

1994-10

**YUKON UTILITIES BOARD**

**DECISION 1994-10**

**NOVEMBER 4, 1994**

**THE COMPANIES' HEARING COST AWARD  
RELATING TO THEIR  
1993/94 GENERAL RATE APPLICATION**

YUKON UTILITIES BOARD

DECISION 1994-10

THE 4th DAY OF NOVEMBER, 1994

IN THE MATTER OF the *Public Utilities Act*, being Chapter 143 of the Revised Statutes of Yukon, 1986, as amended;

AND IN THE MATTER OF the application made by the Yukon Electrical Company Limited and Yukon Energy Corporation to the Yukon Utilities Board for Orders approving changes in existing rates, tolls or charges for electrical light, power or energy and related services supplied to customers within Yukon;

AND IN THE MATTER OF the Companies' application for an award of costs relating to their 1993\94 General Rate Application.

1. INTRODUCTION

The Yukon Energy Corporation and the Yukon Electrical Company Limited (the "Companies") filed an application on March 12, 1993 with the Yukon Utilities Board (the "Board"). The Application requested the Board to fix and to approve just and reasonable rates, charges or schedules for electrical light, power or energy and related services.

In Decision 1993-8 the Board permitted the inclusion of the Companies' hearing costs of \$504,000 in revenue requirement while at the same time reserving the jurisdiction to address the reasonableness of hearing costs incurred by the Companies at a later date. The Board approved the Companies' hearing costs of \$504,000 in its Decision 1994-5 without reasons. This Board Order sets out the reasons for the Decision to award the Companies' hearing costs.

All utility costs are of concern to the Board. This particular General Rate Application ("GRA") hearing was the most lengthy and complicated GRA hearing ever held by the Board. The length and complexity of the hearing are reflected in Appendix "A" to this Decision, which sets out a chronology of the hearing process, in summary form.

2. INTERVENORS

At the Board's request the Companies provided details of their hearing costs which were circulated to all intervenors for comment. The intervenors submitted their comments on the Companies' costs to the Board.

Superior Indoor Climate Engineering ("SICE") took the following position:

"Hourly rates billed by consultants and counsel to YEC and YECL are a matter between two agreeing parties. However, reasonable rates are relevant in deciding the rate to use for awarding costs. These reasonable rates may be higher but generally would be lower than billed. We therefore submit that the Board determine reasonable billing rates to be reimbursed by ratepayers.

Hours billed to and paid for by the Companies are similarly at the discretion of two agreeing parties. The billing hours for which ratepayers should be responsible should be subject to a usefulness test. Invoiced hours that lead nowhere useful and hours that are for the benefit of shareholders only should be eliminated from any award. For instance, the Companies unnecessarily resisted producing details of their claimed hearing costs and thus caused intervenors and the Board unnecessary expense. We submit therefore that the Board reduce the invoiced hours in determining Company costs.

How to determine appropriate hourly rates and billed hours for awarding costs is another question. We submit that the only practical way is for the Board to apply a percentage to the invoiced fees, based on its overall assessment of fair rates and usefulness.

With respect to the disbursement recovery we again see the need to apply a prudence test before allocating these costs to ratepayers, otherwise there is no control over what may be billed. Since less than 100% of fees should be recovered from ratepayers and since disbursements accompany the work related to fees, it follows that less than 100% of disbursements should be recovered."

Friends of Aishihik ("FOA") made this comment:

"The non-compliance of the Companies to respond appropriately to the information requests of the Board prolonged the hearing process significantly, thereby increasing the time, effort and costs of the process. There is no ordinary mechanism to balance and check this system irregularity. Therefore, it's possible for the Companies to expect the ratepayers to absorb these additional costs, and for them to be immune from extra costs it creates from prolonging the process.

It would be wrong to condone this practice and for this reason alone the Board should disallow an appropriate portion of the companies external hearing costs from being approved into the revenue requirement."

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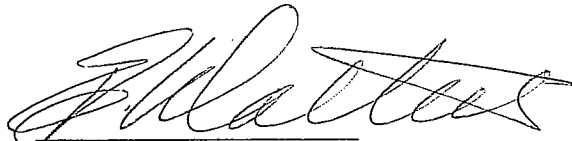
3. REASONS FOR DECISION

It has become apparent to the Board that a fee schedule setting out a tariff of permissible fees and expenses together with a formalized hearing cost application process will aid the Board, the Companies, future intervenors and consumers.

The Board awarded the Companies' hearing costs of \$504,000 after duly considering the Companies' submissions and those of intervenors and the complexity and length of the hearing.

