we had that information before the
2 Information Requests are prepared because, in effect, those questions are going
3 to be asked in the Information Request process. So if we had the information
4 before, I think it would quicken the process and would likely and hopefully lead to
5 a situation where at the end of the round of IRs, parties would not have to come
6 back to the Board and request further information.

7 Again, subject to the ability in terms of timing for Yukon Electrical to do it, I
8 think that if that type of information was filed within the next eight to 10 days, we
9 could still accommodate the IRs, at least from Yukon Energy's perspective, on
10 the dates that we have talked about.

11 I may have more to say about the issue but I think in light of what you are
12 trying to accomplish here today, which is to simplify the process and make sure
13 the key issues are all dealt with, it seems to me that if we had that information up
14 front it would help everybody move along with this application.

15 MR. DOMES: Mr. Crist?

16 MR. CHRIST: From my understanding of the process involved here, the
17 schedule seems appropriate. Thanks.

18 MR. DOMES: Mr. Mather?

19 MR. MATHER: No comment.

20 MR. DOMES: Mr. Maissan?

21 MR. MAISSAN: Thank you. I have a few comments. First of all, I would
22 reiterate Mr. Landry's comments about schedules and past historical information
23 because that would certainly be first and foremost on my list for an Information
24 Request to get that historical information. If that is provided ahead of time it might
25 reduce the number of IRs and simplify matters.

26 The second question I have is in regard to what might happen with the
27 responses from YECL. If any of the Intervenors feel that a response is non-
28 responsive or leads to issues that need follow-up, how is that dealt with? My

1 question is about follow-up questions if necessary, and that is speculative on my
2 part.

3 The last issue — well it's not an issue — what I wanted to say is the schedule
4 is fine in terms of my personal schedule; it fits well.

5 MR. DOMES: Madam Chair, just before I turn it over to Mr. Keough for
6 reply, I just wanted to note that IRs are due on June 30. If YECL may be
7 providing further information within eight to 10 days, it does cut into the IR time,
8 and I don't know from the Board staff's perspective whether they might need
9 more time to issue IRs, just for the record.

10 MS. SHANKS: Okay.

11 MR. DOMES: Mr. Keough?

12 MR. KEOUGH: Thank you. Madam Chair, I think we've heard the
13 comments from Mr. Landry about historical information and I think there are a
14 number of points I would like to make in response to that.

15 First of all, I think in the application YECL provided what I will call the
16 standard type information that is required in many jurisdictions to justify the
17 amounts that are forecast in the current application. We are here primarily to test
18 the current forecasts for the test years and the question becomes: how much
19 background information do you need to be able to adequately test the current
20 requests? We would submit to you that the two years of actuals is a pretty
21 standard practice of what parties are required to file to be able to allow an
22 understanding of the operation of the utility to the extent history could be a guide
23 for the future. That is what you are looking at. You are looking at the performance
24 over the most recent period and trying to see how that could influence the future
25 expenditures or the future forecasts. It is certainly our view that providing that
26 degree of back-up is sufficient and YECL is certainly prepared, as the applicant,
27 to rely upon that level of information to make its case. I think if you go back to
28 basics, the onus is on YECL to demonstrate to you that its forecasts are
29 reasonable and hopefully get the approval it is requesting. But it is taking the

1 risk; it is saying to you, "We think that is enough information". The onus is on the
2 applicant to make its case.

3 I would lay the groundwork on that basis and say that if the Board at the end
4 of the day says you haven't adequately demonstrated why a cost is reasonable
5 because we would have needed more information, that is something that the
6 applicant is taking a risk on, not Intervenors and not the Board. We are trying to
7 make a case here; we're saying we think we've put forward adequate information
8 to substantiate that case.

9 The second point I would make is that for sure YECL has not been before you
10 for an extended period of time. Some may think that is a good thing. It is a small
11 utility and these proceedings are expensive. To be able to hold the line on rate
12 increases for 11 years — some might say that is a really good thing, and we
13 certainly think it is. We've been able to operate in this cost-pressure environment
14 with low growth and keep rates stable. I think that is a positive, not a negative.

