



The Yukon Electrical Company Limited
An *ATCO* Company

May 10, 2013

Yukon Utilities Board
Box 31728
Whitehorse Yukon Y1A 6L3

Attention: Mr. Bruce McLennan
Chair

Dear Mr. McLennan:

RE: Yukon Energy Corporation 2012-2013 GRA Compliance Filing - Comments

Further to the Yukon Utilities Board's (Board) Memorandum dated May 6, 2013, Yukon Electrical Company Limited (YECL) has the following comments regarding Yukon Energy Corporation's (YEC) 2012-2013 GRA Compliance Filing submitted on May 1, 2013.

At a high level, YEC's Compliance Filing addresses a number of relatively mechanical adjustments that deal with the directions in Board Order 2013-01. While YECL has not had an opportunity to complete a detailed review of these adjustments, it trusts the Board has resources in place to ensure YEC has appropriately reflected the directions.

Beyond the mechanical adjustments, YECL notes that YEC is seeking the approval of a revised DCF as part of its Compliance Filing. This revision appears to go beyond a relatively mechanical adjustment. At paragraph 255 of Board Order 2013-01, YEC was directed to:

...incorporate other non-diesel generation facilities (wind, Fish Lake hydro) forecasts into its model... YEC is to work with YECL, and the two utilities will provide a joint recommendation on how the DCF will affect the Energy Reconciliation Account in Rate Schedule 42 and any proposed wording changes to that rate schedule.¹

As well, at paragraph 281 of Board Order 2013-01, YEC was directed to, "...refile a Rate Schedule 42 in cooperation with YECL as directed in Section 3.6.2 of this decision."²

¹ YUB Board Order 2013-01, para. 255.

² Ibid, para. 281



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As of the date of this letter, YECL confirms that it has not met with YEC to discuss the preparation of a joint recommendation on how the DCF will affect the Energy Reconciliation Account in Rate Schedule 42.

Without getting into the complexities of the DCF and the ERA, it is YECL's position that the DCF and the ERA are highly integrated. In fact, this reality is acknowledged by YEC in its Compliance Filing.³ For this reason, YECL respectfully requests that the Board reject YEC's revised DCF proposal, or any related matters associated with the Energy Reconciliation Account in Rate Schedule 42, until such time as a joint proposal is filed by the companies. Alternatively, should the Board choose to consider these matters as part of YEC's May 1 Compliance Filing, YECL respectfully requests that a formal process be established by the Board to allow for the testing of YEC's revised DCF proposal. YECL anticipates, however, that this latter approach will not be as efficient as YECL and YEC working together to develop a joint proposal.

Finally, at paragraph 316 of Board Order 2013-01, the Board directs YEC as follows:

...it is YEC's obligation to forecast all future costs, including third party costs, such as YECL utility costs that relate to YEC's proposed capital projects. The Board directs YEC to consult with YECL to determine costs that are to be incurred by YECL, as a result of YEC's proposed capital project costs. The Board further directs YEC to include such costs in future GRAs for Board and intervener review.

Although YEC responds that this direction will be implemented for future proposed capital projects, YEC also indicates that no changes are reflected in this Compliance Filing.⁴ In light of the Board's direction on this issue, YECL respectfully requests further comment from the Board addressing YEC's commitment towards reimbursing YECL, and including in revenue requirement, YECL's invoices associated with the Haines Junction bypass and CSTP projects.

Should you have any questions regarding this matter, please contact me at (780) 733-2489.

Sincerely,

THE YUKON ELECTRICAL COMPANY LIMITED
An ATCO Company

Original Signed by James Grattan

James Grattan, CA
Director Regulatory

³ YEC, May 1, 2013 Compliance Filing letter, page 3, last paragraph.

⁴ YEC Compliance Filing, page 5-5