The Board recognizes the need to address the issues of hearing costs and will be working with all concerned to ensure a reasonable balance between allowed expenses and the productivity of future hearings.

DATED at Whitehorse, Yukon this 4th day of November, 1994.

A handwritten signature in dark ink, appearing to read 'Edith Walters', is written over a horizontal line.

EDITH WALTERS, Chair  
YUKON UTILITIES BOARD

**YUKON ENERGY CORPORATION AND  
THE YUKON ELECTRICAL COMPANY LIMITED  
1993\94 GENERAL RATE APPLICATION**

**SUMMARY OF KEY DATES, DEADLINES AND EVENTS**

1.      December 22, 1992      Yukon Energy Corporation ("YEC") filed an application with the Yukon Utilities Board (the "Board") requesting an interim refundable rate applicable to Curragh Resources Inc. ("Curragh") at Faro to be effective April 1, 1993 based on the existing contract rate charged to Curragh.
2.      March 12, 1993      YEC and The Yukon Electrical Company Limited ("YECL") (the "Companies") filed their joint application for a general rate increase (the "original application").

In their original application, the companies requested approval of an interim rate increase of 33.3% to industrial customers and 8.4%, on average, to all other customers effective May 1, 1993.

The Companies also requested approval of further rate increased of 9.8% to industrial customers and 3.5%, on average, to all other customers effective January 1, 1994.

The Companies noted that they were "...concerned with the costs associated with the preparation of Yukon specific rate of return evidence for common equity. In determining a rate of return on common equity, YECL has relied on the evidence of an independent rate of return expert who has recently filed evidence for its parent company (APL) in Alberta requesting a return of 13.125%.
3.      March 25, 1993      The Board issued a Public Notice for Intervention in the General Rate Application ("GRA") by the companies and a proposal to hold pre-hearing conferences and information exchange sessions, the dates of the latter to be set at the pre-hearing conference. The Board, at that time, proposed that the pre-hearing/information exchange process be streamlined in order to reduce the costs of hearing time.
4.      March 29, 1993      Board staff provided the board with an analysis of the various options to examine the rate of return on common equity.



5. March 30, 1993 The Board issued Order 1993-1 wherein it approved the interim refundable rate applicable to Curragh to be effective April 1, 1993 as filed by YEC.
6. March 30, 1993 The Companies announced the closing of their Power Smart Idea Shop in Whitehorse. To replace it, a Mobile Power Smart Shop was developed to travel through the Yukon communities.
7. April 1, 1993 The Board issued its first Information Request with respect to the Companies' request for an interim refundable rate increase to be effective May 1, 1993.
8. April 7, 1993 The Board issued its second set of Information Requests with respect to the interim rate increase application.
9. April 8, 1993 Included in its letter notifying the Board of its intentions to intervene in the GRA, the Friends of Aishihik ("FOA") submitted that "With the recently announced Curragh shut-down, YEC/YECL will need to refile rate schedules, etc, to reflect industrial load/revenue reductions. The present filing is inadequate and inappropriate until these adjustments are made." This letter became Exhibit 8 in the GRA proceeding.
10. April 16, 1993 The Board received a letter from YECL which indicated that, as a result of an error in its original application, the forecast revenue for the Companies at existing rates was over-estimated by \$726,000 and \$859,000 for the Test Years 1993 and 1994, respectively. At that time, the Companies proposed that the shortfall be collected as a supplementary rider commencing after receipt of the final Board decision. This letter became Exhibit 10 in the GRA proceeding.
11. April 19, 1993 The Board issued Information Request #3 with respect to the interim proceeding.
12. April 19, 1993 The Board received the Companies' response to Board Information Request #1 with respect to the interim proceeding.
13. April 23, 1993 The Board received the companies' response to Board Information Requests #2 and #3 with respect to the interim proceeding.

14. April 27, 1993

In its notification to the Board of its intent to intervene in the GRA, the City of Whitehorse (the "City") noted that "The City also has difficulty accepting the assumptions utilized by YEC/YECL in preparing the forecasts for 1993/94 and in particular with the expectation of Curragh coming on stream June 1, 1993. The reality would appear to be that Curragh will be shut-down for at least the test years and probably for some considerable time into the future. If this is the case it appears there could be a crisis on our hands with significant rate shock likely for electrical consumers in the Yukon. All efforts need to be applied to minimize the consequences of this likelihood at the earliest opportunity possible."
15. April 28, 1993