15 The other thing I think in that regard is that YECL has filed consistently with
16 this Board annual reports on finances. Those reports on finances contain detailed
17 information, financial statements, utility income, property, equipment, rate base,
18 and all kinds of information, so it's not like this Board wasn't getting anything from
19 YECL over the intervening period. We're not sure that it is either appropriate or
20 necessary to go back years and years to get all that history in order to justify the
21 future. The rates for the past periods aren't at issue here; they've been final
22 rates. For sure, we want to make sure the Board has adequate information to test
23 the forecast; we think we have provided that.

24 I think there is another complication, if you will. I may get this wrong and I'll
25 have Mr. Babyn correct me if I do, but I think it was around the end of 2004 that
26 YECL converted its financial systems in conjunction with the conversion by its
27 parent company. Information may be — I shouldn't make these promises, but
28 may be fairly readily available for 2005 to add an extra year of actuals to the
29 2006-07, but my understanding is to go back before that period of time would

1 create a significant issue and, at the end of the day, the information that you
2 would get would not be directly comparable. There would be an apples-to-
3 oranges problem where you would have information generated from the
4 predecessor financial system that you couldn't directly compare with the current
5 system.

6 Where I get to is, if the Board thought that additional information was
7 necessary — and we would be urging you not to, but if you thought that it was
8 necessary, my understanding is that we could probably provide an additional
9 year fairly readily — I'll check this before I say it, but probably within the time
10 frame that Mr. Landry has identified. If you want to go back before that, there will
11 be difficulties in compiling the information and there will be a real problem with
12 the apples-to-oranges comparison of the data as we move forward, because it
13 just will not be on the same basis. I am going to check that I haven't misled you in
14 any material way based on what I know.

15 What I understand is the code of accounts and everything was different under
16 the old system so you will not have the same ability to look at it and say, "Yes, I
17 can take the schedule from the earlier years and continue it, and there is a
18 consistent presentation of information." It will take time and it will ultimately lead
19 to more confusion than assistance, is what I'm saying.

20 The bottom line is that our view is that we don't really think you need anything
21 further. If you disagree and want something further, I think we can get an extra
22 year fairly readily. Beyond that, there are some issues and it will probably take
23 more time.

24 MS. SHANKS: Mr. Landry, do you have any comments?

25 MR. LANDRY: Madam Chair, as I understand Mr. Keough's submission,
26 there are a couple of issues that arise at a high level. First of all, whether
27 questions arising pre-2006 are within scope — and I use that terminology to be
28 consistent with the way in which this Board approached issues back in 2005 in
29 YEC's application. The second question, which I guess has two parts to it, is

1 whether or not they should be required to produce it earlier, like I suggested
2 earlier, or whether there is going to be some difficulty once they are asked these
3 questions in the IR process in getting the information.

4 Let me just say that at a high level, I think the Board made it very clear in
5 YEC's application — and I will say that I don't know how one could argue that
6 historical information in the nature that we are requesting back to the previous
7 GRA is not relevant, not within scope. I guess I would give one classic example
8 of that, and that is that there are plenty of capital additions that have been added
9 to rate base since the last GRA that are continuing, effectively going into rates as
10 we go forward, and they have never been scrutinized.

11 I think I heard Mr. Keough say that it is not within scope; he doesn't think you
12 need it. But it is obviously, in our submission, historical information as it was in
13 2005, and as YEC was required to do in 2005 — something that Intervenors and
14 the Board should have to scrutinize in this application, keeping in mind that what
15 we have is a utility — and at one level, it is a positive thing that it has not filed for
16 rates for approximately 10 years, but they have been able to live with those rates
17 for those 10 years, including 2007, where they reported to this Board a return of
18 10.4 percent. Yet, they are now requesting, in the two test years leading to 2009,
19 a very, very significant increase in effectively what we call their "controllable
20 costs", which is effectively their revenue requirement less the purchased power
21 from YEC, less fuel expense. It is a very, very significant increase. We estimate
22 that to be, on their controllable costs for 2009 something in the neighbourhood of
23 about 27 percent.

