

**Yukon Energy Corporation
2021 General Rate Application**

**Yukon Utilities Board Information Request Round 1 to
Yukon Energy Corporation (YEC) Compliance Filing Application**

YEC-YUB-01

Reference: Appendix A to Board Order 2022-03, Table 15, PDF page 45; Compliance Filing Application, Section 2.4.4, PDF page 32; Compliance Filing Application, Table 1.1-2, PDF pages 11, and 53; Compliance Filing Application, Tab 7, Schedule 3, PDF page 53; and 2021 GRA, Table 3.14.1, PDF page 69

Issue: **Hearing cost reserve account**

Quote: Appendix A to Board Order 2022-03, Table 15, PDF page 45:

Table 15. Categories of costs charged to the hearing reserve account between January 1, 2019, and September 30, 2021 (\$)

2017-18 GRA – approved costs per Board Order 2019-03	882,983
2017-18 GRA – second compliance filing approved costs per Board Order 2020-01	92,955
R&V of YEC GRA cost awards in Board Order 2019-03 per Board Order 2020-02	124,200
DSM Appeal costs	118,968
Total	1,219,106

Compliance Filing Application, PDF page 32:

2.4.4 Hearing Cost Reserve Account

The Board directed as follows regarding the Hearing Cost Reserve Account:

218. The Board denies YEC’s DSM appeal costs charged to the hearing reserve account between January 1, 2019, and September 30, 2021. The Board directs YEC to remove those costs from its hearing costs reserve account in its Compliance Filing to this Board Order.

Costs related to the DSM Appeal have been removed from the hearing cost reserve. See Appendix 1, Table 1.1-2 which notes a \$0.084 million decrease in rate case amortization.

Compliance Filing Application, Table 1.1-2, PDF page 11 (excerpt):

Net Amortization	13,125	12,766	-360
<i>Fixed Asset Depreciation</i>	13,581	13,372	-209
<i>Customer contribution</i>	-4,461	-4,416	45
<i>Amortization of fire insurance recoveries</i>	-262	-262	0
<i>Disallowed Depreciation</i>	-204	-238	-34
<i>Amortization of deferred charges</i>	4,471	4,310	-161
<i>Rate Case</i>	767	683	-84
<i>Feasibility and Relicensing</i>	2,640	2,612	-28
<i>Dam safety</i>	93	64	-28
<i>Vegetation Management</i>	222	222	0
<i>Intangibles</i>	749	729	-20

Compliance Filing Application, Tab 7, Schedule 3, PDF page 53 (excerpt):

Line No.	Description	Cross Ref.	2018 GRA Compliance	Actual 2018	Actual 2019	Forecast 2020	2021 GRA Compliance
51	Hearing Reserve						
52	Opening balance		(1,026)	(1,026)	(926)	(99)	63
53	Additions		155	155	883	217	-
54	Amortization		(55)	(55)	(55)	(55)	(55)
55	Year-end balance		(926)	(926)	(99)	63	8

2021 GRA, Table 3.14.1, PDF page 69:

**Table 3.14.1:
Hearing Cost Reserve Account Continuity Schedule
(\$000)**

	2018	Actual	Actual	Forecast	Forecast	
	Approved	2018	2019	2020	Existing 2021	Proposed 2021
Opening Balance	-\$1,026	-\$1,026	-\$926	-\$99	-\$61	-\$61
Annual Appropriation	-55	-55	-55	-55	-55	-55
Annual Costs	155	155	883	93	0	0
Closing Balance	-\$926	-\$926	-\$99	-\$61	-\$116	-\$116

Note:

- As per Board Order 2018-10, the Hearing Cost Reserve Account reflects annual appropriation of \$0.250 million plus amortization of the 2016 credit balance over a five year period [\$0.195 million/year] to total \$0.055 million.
- The Proposed 2021 column does not include 2021 GRA hearing related costs as the costs are included in the hearing reserve after approval by the YUB and YEC does not expect the 2021 GRA hearing costs will be approved by end of 2021.

Preamble: In Board Order 2002-03, YEC was denied the inclusion of approximately \$0.119 million of DSM-related appeal costs from recovery through its hearing cost reserve account.