Interim Hearing and first Pre-Hearing Conference.  
During the hearing there was considerable discussion regarding the Companies' largest customer, Curragh. The Faro Mine, which was owned and operated by Curragh, had shut-down indefinitely. There was significant uncertainty surrounding the probability and timing of there opening of the Faro Mine.
16. April 28, 1993

A copy of the Court Order of Mr. Justice James Farley of the Ontario Court (General Division) was filed. The Court Order effectively precluded YEC from disconnecting service to Curragh.
17. April 28, 1993

YEC submitted a letter from its counsel, John Landry, to Curragh's legal representatives in the *Companies' Creditors Arrangement act* proceeding. In that letter, Mr. Landry indicated that "...YEC considers itself immune from the provisions of the CCAA." And also indicated Curragh's indebtedness to YEC at the time of \$829,627 for which YEC had filed a miners' lien.

18. April 28, 1993  
The Companies filed the status of 1993 revenue requirement recovery from March 17 to April 28, 1993. The calculation used in that document assumed that Curragh was to reopen June 1, 1993 and that Curragh would pay normal utility charges in accordance with previously approved rates and interim rates proposed as of May 1, 1993.  
In response to a Board Information Request, the Companies provided an analysis of potential fuel and revenue forecast impacts in 1993 under various scenarios regarding the extension of the Curragh shut-down at the time.
19. May 3, 1993  
The Board issued its fourth set of Information Requests with respect to the original application. This was a set of 102 questions. The companies later responded to these questions in the context of their revised application dated June 2, 1993.
20. May 10, 1993  
The Board received notice from Curragh that it reserved the right to intervene and appear at the public hearings.
21. May 10, 1993  
The Board received the City's submission with respect to its proposal for rate of return evidence. The City proposed that the cost effective process would be to include the entire record from the Alberta Power Limited ("APL") 1993 GRA proceeding in the Yukon proceeding.
22. May 11, 1993  
Curragh submitted its position on rate of return evidence wherein it stated that "...Curragh reserves its rights to call expert evidence on this issue at the hearing and is not prepared to state that it does not wish to cross-examine the applicants' witnesses for itself on this issue."
23. May 14, 1993  
In a letter from YECL's legal counsel, Don Sabey stated that his client was willing to accept the determination of the Alberta PUB as being the appropriate rate of return for a high grade utility rather than going to the expense of preparing transcripts of the earlier record of the APL 1993 GRA proceeding.

24. May 14, 1993  
The Board issued Interim Decision 1993-2 wherein it approved a rider of 20% on all rates and charges to industrial customers and a rider of 6.75% on all rates and charges to all other customers, except wholesale. The Companies were ordered to refile their GRA on or before June 4, 1993 to reflect the impact of "...the conditions which the Companies consider to be most realistic at the present time." (i.e., the indefinite shut-down of Curragh mine operations in Yukon).
25. May 17, 1993  
In a letter from its legal counsel, Paul Sully, the City informed the Board that it was not prepared to agree with the Companies' proposal respecting rate of return contained in Mr. Sabey's letter of May 14, 1993.
26. May 27 - June 4, 1993  
A series of correspondence between the Board and Intervenor regarding Curragh's status in the GRA.
27. May 28, 1993  
In response to Interim Decision 1993-2 the Companies filed revised Riders G and H to reflect the Board's approval of rate increases of 20% to industrial primary customers and 6.75% to other retail customers. The Board approved these Riders in Interim Decision 1993-3.
28. May 31, 1993  
At the request of the Chair, Board staff reviewed the Industrial Primary Rate which at the time applied to Curragh and reported thereon.
29. May 31 - June 11, 1993  
Various correspondence regarding telephone participation of witnesses at the main hearing.
30. June 4, 1993  
The Board received the Companies' revised application (yellow sheets) wherein the Companies "...decided that the only reasonable and prudent assumptions to make in the revised application regarding Curragh were to assume Curragh will not commence operations prior to the end of 1994 and will not pay any of the amounts presently outstanding." Based on this assumption, the companies submitted an application for further interim increases of 20% to be effective July 1, 1993 and 10.3% to be effective October 1, 1993, with a further increase beginning January 1, 1994 to be collected by way of rider pending the Board's decision regarding the allowed revenue requirements.