24 It's very relevant, in our submission, for this Board to go back historically and
25 see how they have been able to maintain and not come forward to the Board for
26 rate increases and then all of a sudden, in 2008 and 2009 as test years, come
27 forward with such a significant request for information.

28 I do think that, one way or the other, these questions are going to be asked,
29 and it will be up to the Board, if YECL takes the position that they are not within

1 scope, to make that determination. I didn't hear that, and if they can't produce
2 exactly the schedules I have requested because of change in the code of
3 accounts and that type of thing, we'll still be requesting historical information from
4 YECL going back to the 1996-97 time period.

5 I can understand that it is maybe some work for the company — it was work
6 for YEC — but it is within scope, in our submission. Like I say, as it was in 2005,
7 this is very relevant information and it is going to help all of us test and scrutinize
8 issues that have not been scrutinized by the Board. It is one thing to file financial
9 information on a year-to-year basis with this Board, but it has never been
10 scrutinized. That is what these processes are for; that's what should be done in
11 the case. Thank you.

12 MS. SHANKS: Thank you, Mr. Landry. Do you have any further comments,
13 Mr. Keough?

14 MR. KEOUGH: I do, Madam Chair. If I understand what Mr. Landry is
15 doing in terms of comparing it YEC back in 2005 — and I am not sure; we
16 haven't gone back and looked at what they provided, but it appears they provided
17 either four or five years of actuals, according to what he said. I'm not really sure,
18 when you look at the test years. What I'm suggesting to the Board is that we
19 could provide a third base year of historic actuals, being 2005. So whether or not
20 three is the magic number, or four is the magic number, I don't know, but what
21 I'm suggesting to is that we could provide the third year fairly readily. If
22 Intervenors have specific Information Requests that go to certain areas — and
23 my friend mentioned capital or whatever — that then seek information going back
24 to earlier periods, to have some sort of continuity schedule or whatever, I think
25 we could look at those on a request-by-request basis and see if there was a way,
26 through the IR process, to get information on specific areas that we may be able
27 to accommodate to some degree. Not only would that give us more time, but it
28 would also hopefully narrow it beyond the scope of saying, "File all your actuals

1 and all schedules for earlier periods.”

2 Again, as I say, it might be avoiding an apples-to-oranges type of approach.

3 So I think, again, we want to try to be helpful and we want to not create
4 significant issues for the Board regarding the provision of information. We
5 understand that we haven't been before the Board for an extended period. We
6 understand people want to be able to test the materials that we filed. I think what
7 hopefully could be some sort of compromise is if we did file the 2005 information.
8 That would give you three years, and, as I say, whether or three or four is magic,
9 who knows, but it would give an additional year. My submission to you would be
10 to have that information made available as soon as possible and to have parties
11 explore, through the Information Request process, specific areas where they
12 might want to go further, and we will be able to assess and evaluate the ability to
13 provide that information in a timely manner for those specific issues, and if we
14 have difficulty in that regard, we will advise the Board. But I think that is a more
15 practical solution than saying, you know, “Get information going back four or five
16 years.”

17 I mean, Mr. Landry referred to 2000, but then he was in 2004 doing a 2005
18 case. Now we're in 2008, so your time continuum — if he's hitching his wagon to
19 a 2000 year, we are, you know, three and a half or four years beyond that now,
20 so I don't think it is fair of him to say, “We provided information back to 2000; you
21 provide it back to 2000”, and that is the same thing. We are four years beyond
22 when his case was heard.

23 I am trying to struggle here to get a practical solution and one that provides
24 helpful information to the Board. I think our suggestion in that regard would be —
25 I will confirm here, but I would suggest that we provide the 2005 and deal with
26 specific requests for certain areas through IR process. I just want to confirm that
27 that might work.