Referring to 2021 GRA Compliance Filing Application, Tab 7, Schedule 3 (excerpt) quoted above, the Board notes that YEC’s 2020 annual forecast costs have increased from \$0.093 million to \$0.217 million, or an amount of \$0.124 million, which appears to be an amount consistent with costs related to “R&V of YEC GRA cost awards in Board Order 2019-03 per Board Order 2020-02” as noted by the Board in Appendix A to Board Order 2022-03, Table 15, PDF page 45.

Further, in YEC’s 2021 GRA Compliance Filing Application Table 1.1-2: Adjustments to the Ratebase, Return on Ratebase and Amortization Expense, YEC shows the difference between its 2021 GRA and compliance filing for its amortization of deferred charges specific to rate case as a reduction to revenue requirement in the amount of \$0.084 million.

Request:

- Please clarify if the “DSM Appeal costs” or the “R&V of YEC GRA cost awards in Board Order 2019-03 per Board Order 2020-02” were included in YEC’s 2021 GRA as either a cost in 2021 or as part of the 2020 opening balance of its hearing cost reserve account. If confirmed, please provide all references, tables, or schedules within a “Tab” that identifies either of these costs.

- (b) Please explain the difference of \$0.124 million in YEC’s opening 2021 Hearing Cost Reserve Account between the amounts provided in its GRA (\$-0.061 million) compared to its Compliance Filing (\$0.063 million) and whether these are “R&V of YEC GRA cost awards in Board Order 2019-03 per Board Order 2020-02” as noted by the Board in Appendix A to Board Order 2022-03, Table 15, PDF page 45.
- (c) Referring to the response to part (b), in what proceeding should the Board test and potentially agree with the change to YEC’s opening 2021 Hearing Cost Reserve Account between the time of its GRA Application (\$-0.061 million) and Compliance Filing (\$0.063 million)?
- (d) Please clarify whether the reduction to revenue requirement in the amount of \$0.084 is related to the denied inclusion of the “DSM Appeal costs,” or the “R&V of YEC GRA cost awards in Board Order 2019-03 per Board Order 2020-02.”
- (e) Referring to YEC’s 2021 Compliance Filing Application, Table 1.1-2, PDF page 11 and the information pertaining to the amortization of deferred rate case charges, please detail the composition of the costs identified in both columns (\$0.767 million and \$0.683 million), and explain how the information therein has incorporated the Board’s direction with respect to “DSM Appeal costs” or the “R&V of YEC GRA cost awards in Board Order 2019-03 per Board Order 2020-02.”

YEC-YUB-02

Reference: Appendix A to Board Order 2022-03, PDF pages 41-42 and 55-56, paragraphs 191-196 and 256-259; Compliance Filing Application, Tab 7, Schedule 3A, PDF page 54; and Section 2.7.1.1, PDF page 38

Issue: Amortization period of 12 years for assets constructed for servicing mine customers and the creation of sub-transmission asset accounts

Preamble: At paragraphs 191-196 in Appendix A to Board Order 2022-03, with respect to the McQuesten Substation, in order to align the amortization of the “VGC Group – gold mine” contribution and related McQuesten Substation costs, the Board directed YEC to create a separate sub-transmission asset account for the substation assets and to incorporate an amortization period of 12 years.

Beyond the McQuesten Substation asset (in the amount of \$11.619 million) and related contribution accounts (in the amount of \$10.688 million), the Board also directed YEC to create a separate sub-transmission asset account designated as “Substation ‘VGC Group – gold mine’” for any additional asset category containing assets constructed for the purpose of servicing the VGC Group mine and to similarly amortize the related asset costs over a period of 12 years.¹

On Tab 7, Schedule 3A, row 53 of the Compliance Filing, The Board observes that YEC created a single separate account identified as “Substation VGC – Gold

¹ Appendix A, paragraphs 191-196.

Mine) in the amount of \$10,688.6 thousand (the difference between \$81,331.5 thousand and \$70,642.9 thousand).²

At paragraphs 256-259 in Appendix A to Board Order 2022-03 and with respect to the Mayo to McQuesten Transmission Project, which included the construction and installation of a 138-kV transmission line and STATCOM converter to service the Eagle Gold facility,³ the Board also directed YEC to amortize the \$8.628 million in costs for the STATCOM over a period of 12 years.