31. June 4, 1993  
The Board held its second Pre-hearing Conference to resolve issues arising out of Information Requests and other matters. There was extensive discussion with respect to the nature of the rate of return evidence. During that session the Board ruled that it would hear the rate of return evidence "in the traditional way". Discussion also took place with respect to Ian Blue's contention that the Board is precluded from awarding the interim rate increases sought in the revised application, i.e., the "90 day rule".
32. June 11, 1993  
The board received a written submission from Mr. Blue which outlined Curragh's position with respect to the Board's jurisdiction on awarding the interim rate increases sought in the revised application.
33. June 11, 1993  
The Board issued its fifth package of Information Requests numbering from 103 to 155.
34. June 18, 1993  
The Board received the Companies' joint argument with respect to the Board's jurisdiction to order interim rates.
35. June 18, 1993  
The Board issued Decision 1993-4 wherein it approved certain Intervenor hearing costs with respect to the Companies' 1992 Capital Hearing.
36. June 22, 1993  
The Board received the written evidence of the City's expert witnesses with respect to revenue requirement issues and rate design.
37. June 22, 1993  
The Board received a revised 1994 Cost of Service Study arising out of the revised application.
38. June 23, 1993  
The Board received copies of a Yukon Government news release and a Memorandum of Understanding ("MOU") between the YTG and Curragh which outlined a financial guarantee for Curragh.
39. June 23, 1993  
The Board received the written evidence of Dr. Michael Ileo on behalf of Curragh.
40. June 23, 1993  
The Board received a copy of a letter from Curragh to YECL which outlined Curragh's energy requirements from June 1993 through December 31, 1994.

41. June 23, 1993 The Board received a pictorial image of the Companies' proposed step rate increases based on the revised application.
42. June 28, 1993 The Board received the written evidence of Ms. McShane on behalf of the Companies and Mr. Parcell on behalf of Curragh.
43. June 29, 1993 The Board issued Interim Decision 1993-5 wherein the Board found that it has jurisdiction to award an interim rate increase, notwithstanding Curragh's contentions to the contrary, and wherein the Board deferred ruling on the Companies' application for a further interim rate increase pending further evidence at the full hearing commencing July 13, 1993.
44. June 29, 1993 The Board held its third Pre-Hearing Conference, during which participants discussed procedural issues and the Companies attempted to clarify issues with respect to responses to Information Requests.
45. June 30, 1993 The Board sent Information Request #6 to the Companies and Information Request #1 to Curragh, both related to their respective rate of return evidence.
46. June 30, 1993 The Board received a letter from YECL which outlined the details of invoices to and balances due from Curragh.
47. June 30, 1993 The Board received a corrected summary of 1994 costs and revenues for insertion into the revised application (Exhibit 101).
48. July 5, 1993 In response to Board staff cross-examination of Marvin Pelley, President of Curragh's Yukon operations, Curragh provided average electricity rates paid by other lead/zinc mines in Canada and the U.S.

49. July 13, 1993

The main hearing of the GRA commenced.

During the course of the hearing members of the public who were not registered Intervenor were invited to participate in the proceeding. Bill Klassen appears on behalf of the Technical Advisory Group of the Aishihik Relicensing Project ("TAG"). Piers McDonald, MLA for McIntyre-Takhini, also appeared. The Board also received a presentation from Bob Van Dijken for the Yukon Conservation Society. In addition, the following interested parties filed written submissions: the Watson Lake Hotel; Campground Services Ltd.; Yukon Conservation Society; Kwanlin Dun First Nation; the residents of the Village of Mayo; Delicatessen Centre Ltd.; Association of Yukon Communities; Liard Indian Band; and Sophie Partridge, a Yukon resident. All of these parties expressed concern with regard to the magnitude of the rate increase proposed by the Companies.

The first day of the hearing dealt primarily with procedural matters and cross-examination of the two rate of return witnesses.

50. July 13, 1993

The Board received a document entitled "YEC/YECL Comments on Evidence From City of Whitehorse and Curragh". This document became Exhibit 134 and provided comments in response to Intervenor evidence, including certain amendments that the Companies were prepared to make to the revised application.

51. July 14, 1993

The second morning of the hearing continued with the cross-examination of Curragh's rate of return witness.

The afternoon began with the Companies' discussion of Exhibit 134 and the resulting possible corrections to the revised GRA.

The rest of the day was occupied by the City's cross-examination of the Companies' revenue requirement panel. There was also a brief presentation by and cross-examination of Bill Klassen, appearing on behalf of TAG.

52. July 15, 1993

As a result of Intervenor and Board concerns with respect to certain management and policy decisions taken by YEC during its recent history John Lawson, a former acting President of YEC, took the stand.

The remainder of the day was concerted with continued cross-examination of the witnesses of the Companies' main panel, as well as cross-examination by all parties of Mr. Pelley. It was at this point that Curragh elaborated on its need for 5¢ power in order to survive. Mr. Pelley also outlined some of the details regarding the Korean proposal to purchase an interest in Curragh.