28 I'm getting nods that we could probably do that, so I would hope that that is
29 satisfactory to the Board. Again, we are trying to be helpful. We want to put as

1 much information before you as you think you need to be able to deliberate on
2 the matters that are contained in the application. We think that does it and would
3 ask that that be viewed as adequate. Thank you.

4 MS. SHANKS: Mr. Keough, if the Board were to accommodate Mr.
5 Landry's request, what kind of time frame would you see YECL requiring for the
6 pre-2005 information?

7 MR. KEOUGH: I'm told that in order to get the information going back a
8 couple more years to provide a range that would be comparable with what Mr.
9 Landry is saying his client provided, would take in the four- to six-week range.

10 MS. SHANKS: I'm having a hard time understanding. You're suggesting
11 that we address in the IR process case-by-case, as needed, so I'm just
12 wondering — those two different timeframes seem quite broad to me.

13 MR. KEOUGH: Well, Madam Chair, we're not expecting — we're hoping
14 that the first Information Request won't be, "Provide all your schedules for 2000
15 to 2004". Yeah, with that type of request, we would be back to you saying it is
16 problematic. But my friend identified something like capital, so if there was an
17 Information Request saying, "Please provide a continuity schedule for capital
18 expenditures from 2003 to 2005, that type of request may be able to be
19 accommodated on an individual, specific basis. That is not just saying, "Please
20 give us your whole application, every schedule in it, going back four or five
21 years."

22 I am distinguishing the circumstances here and suggesting that we may be
23 able to accommodate specific requests. I'm using the example Mr. Landry
24 brought forward. In that circumstance, yes, within the IR time frame, we would
25 attempt to respond, but it's a very different thing if you say to us, "Provide all your
26 schedules that are contained in the application for the earlier years." I am not
27 sure how many you will use.

28 Then we get into the issue of: do we give them to you, and they are not
29 comparable, or do we try to restate them, which I am not even sure we have

1 turned our minds to. I guess what I am saying is that we do think there is an
2 ability — on an issue-specific basis, if there is an Information Request asked
3 during the IR time frame — to get the information. I very much think it is a very
4 different thing to say, “Give us all the schedules from the application for the
5 earlier years. I do distinguish the two, I guess, Madam Chair.

6 MS. SHANKS: Mr. Landry looks like he has one more final comment.

7 MR. LANDRY: Just to be clear, Madam Chair — if I was unclear, I
8 apologize — I probably wasn't, in terms of the YEC application. YEC provided
9 five years previous to the test year that was being brought forward — 2000,
10 2001, 2002, 2003 and 2004 — and where we could accommodate a request for
11 information pre-2000, keeping in mind that Yukon Energy — not like Yukon
12 Electrical — had been before the Board for rate approvals, changes and rates
13 effectively right up to I believe it was 1998, 1999. It's a little different
14 circumstance and I just wanted to make that clear.

15 Part of the difficulty I guess we're struggling with is that the information is
16 relevant and perhaps they can't do it in the specific way that was requested in the
17 time frame that I requested, but if I heard Mr. Keough right, it can be done, it's
18 just going to take a little bit longer. If it is, say, four weeks for that type of
19 information — it is very relevant to this Board — that should come forward in four
20 weeks and we'll have to accommodate that. I've looked at the schedule and we
21 can accommodate, with the hearing dates that we've got, tighter time frames
22 from our perspective for sure, in terms of getting IRs out. I would only impress
23 upon you that this historical information is clearly within scope and clearly
24 relevant to test the increases that have been requested. We're not trying to ask
25 for something unreasonable. If there are some difficulties that they have internally
26 because of changes in accounting methods and all of that sort of thing, that's
27 fine; we should accommodate that. I think the Board should accommodate that,
28 but it still should be provided. Those are my comments.

1 MS. SHANKS: Mr. Keough, do you have any comments to Mr. Landry, in
2 terms of the scheduling if that kind of information was requested?