In its Compliance Filing Application at Section 2.7.1.1, Rate Schedule 39 Fixed Charge, PDF page 38, YEC acknowledged the Board's directions:

1. YEC is directed (paragraph 340) to reflect the changes in depreciation parameters for calculating the fixed charges as directed in this Board Order in its future application to finalize Rate Schedule 39 fixed charges. These charges are to be effective January 1, 2021.
2. YEC is directed (paragraph 195) to create a separate sub-transmission asset account as Substation "VGC Group – gold mine" for those assets to which the \$10.688 million contribution relates and to amortize these substation costs over a period of 12 years consistent with a 12-SQ. The Board further directed (paragraph 196) that all assets constructed for the purpose of servicing the VGC Group mine, regardless of whether there was a related contribution, should similarly be amortized over 12 years. For each asset category (account) affected, YEC is further directed (paragraph 196) to update its amortization of the reserve differences mechanism to effect a true-up of this amount in its compliance filing to this Board Order.
3. The Board further directed (paragraph 259) that "all assets associated with the mine are amortized over 12 years, which includes the Statcom device. This means that the costs of the STATCOM device will be paid for over the lifetime of the mine, thereby limiting the exposure of costs to non-industrial ratepayers even if the life of the STATCOM device exceeds the life of the mine."
4. The 12 year period specified in the Board's directions is to align amortization of contributions and costs over the period that the assets are expected to serve the VGC Group mine customer (paragraphs 193 and 194).

Request:

- (a) Please clarify whether the McQuesten Substation assets in the amount of \$10,688.6 thousand include any and all additional asset categories (including asset subcategories constructed for the purpose of servicing the VGC Group mine and intended to be amortized over a 12-year period).
- (b) If the response to part (a) is confirmed, please explain why separate asset subcategories have not been created as directed by the Board given that YEC has created the following Asset Class IDs for Minto Mine-related assets which include separate Poles and Fixtures, Brushing, Survey Costs, O/H Conductors, and Substation Equipment accounts. If the response to part (a) is not confirmed, please provide references to where the separate asset subcategories are identified.
- (c) If the response to part (a) is not confirmed, please create a separate asset subcategory (and Asset Class ID) for each grouping of transmission assets constructed to service the VGC Group mine and which are to be amortized over a period of 12 years.
- (d) Referring to Compliance Filing, Tab 7, Schedule 3A, please identify the row that shows that assets related to the Mayo to McQuesten Transmission Project, which included the

² Tab 7, schedule 3A (both 2021 GRA and 2021 GRA Compliance Filing Application).

³ Appendix A, paragraph 257.

construction and installation of a 138-kV transmission line and the STATCOM unit to service the Eagle Gold facility at cost of \$8.628 million,⁴ have been amortized over a period of 12 years.

- (e) With respect to the Mayo to McQuesten Transmission Project, if the response to part (c) indicates no separate asset subcategory was created to include the construction and installation of a 138-kV transmission line and the STATCOM unit to service the Eagle Gold facility, please explain why YEC has not created a separate sub-transmission account (and Asset Class ID) for these assets which are to be amortized over a period of 12 years.
- (f) With respect to the Mayo to McQuesten Transmission Project, if the response to part (c) indicates no separate asset subcategory was created to include the construction and installation of a 138-kV transmission line and the STATCOM unit to service the Eagle Gold facility, please create a separate asset subcategory account (and Asset Class ID) for each grouping of transmission assets constructed to service the Eagle Gold facility and which are to be amortized over a period of 12 years.
- (g) Please restate Compliance Filing Tab 7, Schedule 3A to include the applicable columns and rows for each of the Asset Class IDs requested above. If, in doing so, YEC's depreciation expense forecast changes for the year 2021, please update all schedules and exhibits to reflect the updated depreciation expense and revenue requirement and any other schedule affected by the change.