53. July 15, 1993

Board staff obtained agreement from a YECL representative that the Companies would provide the Board with a set of updated supporting schedules of revenue requirement and rate base which would include all of the Companies' amendments since the filing of the June 2, 1993 revised application.

54. July 16, 1993

Intervenors continued to cross-examine the Companies' main panel.

It was at this stage that the sale of the Fish Lake property first came to light. Additional details were filed as they became available during the remainder of the hearing.

55. July 17, 1993

Board staff cross-examined the Companies' main panel on various revenue requirement issues

It was during the afternoon that all parties cross-examined the City's panel.

56. July 19, 1993

The final day of the hearing was predominantly occupied by cross-examination of the cost of service and rate design panels of the City and Curragh.

The Board also heard oral arguments with respect to the Companies' application for a further interim rate increase which had been previously deferred.



57. July 22 - 30, 1993  
The Board received responses to various undertakings, some of which resulted in amendments to the revised application. However, notwithstanding an earlier agreement off-the-record, the Companies declined to provide updated supporting schedules including all amendments since the filing of the June 2, 1993 revised application.
58. July 30, 1993  
The Board received written arguments from the Companies and Intervenor.
59. August 13, 1993  
The Board received written reply arguments from the Companies and Intervenor.
60. September 3, 1993  
Superior Indoor Climate Engineering ("SICE") submitted its application for Intervenor costs with respect to the 1993/94 GRA.
61. September 7, 1993  
FOA submitted its application for Intervenor costs with respect to the 1993/94 GRA.
62. September 14, 1993  
In a letter from Mr. Landry, the Companies informed the Board that "...Curragh Inc. ceased to be a customer of YEC in late August/early September."
63. September 17, 1993  
The Board issued Board Order 1993-1-6 which set out the approved revenue requirements for each of YEC and YECL for the Test Years 1994 and 1994, and indicated that reasons for this Decision would follow. In that Decision the Board directed the companies to submit proposed rate schedules to be effective November 1, 1993 to reflect the results of this Decision.
64. October 8, 1993  
In response to Board Order 1993-1-6 the Companies filed proposed rate schedules to be effective November 1, 1993. In the covering letter the Companies stated:  
"The substantial reduction in revenue requirement ordered by the Board will in all likelihood affect system reliability and service quality levels. Alternates that the Utilities must consider in response to these reductions are a ban of overtime; reduced office hours; and in all probability, further staffing level reductions. All of these measures will affect service delivery, reliability, restoration and customer inquiries."

Compounding the matter is the present morale level of the YECL staff. Rumours of drastic cuts are numerous amongst the staff. Productivity is decreasing because of the low morale caused by the delay of the Board's reasons.

By implementing these rates without the benefit of the Board's reasons the Companies do not intend to relinquish their rights to request a Review and Variance or to appeal the Board's decision."

The Companies proposed a 15.7% rate increase in addition to the 6.75% rider awarded in Interim Decision 1993-2 to establish base rates for 1994 plus a 5.263% catch-up rider to recover the 1993 shortfall.

65.     October 15, 1993     The Board issued Board Order 1993-7 wherein it fixed and approved the Companies' rates as proposed in their October 8, 1993 filing as interim refundable. The Board considered that early implementation of rate increases would reduce the impact of rate shock given the unusual circumstances of the loss of a major industrial load.
66.     October 15 -  
          November 22, 1993     The Board reviewed drafts of its Decision with reasons and finalized its findings.
67.     October 21, 1993     The Board received a letter from the Companies indicating that service was reconnected to the Faro Mine site. As a result of the conditions of surplus hydro generating capacity, the Companies proposed to introduce a new Rate Schedule 40, Site Maintenance Energy, to apply to industrial primary customers during extended shut-down periods. Rate 40 was intended to be a market-based rate for industrial customers not involved in manufacturing, processing or mining. This change caused the Companies to reconsider the rates charges and wording in Rate Schedules 33 and 39 and Rider H. The Companies did not consider the proposed amendments to be a new application but rather to serve as an update to their June 2, 1993 revised filing.

