

Yukon Utilities Board

December 15, 2017

To: All Parties
Yukon Energy Corporation (YEC) 2017-18 GRA Proceeding

All Parties:

Re Request for comments on YEC response to Board Order 2017-08 re ERA

The Yukon Utilities Board (Board) is in receipt of a letter from YEC dated December 6, 2017 and a two-part application regarding the energy reconciliation adjustment (ERA) filed in response to Board Order 2017-08. This filing and the letter raises a number of process questions and the Board is seeking comments from interveners on the matters set out below by January 16, 2018. YEC may respond to any comments received by January 23, 2018.

Part 1 of YEC Two- Part Application ERA 2012-2016 (Part 1 application)

In Appendix A to Board Order 2017-08, the Board directed YEC to provide evidence as to how the 2012 ERA amount of \$439,000 was derived and whether or not YEC views that there should be any adjustments to the 2012 amount. As the quantum of the 2012 ERA had not been tested, the Board stated that this amount would be tested in a separate proceeding. Therefore, the Board is considering a written process, separate from the YEC GRA Proceeding 2017-18, to consider the Part 1 application respecting the 2012 ERA amount and the ERA determinations for 2013-2016 ERA.

Prior to establishing a written process, the Board is requesting comments from parties as to whether or not this Part 1 application proceeding should be in writing. A written process would involve information requests, information responses, argument and reply. The Board also seeks comments on the timing of and any needed steps for a written process schedule, such as intervener evidence.

Part 2 of YEC Two- Part Application- ERA 2017 and Forward (Part 2 application)

In Appendix A to Board Order 2017-08, the Board stated:

As the date for YEC to file its application regarding the above is unknown, the Board must still address the current 2017-18 GRA. As most parties do not favour an indeterminate delay regarding this GRA, the Board directs the following:

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1. As January 1, 2017 is the beginning of the test period for the current GRA, the 2017-18 DCF will be held as a placeholder — that is, balances and activity in this account will not be finalized until such time as a final determination is made regarding the separate application in response to the Court of Appeal decision. YEC is to retain the balance (plus interest) in the DCF account until a final determination is made.
2. YEC is to provide an alternative GRA proposal in the current GRA using a short-term hydro-electric generation forecast for the test period. When YEC provides its alternative forecast, it is to provide a copy of the alternative proposal in a clean version and a blacklined version of YEC's entire GRA showing all changes made. YEC is to provide the alternative proposal within 60 days of the issuance of this order. YEC is to provide revisions to all information responses and provide similar treatment (clean and blacklined versions) at the time the alternative application is filed. With the alternative proposal, YEC is to explain all variances between the LTA hydro-generation forecast and the short-term hydro-generation forecast (including any changes in the thermal- generation forecasts) as well as a comparison between the LTA and short-term hydro-generation modelling assumptions.
3. YEC is to remove any DCF references in its alternative application.

The Board will provide a revised process schedule for the current GRA after the alternative proposal, application revisions, and revisions to the first round of information responses are received.

In its letter of December 6, 2017, YEC argues that the contingency fund mechanism needs to be determined concurrent with the YEC GRA 2017-18 process review of hydro forecasts. It contends that separating and deferring review of the Part 2 application from the current YEC GRA 2017-18 process raises procedural concerns. YEC is requesting that the Board consider its Part 2 application either prior to the current YEC GRA process or as part of the GRA proceeding, given it addresses the period 2017 and forward.

Before issuing any further direction on the process for the Part 2 application, the Board seeks comments from interveners on the YEC proposals. In addition, if the Board were to consider the Part 2 application as part of the YEC GRA 2017-18 process, the Board seeks comments on the timing of information requests and information replies arising from the Part 2 application.

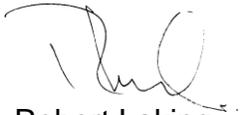
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YECSIM Model

YEC states in its letter of December 6, 2017, that Appendix 2.4 of the two-part application on the ERA provides a description of the actual model and a copy of the YECSIM Model User Manual is provided for review by the Board and interveners relating to the constraints, processes and operational rules of this model for testing and assessment. It stated that YEC “welcomes the opportunity to review any further access to the model and its results that would assist the Board and interveners, including potential workshop or other discussion process for review of its specific use (inputs and outputs) for the 2017-18 GRA forecasts and the updated DCF Term Sheet Table 3.4-1 (GRA Appendix 3.4).”¹ As YEC has now offered to make the YECSIM Model available, the Board seeks comments on the manner in which interveners would prefer to test the YECSIM Model and on the process for testing the YECSIM Model. For example, is an additional round of information requests and information responses sufficient? Would a workshop on the model be useful?

Once the Board has considered the comments received, it will issue the necessary process schedules.

Sincerely,



Robert Laking
Chair

¹ YEC letter dated December 6, 2017, page 6.