YEC-YUB-03

Reference: Appendix A to Board Order 2022-03, PDF page 56, paragraph 258; Compliance Filing Application, Table 1.1-3, PDF pages 12-13; Compliance Filing Application Section 2.6.1.3, PDF page 33; and YEC Round 2 consolidated IR Responses, Aug. 24, 2021, PDF page 144

Issue: Mayo to McQuesten Transmission Line Upgrade project

Quote: Appendix A to Board Order 2022-03, PDF page 56, paragraph 258:

“The Board is prepared to accept the \$8.628 million actual and forecast costs for the Mayo to McQuesten Transmission Project as just and reasonable and directs YEC to include the actual capital spending amounts for this project in the 2021 rate base. Additionally, the Board accepts the \$0.931 million after-contribution amount for the McQuesten Substation Project as reasonable and directs YEC to add this amount to the 2021 rate base.”

Compliance Filing Application, Section 2.6.1.3, PDF page 33:

“This was included in rate base as directed – see Table 1.1-3 which shows the adjustment to rate base for the project, and Table 1.1-3b which shows the VG Substation Depreciation True-Up Calculation.”

Preamble: In Table 1.1-3, the adjustment values provided for the Mayo to McQuesten Transmission Line Upgrade project were the variance values for this project before contributions (see PDF page 144 of the YEC Round 2 consolidated IR responses).

⁴ Appendix A to Board Order 2022-03, footnote 166: “YEC Consolidated IR Responses, Round 2, YUB-YEC-2-17, page 8 of 29, PDF page 144.”

Request:

- (a) Please explain why YEC included the adjustment amounts before contributions in Table 1.1-3 for this project.
- (b) Please confirm that YEC is adding project costs of \$8.628 million, which is the amount after contributions, to the rate base.

YEC-YUB-04

Reference: Appendix A to Board Order 2022-03, PDF page 64, paragraph 289; Compliance Filing Application, Table 1.1-3, PDF page 33; Compliance Filing Application Section 2.6.2, PDF page 36; and YEC Round 2 consolidated IR Responses, Aug. 24, 2021, PDF page 161

Issue: Wareham Gate Refurbishment project

Quote: Appendix A to Board Order 2022-03, PDF page 64, paragraph 289:

“The Board directs that YEC include the updated costs, excluding the WH4 Ventilation Project, for any projects that have been completed prior to or during the 2021 test year period. Costs for these projects will only be added to rate base once YEC provides the actual capital spending amount in the next GRA and demonstrates that the costs were prudently incurred.”

Compliance Filing Application, Section 2.6.2, PDF page 36:

“These costs were included in ratebase as directed – see Table 1.1-3 which shows the adjustment to rate base for the WH4 Ventilation Project for both the revised costs and for retaining in WIP.”

YEC Round 2 consolidated IR Responses, Aug. 24, 2021, PDF page 161:

“This project was deferred in 2020 due to the high water conditions in Mayo Lake. Additional work requirements are also identified in the 2020 Dam Safety review after the GRA submission. This project is now expected to be completed in 2022; with one gate being refurbished at this time and the remaining in 2022. The expenditures to date will be closed in 2021.”

Request:

Please confirm this project has not been added to rate base, given it is expected for completion in 2022. If YEC has added this project to rate base, please explain the reasons for this addition.

YEC-YUB-05

Reference: Appendix A to Board Order 2022-03, PDF page 64, paragraph 289; Compliance Filing Application, Table 1.1-3, PDF page 33; Compliance Filing Application, Section 2.6.2, PDF page 36; and YEC Round 2 consolidated IR Responses, Aug. 24, 2021, PDF page 162

Issue: Protection and Control Program project

Quote: Appendix A to Board Order 2022-03, PDF page 64, paragraph 289:

“The Board directs that YEC include the updated costs, excluding the WH4 Ventilation Project, for any projects that have been completed prior to or during the 2021 test year period. Costs for these projects will only be added to rate base

once YEC provides the actual capital spending amount in the next GRA and demonstrates that the costs were prudently incurred.”

Compliance Filing Application, Section 2.6.2, PDF page 36:

“These costs were included in ratebase as directed – see Table 1.1-3 which shows the adjustment to rate base for the WH4 Ventilation Project for both the revised costs and for retaining in WIP.”

