



August 25, 2017

Yukon Utilities Board  
Box 31728  
Whitehorse, YT Y1A 6L3

Attention: Deana Lemke  
Executive Secretary

Dear Ms. Lemke:

**Re: Yukon Electrical Company (“YEC”)  
2017-2018 General Rate Application  
Information Requests**

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ATCO Electric Yukon (“AEY”) hereby submits the enclosed Information Requests to YEC.

I trust the forgoing is satisfactory. Please contact me if you have any questions or concerns at (780) 420-5432.

Yours truly,

*Original signed by Corinne Severson*

Corinne Severson  
Director, Regulatory (Distribution)

CS/by  
Encl.

**Yukon Electrical Company (“YEC”)  
2017-2018 General Rate Application**

**Information Requests No. 1  
ATCO Electric Yukon (“AEY”)  
Submitted: August 25, 2017**

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**AEY-YEC-1**

**Topic:** Wholesale sales forecast

**Reference:**

	2017	2018	Source
Wholesale Sales (MWh)	309,000	309,519	Application, Table 2.1
Wholesale Purchases (MWh)	314,234		ATCO Electric Yukon Compliance Filing, Schedule 3.1, Approved Board Order 2017-03

**Preamble:** AEY is interested in more information regarding YEC’s Wholesale forecast.

**Requests:**

- (a) Please explain the difference between YEC’s 2017 Wholesale Sales forecast and AEY’s 2017 Purchase forecast. Please provide any calculations relevant to YEC’s Wholesale Sales forecast.

**AEY-YEC-2**

**Topic:** LED Streetlight Retrofits

**Reference:** “In 2015, Yukon Energy decided to move forward with the retrofit of their streetlight assets with LEDs. A consultant was retained to develop a technical specification that was used in a competitive bidding process. Streetlights in downtown Dawson and Mayo were retrofit in 2016 with plans to retrofit the remaining streetlights in Faro, Mendenhall and Champagne in 2018.

The net cost of piloting LED streetlights to 2016 is \$0.142 million and the cost for retrofitting the streetlights in Dawson and Mayo with LEDs in 2016 was \$0.168 million. The cost of completing the retrofits will be \$0.080 million in 2018.”

- Application, Page 5-42

“293. With respect to LED streetlight installations that are not end-of-life conversions, the Board directs AEY to treat the costs related to new installations or requested conversions as capital costs that attract a full customer contribution in aid of construction.”

- Board Order 2017-01

**Preamble:** AEY is interested in more information regarding YEC’s LED streetlight retrofitting program.

**Requests:**

- (a) Are the lights that YEC is retrofitting at their end-of-life? If so, please explain how YEC determines when lights are at end-of-life?
- (b) Did YEC receive customer contributions for the LED Streetlight Retrofits?
- (c) Please discuss YEC’s views respecting LED retrofits in the context of: i) Board Order 2017-01; ii) the postage stamp rate environment in the Yukon; and iii) the shared investment policy with ATCO Electric Yukon.

**AEY-YEC-3**

**Topic:** DCF

**Reference:** “Update to DCF Cap – Updated information on the adequacy of the existing DCF cap is reviewed, in order that the Board and interveners can assess options to the current +/- \$8 million cap. No specific option to modify this cap is proposed in the Application.”

- Application, Page 3-26

“Prospects today for continuation or a material increase in loads within the next several years helps to secure more efficient use of existing hydro generation capability, but also indicates ongoing need for a robust DCF to deal with water year variability of the hydro generation, i.e., the Minto mine is now expected to continue operations until at least 2020 (and perhaps until 2022), and there are also renewed near-term prospects for new connected Alexco Resources and Victoria Gold mine loads (see Tab 2 of this Application).”

- Application, Page 3.4-11

“Attachment 3.4.4 assesses the extent that a higher DCF cap of +/- \$16 million (versus the current +/- \$8 million cap) could reduce Rider E impact frequency and enable the DCF to be more robust in dealing with severe drought (with reduced rate instability for ratepayers).”

“Based on the DCF cap update assessments as reviewed above, the Board and intervenors can assess the indicated benefits of **increasing** the DCF cap at this time.”

**[emphasis added]**

- Application, Page 3.4-12

**Preamble:** AEY is interested in more information regarding YEC’s DCF.

**Requests:**

- (a) What percentage of YEC’s 2017 revenue requirement is related to the \$8 million DCF cap? What percentage of YEC’s 2017 revenue requirement would be related to a \$16 million DCF? What would the DCF cap be based on 5% of revenue requirement?

- (b) Please discuss how YEC would financially support a negative DCF balance up to:
- a. \$8 million;
  - b. \$16 million; and
  - c. 5% of revenue requirement.
  - d. For example, would the corporation issue debt? How would carrying charges be addressed?
- (c) Please discuss the pros and cons of the DCF cap as a percentage of revenue requirement, as calculated in part a) of this response.
- (d) Has YEC considered decreasing the DCF cap?
- (e) Please discuss how appropriate price signals will be sent to customers to incent energy conservation, in the event of a drought and fossil fuel must be used for generation.
- (f) Please discuss YEC's views respecting time-of-use metering. Please comment on whether the DCF will continue to be relevant if time-of-use metering is implemented in the Yukon. Please comment on whether YEC believes time-of-use pricing will be implemented when fossil fuel is used for generation.
- (g) Please discuss intergenerational equity and how it relates to the DCF. Please comment on how the DCF may be impacted by a significant load addition if a drought is experienced around the time of connection.

**AEY-YEC-4**

**Topic:** DCF

**Reference:** “<sup>12</sup> Long-term average hydro generation under any set of assumed grid generation load and grid generation capacity and licence conditions is determined in the 2017/2018 GRA based on the then-current YECSIM power benefit model calculations based on 35 years of water record for the interconnected grid and updated reservoir and generation station water flow requirement changes as noted in Appendix 3.4 of the Application. As load grows a portion of the load growth is currently served (on average) by increased hydro output and the remainder by increased average thermal generation (diesel or LNG).”

- Application, Page 3.4-14

**Preamble:** AEY is interested in more information regarding YEC’s LTA water record.

**Requests:**

- (a) What explain and indicate how the “35 years of water record” is determined?  
Can operational changes at YEC influence the water record?
- (b) Is the “35 years of water record” publically available? If not, please provide the 35 years of water record along with descriptions of the data provided and how this information is used.
- (c) If operational changes at YEC impact the water record, per part a) of this response, has YEC considered a shorter period for the DCF water record? Please discuss the pros and cons of going to a shorter period for the DCF water record.