3 MR. KEOUGH: Madam Chair, I certainly, as I've said before, would like
4 to try to maintain the proposed schedule. It will create certain challenges and we
5 may have to accommodate things along the way. I'm not sure what type of
6 process we would be able to implement to address his concerns. It would put
7 stresses on the schedule for sure, to try to get that degree of information before
8 the Board and allow an opportunity for questioning on it.

9 But Madam Chair, Mr. Landry just said a couple of things that are different
10 from what he said before, or maybe they're supplemental to what he said before.
11 We question the value of information that's going back 10 years to the record of
12 these proceedings. We question whether or not what happened 10 years ago is
13 relevant to your ability to decide on the reasonableness of the forecasts for the
14 future period that are being applied for here.

15 I do acknowledge that there are certain specific items where a continuity
16 schedule may be helpful. But it's helpful in order for you to understand whether or
17 not the forecasts are reasonable. I'm not sure I agree that it is entirely in scope or
18 relevant to say we need all the information from 10 years ago and what value it is
19 going to be for you in rendering the decisions you're going to have to render.

20 A lot of things have happened over 10 years. I think the forecasts are going to
21 be viewed — certainly the vast weight of the influence on the reasonableness of
22 the forecasts is going to be the more recent period. So, going back and digging
23 up information from a decade ago simply because an applicant might be able to
24 do it with considerable effort, I don't think is a real valid reason for saying you
25 need it. I think that's where we come down to saying: what information does this
26 Board need to adequately test the applications before you? I don't think I answer
27 that myself by saying you need information that's 10 years old.

28 So, we would resist his suggestion that it is relevant. We would resist his
29 suggestion that it is within scope. You're here dealing with an application for the

1 test years. And again, as I started with, YECL has the burden to demonstrate to
2 you its requests are reasonable. In doing that, we're not trying to fight providing
3 you reasonable information. We think two years actual is ample. We think three is
4 more than pretty well any tribunal gets on a regular basis. I'm not sure what
5 happened with YEC and I'm not sure we want to get into saying they did it, so we
6 have to do it. That's a mug's game that nobody wins.

7 We don't want to debate the circumstances surrounding YEC; that's not what
8 we're here for. What I can tell you is: tribunals across this country generally
9 operate on the basis of two years of actuals. We've indicated we're prepared to
10 provide a third and can do so readily. We've indicated to you that beyond that,
11 there's an issue of comparability; there's an issue of the accounts being in a
12 similar format. That creates difficulties in and of itself that diminishes, in our view,
13 the value of the information.

14 That all being said, again, we've indicated a willingness on specific matters, if
15 people pose Information Requests seeking information that go back further, we
16 will try to accommodate those. We'll try to do that within the time frame that
17 you've allotted. I think in that regard we are attempting to be as open and helpful
18 as possible. We would ask the Board to confine the direction — if you are going
19 to make one — for additional information to the 2005 actuals and then leave the
20 balance of the requirements to the Information Request process and let's see if
21 we can deal with it there and provide the information that parties need.

22 I hope, Madam Chair, that's viewed as a reasonable compromise to try to
23 make the process efficient, provide you with adequate information, and not get
24 bogged down in providing information to you that's of questionable value.

25 **7. Hearing Process**

26 MS. SHANKS: In that regard, I would like to move on to item 7 on the
27 agenda: The Hearing Process.

28 To assist with the orderly review of the application, according to Section 19 of
29 the Board's *Rules of Practice*, the *Rules of Practice* require that motions be filed

1 in writing and served on all other parties. Parties then have five days to respond,
2 with the moving party having two days to reply. As provided also in Rule 19(6),
3 the *Rules of Practice*, motions can be made orally during the public hearing and
4 will be dealt with according to the procedure established by the Board at that
5 time.

6 The Board's Web site will be updated with the filings and the transcripts and I
7 expect the transcripts from this Pre-Hearing Conference would be available and
8 posted on Monday.