YEC Round 2 consolidated IR Responses, Aug. 24, 2021, PDF page 162:

“The scope for the 2021 cost was refined due to overall volume of capital projects.”

Request:

Please explain whether or not this project was completed in 2021 and indicate whether costs for the project were added to rate base.

YEC-YUB-06

Reference: Appendix A to Board Order 2022-03, PDF page 64, paragraph 289;
Compliance Filing Application, Table 1.1-3, PDF page 33;
Compliance Filing Application, Section 2.6.2, PDF page 36; and
YEC Round 2 consolidated IR Responses, Aug. 24, 2021, PDF page 162

Issue: Transmission Line Access project

Quote: Appendix A to Board Order 2022-03, PDF page 64, paragraph 289:

“The Board directs that YEC include the updated costs, excluding the WH4 Ventilation Project, for any projects that have been completed prior to or during the 2021 test year period. Costs for these projects will only be added to rate base once YEC provides the actual capital spending amount in the next GRA and demonstrates that the costs were prudently incurred.”

Compliance Filing Application, Section 2.6.2, PDF page 36:

“These costs were included in ratebase as directed – see Table 1.1-3 which shows the adjustment to rate base for the WH4 Ventilation Project for both the revised costs and for retaining in WIP.”

YEC Round 2 consolidated IR Responses, Aug. 24, 2021, PDF page 162:

“Scope for 2020 was revised as no accesses were required to be constructed.”

Request:

Please explain whether or not this project was completed prior to or in 2021 and indicate whether costs for the project were added to rate base.

YEC-YUB-07

Reference: Appendix A to Board Order 2022-03, PDF page 64, paragraph 289; Compliance Filing Application, Table 1.1-3, PDF page 33; Compliance Filing Application, Section 2.6.2, PDF page 36; and YEC Round 2 consolidated IR Responses, Aug. 24, 2021, PDF pages 162-163

Issue: New Mobile Office Unit project

Quote: Appendix A to Board Order 2022-03, PDF page 64, paragraph 289:

“The Board directs that YEC include the updated costs, excluding the WH4 Ventilation Project, for any projects that have been completed prior to or during the 2021 test year period. Costs for these projects will only be added to rate base once YEC provides the actual capital spending amount in the next GRA and demonstrates that the costs were prudently incurred.”

Compliance Filing Application, Section 2.6.2, PDF page 36:

“These costs were included in ratebase as directed – see Table 1.1-3 which shows the adjustment to rate base for the WH4 Ventilation Project for both the revised costs and for retaining in WIP.”

YEC Round 2 consolidated IR Responses, Aug. 24, 2021, PDF page 163:

“The quotes received for the project were too high compared to what YEC had anticipated. Therefore, the project was deferred.”

Request:

Please confirm this project has not been added to rate base, given it has been deferred. If YEC has added this project to rate base, please explain the reasons for this addition.

YEC-YUB-08

Reference: Appendix A to Board Order 2022-03, PDF page 64, paragraph 289; Compliance Filing Application, Table 1.1-3, PDF page 33; Compliance Filing Application, Section 2.6.2, PDF page 36; and YEC Round 2 consolidated IR Responses, Aug. 24, 2021, PDF page 163

Issue: Water Improvement Upgrades project

Quote: Appendix A to Board Order 2022-03, PDF page 64, paragraph 289:

“The Board directs that YEC include the updated costs, excluding the WH4 Ventilation Project, for any projects that have been completed prior to or during the 2021 test year period. Costs for these projects will only be added to rate base once YEC provides the actual capital spending amount in the next GRA and demonstrates that the costs were prudently incurred.”

Compliance Filing Application, Section 2.6.2, PDF page 36:

“These costs were included in ratebase as directed – see Table 1.1-3 which shows the adjustment to rate base for the WH4 Ventilation Project for both the revised costs and for retaining in WIP.”