68. October 22, 1993 Having received this application during its deliberations with respect to its Decision regarding the 1993/94 GRA, the Board determined that it would defer considering the October 21st application until it had issued Decision 1993-8.
69. October 28, 1993 The YTG announced through a news release that Yukon energy users were to receive \$3.5 million in rate relief beginning November 1, 1993 and that energy rates would be frozen for the next two years.
70. November 14, 1993 The Board requested the companies to provide details of the YTG rate relief program, including directives from the YTG, bill comparisons and a sample bill calculation along with supporting calculations.
71. November 17, 1993 The City submitted its application for Intervenor costs with respect to the 1993/94 GRA.
72. November 23, 1993 The Board issued Decision 1993-8 wherein the Board set out the reasons for its Order 1993-1-6. The Board approved a total increase in revenue requirement for the Test Years 1993 and 1994 of \$9.5 million, just over 50% of the increase requested by the Companies. In that Decision the Board ordered the Companies to provide certain filings regarding policy and operating results. Further, the Board ordered that the Companies file:
- "1. A revised calculation of revenue requirement of each of the Companies for the Test Years 1993 and 1994 in accordance with this Decision.
  2. A schedule of just and reasonable rates and/or riders to be effective for consumption on and after January 1, 1994 to reflect the findings in this Decision and its impact, if any, on inter-company sales and growth in unbilled revenue.
  3. A summary of their external expenses including those of consultants hired to prepare for and attend the hearings, hotel and meal costs for participants in the hearing process, and other costs outside of the Companies' day-to-day overhead costs within twenty (20) days of the date of this decision. All intervenors requesting costs must submit, within twenty (20) days of the date of this decision, an application for intervenor costs if those intervenors are seeking costs in accordance with the Board's policy and forms." [emphasis added]

73. November 24 1993 The Board issued Decision 1993-9 wherein it approved the City's hearing costs with respect to the Companies' 1992 Capital Hearing.
74. November 25, 1993 Having completed and issued Decision 1993-8, the Board issued a set of ten Information Requests to the Companies with respect to their application to introduce Rate 40 and amend Rate Schedules 33 and 39 and Rider H.
75. December 8, 1993 The Board received the Companies' responses to the Board's Information Requests regarding the Companies' application to introduce Rate Schedule 40 and amend Rate Schedules 33 and 39 and Rider H.
76. December 8, 1993 Board staff conducted a telephone meeting with the Companies rate design staff to obtain clarification of certain issues arising out of the Board's Information Requests. In response to that conversation, the Companies' amended their application to include an amendment to Rider F to exclude Rate Schedule 40. Board staff also elicited from the Companies' staff a definition of Surplus Hydro which had not been clarified in the Companies' application.
77. December 10, 1993 The Board received the Companies' response to the Board's Order in Decision 1993-8 to file a revised calculation of revenue requirement and a schedule of rates. The document was dated December 9, 1993 and indicated that the Companies:  

"...made adjustments to operating expenses to reflect the impacts of purchase power, Low Water Reserve, and to include estimated costs of the hearings.

In addition, changes have been made to short term interest, depreciation, and income taxes."

The adjustments by the Companies gave rise to increases in the revenue requirements approved in Decision 1993-8 of \$369,000 and \$2,230,000 for the Test Years 1993 and 1993, respectively. The Companies noted in their letter that their application was subject to the right of the Companies to apply for a review and variance.

78. December 15, 1993 Pursuant to the Board's direction respecting Companies' hearing costs in Decision 1993-8, the Companies submitted "...a monthly summary of the external expenses incurred by the companies to the close of the hearing including written argument." The Companies noted that total external expenses to the end of August were approximately \$575,000 "However, the Companies do not intend to apply for an increase to the \$504,000 amount already included in the approved revenue requirement."
79. December 17, 1993 The Board received a letter from YEC regarding the Electric Service Regulations for YEC and YECL. "On review of the Electrical Service Regulation filed this summer, it has been found the wrong draft was submitted. Changes requested in this filing were to be minimal, however we would request that board consider them at this time."
80. December 21, 1993 The Board acknowledged receipt of the Companies; December 15th letter regarding the Companies' hearing costs. The Board requested the companies to respond to seven Information Requests regarding the Companies' response.
81. December 21, 1993 The Board provided to Intervenor from the 1993/94 GRA copies of all correspondence and information with respect to the Companies' application to amend Rate Schedules 33, 39 and 40 and Riders F and H. The Board invited Intervenor to review the information and to provide comments by January 10, 1994, and invited the Companies to respond to those comments by January 21, 1994.
82. January 20, 1994 In a letter to the Board, Mr. Blue explained that he had been retained by Peat Marwick Thorne Inc. ("PMT"), the Interim Receiver of certain assets and property of Curragh, and would represent them with respect to electricity rates in Yukon as they relate to the Faro Mine property and assets.
83. January 24, 1994 The Companies responded to the Board's November 14, 1993 letter requesting details of the YTG rate relief program.
84. January 24, 1994 The Board received a letter from William Byers of YEC indicating that comments from FOA and Curragh relating to the proposed changes to Rate Schedules 33, 39 and 40 and Riders F and H did not meet the Board's deadline, and as a

result the companies would be unable to meet the deadline set by the Board for their response.

