

2005-5

**IN THE MATTER OF the Public Utilities Act
Revised Statutes of Yukon, 2002, c. 186, as amended**

and

**An Application by Yukon Energy Corporation
for Approval of 2005 Revenue Requirements**

BEFORE: B. Morris, Chair) February 21, 2005
 W. Shanks)
 R. Hancock)
 M. Phillips)

BOARD ORDER 2005-5

WHEREAS:

- A. On December 13, 2004, Yukon Energy Corporation ("YEC", "the Company") filed with the Yukon Utilities Board ("the Board"), pursuant to the *Public Utilities Act* ("the Act"), and *Order-In-Council 1995/90*, an Application requesting an Order granting new rates for Secondary (interruptible) Energy and the Faro Mine site, on an interim refundable basis, effective with consumption January 1, 2005 ("the Application"); and
- B. The Application proposes the creation of a new Income Stabilization Trust and does not request any increase in firm rates charged to residential and commercial customers in 2005; and
- C. The Application proposes for Secondary (interruptible) Energy, a new quarterly rate-setting mechanism to maintain the retail rate at 70 percent of the customers' avoided cost of fuel oil. This will result in a retail rate of 5.5 cents per kW.h. as of January 1, 2005; and
- D. The Application also proposes for the Faro mine site, to change the current rate schedule to the normal General Service - Government rate; and
- E. By Order 2004-1, the Board approved an interim refundable increase in rates to Secondary (interruptible) Energy customers and to the Faro mine site as requested in the Application. Board Order 2004-1 further scheduled a Workshop into the Application for January 13, 2005 and a Pre-hearing Conference for January 14, 2005; and
- F. By Order 2005-2, the Board scheduled an oral public hearing into the YEC Application for April 18, 2005 in Whitehorse, Yukon and issued a regulatory timetable and a final issues list; and

- G. On February 13, 2005, Mr. McRobb filed a Notice of Motion ("the Motion") which requested that the regulatory timetable of Board Order 2005-2 be amended to provide for a second round of information requests; and
- H. On February 16, 2005, Mr. McMahon and Yukon Electrical Company Limited filed separate comments on the Motion; and
- I. On February 18, 2005, YEC submitted comments on the Motion; and
- J. The Board has reviewed the Motion and the related submissions.

NOW THEREFORE the Board orders with Reasons for Decision attached as Appendix A that:

- 1. The Motion is dismissed.
- 2. If Mr. McRobb considers the information responses that he receives from YEC to be inadequate, he may at that time make further application to the Board to schedule an additional round of information requests.

DATED at the City of Whitehorse, in the Yukon Territory, this ^{2nd} day of March 2005.

BY ORDER

A handwritten signature in black ink, appearing to read "M. P. Phillips", written over a horizontal line.

Michael Phillips
Member

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and

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Reasons for Decision

1.0 Background

On December 13, 2004, Yukon Energy Corporation ("YEC", "the Company") filed with the Yukon Utilities Board ("the Board"), pursuant to the *Public Utilities Act* ("the Act"), and *Order-In-Council 1995/90*, an Application requesting an Order granting new rates for Secondary (interruptible) Energy and the Faro Mine site, on an interim refundable basis, effective with consumption January 1, 2005 ("the Application").

By Order 2004-1, the Board approved for YEC the requested interim refundable rate increases and set the current firm rates charged to residential and commercial customers as interim effective January 1, 2005. Order 2004-1 also scheduled a Workshop and a Pre-hearing Conference into the Application for January 13, 2005, and January 14, 2005, respectively.

2.0 Notice of Motion and Submissions

By Notice of Motion dated February 13, 2005 ("the Motion"), Mr. McRobb requested that the regulatory timetable of Board Order 2005-2 be amended to provide for a second round of information requests.

In support of the Motion, he submitted that a second round of information requests would:

- be consistent with what took place at the 1996/97 YEC/YECL GRA;
- respond to the risk that the regulatory timetable may not have anticipated the high number of information requests and the need to refine or resolve issues;
- make it more likely that the applicant would provide satisfactory answers in the first round knowing that parties could ask follow-up questions;
- provide greater clarity and focus to the interventions and better assistance to the Board in its determinations;
- reduce the level of cross examination of YEC and avoid expensive hearing time and costs;

- result in fewer handouts at the hearing and less time to administer exhibits;
- allow for greater participation of parties who cannot attend the hearing for personal reasons; and
- be in the public interest

On February 16, 2005, Mr. McMahon and Yukon Electric Company Limited ("YECL") filed separate comments on the Motion and on February 18, 2005, YEC filed its comments on the Motion.

Mr. McMahon commented that the regulatory timetable currently has two rounds of information requests—one on the Application and the second on the Auditor General's Report on the Mayo-Dawson Transmission Line project. He supported the Motion, but suggested that the information requests be limited to seeking clarification of YEC responses, and obtaining information on documents filed by YEC in support of its responses and on documents added to the exhibit list since the first information request submission (such as Public Accounts Committee testimony).

YECL submitted that the hearing date should not be postponed, if the Board decided that an additional round of information requests is required.

YEC commented that the Motion is a request for the Board to Review and Vary the decisions in Order 2005-2, that the Motion does not meet the Board's established tests for Review and Variance and should be dismissed or returned for a proper filing. It also submitted that the Motion contained numerous points that were incorrect or unsubstantiated. YEC did not support revising the regulatory timetable to include a second round of information requests within the hearing schedule or postponing the commencement of the hearing.

3.0 Board Conclusions

The public notice attached to Board Order 2004-1 identified that the Pre-hearing Conference scheduled for January 14, 2005, would address scheduling of the proceeding, among other matters. Mr. McRobb did not attend the Pre-hearing Conference nor did he send a representative to express his views. Based on the submissions received at the Pre-hearing Conference, the Board issued Order 2005-2 and the regulatory timetable.

The Board determines that a second round of information requests will not be scheduled at this time. If Mr. McRobb considers the information responses he receives from YEC to be inadequate then he may at that time make a further application to the Board to schedule an additional round of information requests.