YEC Round 2 consolidated IR Responses, Aug. 24, 2021, PDF page 163:

“The scope of work changed after two unsuccessful RFP's. Installation of Grunfoss pumps with variable speed drives and sensors along with PEX pipe replacement assisted with ongoing continued water leaks in existing piping. Only cost in 2021 was missing pressure sensor which could not be sourced in 2020.”

Request:

Please explain whether or not this project was completed prior to or in 2021 and indicate whether costs for the project were added to rate base.

YEC-YUB-09

Reference: Appendix A to Board Order 2022-03, PDF page 64, paragraph 289; Compliance Filing Application, Table 1.1-3, PDF page 33; Compliance Filing Application, Section 2.6.2, PDF page 36; and YEC Round 2 consolidated IR Responses, Aug. 24, 2021, PDF page 163

Issue: FD7 Overhaul project

Quote: Appendix A to Board Order 2022-03, PDF page 64, paragraph 289:

“The Board directs that YEC include the updated costs, excluding the WH4 Ventilation Project, for any projects that have been completed prior to or during the 2021 test year period. Costs for these projects will only be added to rate base once YEC provides the actual capital spending amount in the next GRA and demonstrates that the costs were prudently incurred.”

Compliance Filing Application, Section 2.6.2, PDF page 36:

“These costs were included in ratebase as directed – see Table 1.1-3 which shows the adjustment to rate base for the WH4 Ventilation Project for both the revised costs and for retaining in WIP.”

YEC Round 2 consolidated IR Responses, Aug. 24, 2021, PDF page 163:

“Deferred to 2022 resulting from capital budget prioritization/constraints (overall volume of capital projects).”

Request:

Please confirm this project has not been added to rate base, given it has been deferred to 2022. If YEC has added this project to rate base, please explain the reasons for this addition.

YEC-YUB-10

Reference: Appendix A to Board Order 2022-03, PDF page 64, paragraph 289; Compliance Filing Application, Table 1.1-3, PDF page 33; Compliance Filing Application, Section 2.6.2, PDF page 36; and YEC Round 2 consolidated IR Responses, Aug. 24, 2021, PDF page 164

Issue: Compact Digger Truck project

Quote: Appendix A to Board Order 2022-03, PDF page 64, paragraph 289:

“The Board directs that YEC include the updated costs, excluding the WH4 Ventilation Project, for any projects that have been completed prior to or during the 2021 test year period. Costs for these projects will only be added to rate base

once YEC provides the actual capital spending amount in the next GRA and demonstrates that the costs were prudently incurred.”

Compliance Filing Application, Section 2.6.2, PDF page 36:

“These costs were included in ratebase as directed – see Table 1.1-3 which shows the adjustment to rate base for the WH4 Ventilation Project for both the revised costs and for retaining in WIP.”

YEC Round 2 consolidated IR Responses, Aug. 24, 2021, PDF page 164:

“The track will not arrive in 2021 and postponed to later years.”

Request:

Please confirm this project has not been added to rate base, given it has been postponed. If YEC has added this project to rate base, please explain the reasons for this addition.

YEC-YUB-11

Reference: Appendix A to Board Order 2022-03, PDF pages 73-74, paragraph 323;
Compliance Filing Application, Table 1.1-3, PDF page 33;
Compliance Filing Application, Section 2.6.4, PDF page 36; and
YEC Round 2 consolidated IR Responses, Aug. 24, 2021, PDF pages 155-156

Issue: Transmission Access Road Program Study

Quote: Appendix A to Board Order 2022-03, PDF pages 73-74, paragraph 323:
“For all other costs in this category, the Board has reviewed the business cases and costs for projects in this category and finds the actual capital spending for these projects prudent. The Board notes that not all projects for this category were explicitly mentioned in the preceding paragraphs. If a project is not specifically addressed, it is because the Board considered that YEC’s costs associated with the project are reasonable. To ensure that actual capital spending to the end of 2021 is accurately reflected in rate base, the Board directs YEC include the updated costs for any projects that have been completed prior to or during the 2021 test year period. Costs for these projects will only be added to rate base once YEC provides the actual capital spending amount in the next GRA.”

Compliance Filing Application, Section 2.6.4, PDF page 36:

“These costs were included in ratebase as directed – see Table 1.1-3 which shows the adjustments to costs for the Atlin Hydro EPA Preparation Project and that it is being retained in WIP for 2021.”