85. January 26, 1994  
The Board received a letter from the Minister of Justice indicating that he was prepared to authorize reasonable expenses to review written submissions with respect to the R&V, however, he was not prepared to authorize expenses for continuation of the matter or a further public hearing.
86. January 28, 1994  
The Board received the Companies' response to Intervenor comments with respect to their application to amend Rate Schedules 33, 39 and 40 and Riders F and H.
87. January 31, 1994  
In response to a letter from the Minister of justice dated January 13, 1994 the Board explained its position with respect to the communication problem noted by the Minister.
88. January 31, 1994  
The Board issued Board Order 1994-1 wherein it provided a schedule for the R&V proceeding.
89. February 2, 1994  
In response to the Board's Information Requests, the Board received a letter from Mr. Sabey which indicated that the companies' hearing costs "...have exceeded the allowed \$504,000.00. The companies have not sought to increase the allowed figure to recover all of their actual costs." Mr. Sabey also indicated that it may be difficult to extract the requested specifics from the records and offered assistance in preparing rules for disclosure of such costs in the future.
90. February 3, 1994  
In response to a request from Mr. Byers, the Board supplied YEC with copies of all applications for Intervenor costs.
91. February 7, 1994  
Board counsel provided the Companies' counsel with a clarification of the Board's Order with respect to the Companies' hearing costs.

92. February 7, 1994 In a letter from Board counsel to Mr. Landry with respect to the Companies' December 9, 1993 rates filing, it was pointed out that if the companies wished to revise certain revenue requirement items such matters should become the subject of a Review and Variance application. Board counsel also referred to the companies' initial R&V application and recommended that the companies file an amended R&V application for any remaining issues which the Companies had reserved in their previous filing.
93. February 11, 1994 In a letter from Mr. Landry to the Board, he reiterated the Companies' position that the companies have provided summaries of certain specified expenses as requested by the Board and that the Companies are not seeking an increase in the approved allowance for the Companies' hearing costs.
94. February 11, 1994 In response to Board counsel's letter of February 7, 1994, the companies filed an amended R&V application to include depreciation expense, interest income, Low Water Reserve and Intervenor costs.
95. February 11, 1994 In a letter from the Companies to the Board, the Companies appeared to understand the clarification regarding the Companies' December 9, 1993 rates filing in Mr. Willis's letter of February 7th. As a result, the Companies submitted a reviewed rates filing such that "...all of the numbers used in this filing come from the numbers of the Board in Decision 1993-8."
96. February 14, 1994 The Board requested that the Companies respond to eight Information Requests with respect to the Companies' R&V application.
97. February 14, 1994 Intervenor submitted Information Requests to the Companies with respect to their R&V application.
98. February 14, 1994 The Board filed two Information Requests with respect to the Companies' February 11, 1994 rates filing.
99. February 21, 1994 Companies responded to the Board and Intervenor Information Requests with respect to their R&V application. The Companies questioned the status of PMT as an Intervenor in the R&V proceeding.

100. February 28, 1994 All parties submitted their written arguments with respect to the Companies' R&V application.
101. February 28, 1994 Based on the Companies' responses to the first two Board Information Requests, the Board filed five additional Information Requests with respect to the Companies' February 11, 1994 rates filing.
102. March 3, 1994 In the R&V proceeding, the response to Board Information Request BD-YEC/YECL-3 was inconsistent with a response to a similar question during the GRA. As a result, the Board issued a further Information Request to clarify the details with respect to the inflation factors that the Companies used in their GRA.
103. March 7, 1994 All parties submitted their reply arguments with respect to the Companies' R&V application.
104. March 9, 1994 The Companies submitted their responses to the Board's Information Requests relating to their February 11, 1994 rates filing. The responses confirmed the suspicions of Board staff that \$1.392 million of the MOU payment had not been used to reduce the Companies' revenue shortfall in determining the appropriate rates to be charged during 1994.
105. March 16, 1994 The Board issued Decision 1994-2 approving the proposed amendments to Rate Schedules 33, 39 and 40 and Riders F and H on an interim refundable basis. Rate Schedule 39 was specifically approved as interim refundable and retroactively adjustable to the time when a customer commences service under this Rate Schedule.
106. March 18, 1994 In a letter to Mr. Sabey, Board counsel reiterated that the Board had not "...granted the companies requests with respect to hearing costs because it wanted to examine the hearing costs matter at a later date." Further, Board counsel again requested that the Companies provide the hearing cost information previously requested by the Board.
107. March 30, 1994 In response to a letter from the Board, Mr. Sabey reiterated the Companies' position with respect to the Companies' hearing costs and again offered assistance in the preparation of rules for disclosure in the future.