9 **8. Interim Rates**

10 MS. SHANKS: Item 8 on the agenda is Interim Rates. The Board noted
11 in Order 2008-4 that YECL has requested approval of interim refundable rates
12 effective July 1, 2008, and that the Board would establish a process for this
13 interim application following comments at the Pre-Hearing Conference.

14 The Board would like to know at this time whether any party objects to
15 YECL's request for interim rates. If there are no objections, the Board will
16 consider YECL's request without any further process. If there are objections, the
17 Board will establish a process to consider the interim application in light of these
18 objections.

19 In the agenda for this Pre-Hearing Conference, the Board proposed a short
20 written process for comments from parties on the proposed interim rates due
21 June 20, 2008, and reply from YECL due June 27, 2008.

22 I would ask Mr. Domes to facilitate submissions on the request — whether
23 parties object to the interim rates and if so, whether they have any comments on
24 the proposed written process.

25 Mr. Domes, please ask for submissions on that.

26 MR. DOMES: Mr. Keough?

27 MR. KEOUGH: Thank you. Madam Chair, we really have nothing to add
28 to what's contained in the application. Obviously, we would like to put interim
29 rates in place as quickly as possible, and we think the suggested approach is a

1 reasonable one. Unless someone has objections to it, we would simply reiterate
2 what's contained in the application.

3 MR. DOMES: Mr. Landry?

4 MR. LANDRY: Madam Chair, Yukon Energy will be taking the position
5 that interim rates should not go into place, but we're fine with the written process
6 that you've proposed and the time frames that have been proposed.

7 MR. DOMES: Mr. Crist?

8 MR. CRIST: Madam Chair, the City of Whitehorse doesn't hold a position
9 on this right now. No comment, thanks.

10 MR. DOMES: Mr. Mather?

11 MR. MATHER: No comment.

12 MR. DOMES: Mr. Maissan?

13 MR. MAISSAN: My view is that if interim rates are needed, a rate
14 increase is needed — and they probably are after all these years — the sooner it
15 gets implemented, the better, rather than have much higher rates later to recover
16 the same amount of money over a shorter period of time.

17 I do feel that what's being requested is higher than what is reasonable, but I
18 have no specific suggestion as to what would be reasonable at this time. I would
19 suggest that that is subject to the discussion at the full hearing, so I think some
20 increase in rates is appropriate. The time schedule for written comments is fine
21 and if rates are necessary — and I think they probably are — then the sooner,
22 the better. Thank you.

23 MR. DOMES: Mr. Keough?

24 MR. KEOUGH: I think we may as well wait and go with your written
25 process because it appears that we will at least have Mr. Landry making
26 submissions that I think we will take issue with, so my view is we should stick
27 with your proposed written process.

28 MS SHANKS: In that regard, parties can go ahead and undertake the
29 written process that the Board has outlined in terms of interim rates.

1 **9. Other Matters**

2 **MS. SHANKS:** We will move to Item 9. Are there any other matters that
3 parties wish to address at the conference today before it is adjourned?

4 **MR. DOMES:** Mr. Keough has a matter he'd like to speak to.

5 **MR. KEOUGH:** Thank you, Madam Chair. It's more of an observation at
6 this point. We are not objecting to the schedule that the Board has set out for a
7 consideration of the correspondence received from Mr. Rondeau on June 5. I do
8 want to go on the record as saying we don't think this is a Notice of Motion. We
9 don't think it meets the requirements of your rules for a Notice of Motion. It's
10 something that, in our view, simply because a party writes a letter and uses the
11 words "Notice of Motion" in the context of that letter, does not necessarily make it
12 so. Your rules have certain requirements that people have to address within a
13 Notice of Motion. We don't think this meets the standard.

14 But, nonetheless, there is a process available that you've set up. We will
15 make our submissions in that process and, you know, deal with it there. I'm not
16 seeking to revisit that now, particularly given that Mr. Rondeau is not in the room.
17 I don't think that would be appropriate. So, for all those reasons, we will deal with
18 it. But I think just as a matter for the record, we wanted to be clear, that there are
19 threshold issues related to a party bringing a Notice of Motion. Should others be
20 forthcoming in the context of these proceedings, we will be looking at that
21 threshold question before we accept it as a Notice of Motion. This one we will
22 deal with as per your schedule.