YEC Round 2 consolidated IR Responses, Aug. 24, 2021, PDF pages 155-156:

“The project proposed in the GRA had three phases ... Phase 1 activities were completed by Tetra Tech in 2020 at a total cost of \$87,526. Phase 2 and Phase 3 activities planned for 2021 have been deferred to 2022.”

Request:

Please confirm this project has not been added to rate base, given it has been deferred. If YEC has added this project to rate base, please explain the reasons for this addition.

YEC-YUB-12

Reference: Appendix A to Board Order 2022-03, PDF pages 73-74, paragraph 323; Compliance Filing Application, Table 1.1-3, PDF page 33; Compliance Filing Application, Section 2.6.4, PDF page 36; and YEC Round 2 consolidated IR Responses, Aug. 24, 2021, PDF page 156

Issue: IPP Standing Offer Program Implementation

Quote: Appendix A to Board Order 2022-03, PDF pages 73-74, paragraph 323:
“For all other costs in this category, the Board has reviewed the business cases and costs for projects in this category and finds the actual capital spending for these projects prudent. The Board notes that not all projects for this category were explicitly mentioned in the preceding paragraphs. If a project is not specifically addressed, it is because the Board considered that YEC’s costs associated with the project are reasonable. To ensure that actual capital spending to the end of 2021 is accurately reflected in rate base, the Board directs YEC include the updated costs for any projects that have been completed prior to or during the 2021 test year period. Costs for these projects will only be added to rate base once YEC provides the actual capital spending amount in the next GRA.”

Compliance Filing Application, Section 2.6.4, PDF page 36:

“These costs were included in ratebase as directed – see Table 1.1-3 which shows the adjustments to costs for the Atlin Hydro EPA Preparation Project and that it is being retained in WIP for 2021.”

YEC Round 2 consolidated IR Responses, Aug. 24, 2021, PDF page 156:

“The full scope of the legal work required by both YEC and AEY to develop the Program Rules, the EPA template and all of the other supporting documentation was not known at the time of preparing the budget.

The increased costs came from the legal costs working with AEY’s legal team (the first line item in the table) and YEC’s legal costs. The objective was to jointly develop the Standing Offer Program which was very technical in nature and required significant discussion and alignment to adapt the BC Hydro model to the Yukon.”

Request:

Please explain whether or not this project was completed prior to or in 2021 and indicate whether costs for the project were added to rate base.

YEC-YUB-13

Reference: Appendix A to Board Order 2022-03, PDF pages 73-74, paragraph 323; Compliance Filing Application, Table 1.1-3, PDF page 33; Compliance Filing Application, Section 2.6.4, PDF page 36; and YEC Round 2 consolidated IR Responses, Aug. 24, 2021, PDF pages 164

Issue: 10-Year Renewable Electricity Plan

Quote: Appendix A to Board Order 2022-03, PDF pages 73-74, paragraph 323:
“For all other costs in this category, the Board has reviewed the business cases and costs for projects in this category and finds the actual capital spending for

these projects prudent. The Board notes that not all projects for this category were explicitly mentioned in the preceding paragraphs. If a project is not specifically addressed, it is because the Board considered that YEC's costs associated with the project are reasonable. To ensure that actual capital spending to the end of 2021 is accurately reflected in rate base, the Board directs YEC include the updated costs for any projects that have been completed prior to or during the 2021 test year period. Costs for these projects will only be added to rate base once YEC provides the actual capital spending amount in the next GRA."

Compliance Filing Application, Section 2.6.4, PDF page 36:

"These costs were included in ratebase as directed – see Table 1.1-3 which shows the adjustments to costs for the Atlin Hydro EPA Preparation Project and that it is being retained in WIP for 2021."

YEC Round 2 consolidated IR Responses, Aug. 24, 2021, PDF page 164:

"The variance for 2020 was driven by savings in travel/internal labour for meetings held virtually instead of in-person due to COVID-19 restrictions, and savings in the actual costs required to finalize the technical report compared to the estimate."