108. April 12, 1994 The Companies provided the hourly rates of lawyers and consultants hired by the companies for preparation of the proceedings relating to the 1993/94 GRA.
109. April 13, 1994 In a letter to Mr. Sabey, Board counsel again requested that the Companies provide the hearing cost information requested by the Board.
110. April 19, 1994 The Board issued Decision 1994-3 wherein the Board approved certain Intervenor hearing costs with respect to their participation in the companies' 1993/94 GRA proceeding.
111. April 19, 1994 The Board issued Board Order 1994-4 with respect to the Companies' resistance to file information on the Companies' hearing costs. The Board stated "In the absence of this information being provided within 7 days the Board is not prepared to permit the companies hearing costs. If the balance of the information ordered to be produced by Decision 1993-8 and answers to the Board's information request dated December 15, 1993, Exhibit 1993-241, are not received within 7 days by the Board, the Board directs that the hearing costs of YEC and YECL be reduced by \$328,000 and \$176,000, respectively."
112. April 20, 1994 In a telephone meeting with Mr. Sabey, Board counsel discussed the failure of the Companies to file appropriate hearing cost information. Mr. Sabey assured Board counsel that the companies would provide the necessary data.
113. April 21, 1994 In a letter from the Companies, the Board was informed that the Companies intended to file additional material pursuant to Board Order 1994-4.
114. April 26, 1994 The Board received responses to its Information Request relating to the Companies' hearing costs.
115. April 27, 1994 The Companies' responses to the Board's Information Requests with respect to the Companies' hearing costs were distributed to Intervenors.
116. May 6, 1994 The Board received intervenor comments with respect to the Companies' hearing costs.

117. May 24, 1994

The Board issued Decision 1994-5 - the R&V Decision; Board Order 1994-6 - a summary Decision pulling together the results of Decision 1994-3 respecting hearing costs, Decision 1994-5, Decision 1994-2 respecting Rate Schedules 32, 33, 39 and 40 and Riders F and H, and the amended revenue shortfall resulting from the MOU payment; and Board Order 1994-7 respecting an amendment to the Electric Service Regulations.

In Decision 1994-5 the Board reflected its findings respecting the Companies' hearing costs. The reasons for the Board's findings on hearing costs were to be issued later. (The reasons have yet to be issued.)

118. June 7, 1994

In response to Board Order 1994-6 and Decision 1994-5, the Companies provided an application for approval of a revised calculation of revenue requirements and a schedule of rates and riders.

119. June 9, 1994

In discussions with the Companies' staff, Board staff was informed that the Companies had neglected to include Rate Schedules 32, 33, 39 and 40 and Rider F as they had been previously approved in Decision 1994-2. When it was explained to the Companies' staff that Decision 1994-2 approved rates on an interim basis only, the Companies agreed to amend their June 7th filing to include an application to finalize Rate Schedules 32, 33 and 40 and Rider F. Rate Schedule 39 was to remain interim and retroactively adjustable in accordance with Decision 1994-2, and was included as a schedule with the appropriate notations.

120. June 10, 1994

Board staff provided the Board with a descriptive summary of the Companies; 1993 and 1994 proposed step rate increases and a summary schedule of the proposed rider calculations. The Companies' calculations appear to be in order. However, the companies had failed to submit final Rate Schedules 32, 33, 39 and 40 and Rider F.

121. June 14, 1994

The Companies submitted the Rate Schedules noted above under June 9, 1994. However, the effective dates in the upper right-hand corner of the Rate Schedules were incorrect. That same day, the Companies provided corrected Rate Schedules with the appropriate effective dates. However, the Companies' Rate Schedule 39 contained an error in the "Other Conditions" paragraph and the Rider F schedule was missing a paragraph that had been included in the schedule approved in Decision 1994-2.

122. June 15, 1994

The Companies provided amended schedules for Rate 39 and Rider F.

123. June 17, 1994

The Board issued Board Order 1994-8 wherein the Board approved final rates and riders and one amendment to the Electric Service Regulations.