23 I just wanted to be on record and let the Board know that, for the proper
24 conduct at the proceeding as we move forward, if people are going to bring
25 Notices of Motion, we expect them to be Notices of Motion that are proper and
26 that meet your requirements. Thank you.

27 **MS. SHANKS:** Mr. Domes has some comments as well on the UGC
28 Notice of Motion.

1 MR. DOMES: I think the only comment was that, depending upon what
2 the Board's decision might be — if it accepts it as a Notice of Motion, and
3 accepts the motion, there might be some impact on the hearing schedule, but
4 that's the only thing I'd note.

5 MS. SHANKS: Mr. Landry?

6 MR. LANDRY: Madam Chair, I do have one other matter I wanted to
7 raise, but on the matter that Mr. Keough has raised, we actually support Mr.
8 Keough's position on this. It's very difficult for an applicant to deal with what I will
9 call something that is hard to — in our parlance — look at and come to grips with
10 as a Notice of Motion. So, Mr. Keough I think properly will deal with this one. But
11 we — Yukon Energy — feels the same way, that if a Notice of Motion is brought
12 forward by parties — and I'm not trying to be too legalistic here — I'm trying to
13 say that a Notice of Motion is intended to properly inform the applicant and the
14 Board as to what it is that is being requested and have supporting materials when
15 that request is relevant. So we support Mr. Keough's position that, in the future,
16 we should try — all of us, all of the interested parties that appear before here —
17 to do motions in a more — I hate to say it, but I think it's appropriate — more
18 formalistic way.

19 MS. SHANKS: Thank you, Mr. Keough. Do any other parties have any
20 other comments? Any other matters they wish to bring before the Board this
21 morning? That being the case, I —

22 MR. LANDRY: Really, for the record, Madam Chair, if the Board was
23 willing to or trying to come to a compromise on this issue, I wanted to put on the
24 record what schedules we thought would be appropriate in the circumstances. In
25 talking to my colleagues, if they could go back to 2000, we think that is
26 appropriate just so the schedules — and I would say this: these are the type of
27 questions that would be asked in any event during the IR process, so giving the
28 applicant a bit of notice on this probably, I would say, is helpful. The schedules
29 are Schedule 1.1; 2.1; 3.1; 3.2; 4.1; 4.2; 5.1; 5.3 and 8.1.to 8.6.

1 MS. SHANKS: Thank you, Mr. Landry.

2 Mr. Keough had some follow-up comments as well.

3 MR. KEOUGH: Just to close off, Madam Chair, we thank Mr. Landry for
4 a heads-up, but I just want to reiterate that when my friend asks for year 2000
5 and says that is what YEC had to do, we are now four years hence, so to go back
6 to 2000 is requesting from YECL far more than his client provided. We've moved
7 beyond 2005 now. So, even if the Board found some attractiveness to a parallel
8 to what was required of YEC — and I'm not sure why you would — there doesn't
9 seem to be any correlation there. But, even if you did, to say go back now to
10 2000 is a much longer period. That would put a far greater burden on YECL than
11 YEC had to bear at the time.

12 So, I'm suggesting to you, Madam Chair, yet again, I think the offer to go to
13 2005 should be sufficient for your purposes.

14 **10. Closing Comments**

15 MS. SHANKS: Thank you. If there are no other matters, then I thank
16 everybody for attending today and I adjourn this Pre-Hearing Conference.


17

18 *The Pre-Hearing Conference adjourned at 11:38 a.m.*

REPORTER'S CERTIFICATION

I, the undersigned, hereby state that the foregoing
pages 1 through 32 were recorded and transcribed
to the best of my skill and ability.

DATED at the City of Whitehorse, Yukon,
this 13th day of June 2008.


Lois Cameron
Court Reporter
(867) 667-2760