Preamble: Table 1.1-3 does not appear to show the adjustments associated with the 10-Year Renewable Electricity Plan.

Request:

- (a) Please explain why cost updates for the 10-Year Renewable Electricity Plan were not included in Table 1.1-3.
- (b) Please explain whether or not this project was completed prior to or in 2021 and indicate whether costs for the project were added to rate base.

YEC-YUB-14

Reference: Appendix A to Board Order 2022-03, PDF pages 73-74, paragraph 323; Compliance Filing Application, Table 1.1-3, PDF page 33; Compliance Filing Application, Section 2.6.4, PDF page 36; and YEC Round 2 consolidated IR Responses, Aug. 24, 2021, PDF pages 165

Issue: Dam Safety Review

Quote: Appendix A to Board Order 2022-03, PDF pages 73-74, paragraph 323:
"For all other costs in this category, the Board has reviewed the business cases and costs for projects in this category and finds the actual capital spending for these projects prudent. The Board notes that not all projects for this category were explicitly mentioned in the preceding paragraphs. If a project is not specifically addressed, it is because the Board considered that YEC's costs associated with the project are reasonable. To ensure that actual capital spending to the end of 2021 is accurately reflected in rate base, the Board directs YEC include the updated costs for any projects that have been completed prior to or during the 2021 test year period. Costs for these projects will only be added to rate base once YEC provides the actual capital spending amount in the next GRA."

Compliance Filing Application, Section 2.6.4, PDF page 36:

“These costs were included in ratebase as directed – see Table 1.1-3 which shows the adjustments to costs for the Atlin Hydro EPA Preparation Project and that it is being retained in WIP for 2021.”

YEC Round 2 consolidated IR Responses, Aug. 24, 2021, PDF page 165:

“There is a shift of some work to 2021. The updated forecast is expected to be lower than the initial forecast as uncertainties in the initial forecast are firmed up as work progressed.”

Request:

Please explain whether or not this project was completed prior to or in 2021 and indicate whether costs for the project were added to rate base.

YEC-YUB-15

Reference: Appendix A to Board Order 2022-03, PDF pages 73-74, paragraph 323; Compliance Filing Application, Table 1.1-3, PDF page 33; Compliance Filing Application, Section 2.6.4, PDF page 36; and YEC Round 2 consolidated IR Responses, Aug. 24, 2021, PDF page 165

Issue: Building Condition Reports

Quote: Appendix A to Board Order 2022-03, PDF pages 73-74, paragraph 323:

“For all other costs in this category, the Board has reviewed the business cases and costs for projects in this category and finds the actual capital spending for these projects prudent. The Board notes that not all projects for this category were explicitly mentioned in the preceding paragraphs. If a project is not specifically addressed, it is because the Board considered that YEC’s costs associated with the project are reasonable. To ensure that actual capital spending to the end of 2021 is accurately reflected in rate base, the Board directs YEC include the updated costs for any projects that have been completed prior to or during the 2021 test year period. Costs for these projects will only be added to rate base once YEC provides the actual capital spending amount in the next GRA.”

Compliance Filing Application, Section 2.6.4, PDF page 36:

“These costs were included in ratebase as directed – see Table 1.1-3 which shows the adjustments to costs for the Atlin Hydro EPA Preparation Project and that it is being retained in WIP for 2021.”

YEC Round 2 consolidated IR Responses, Aug. 24, 2021, PDF page 165:

“Deferred to 2022 resulting from capital budget prioritization/constraints (overall volume of capital projects).”

Request:

Please confirm this project has not been added to rate base, given it has been deferred. If YEC has added this project to rate base, please explain the reasons for this addition.

YEC-YUB-16

Reference: **Appendix A to Board Order 2022-03, PDF pages 73-74, paragraph 323; Compliance Filing Application, Table 1.1-3, PDF page 33; Compliance Filing Application, Section 2.6.4, PDF page 36; and YEC Round 2 consolidated IR Responses, Aug. 24, 2021, PDF page 165**

Issue: **Whitehorse Diesel Rental Substation Improvements**

Quote: Appendix A to Board Order 2022-03, PDF pages 73-74, paragraph 323:

“For all other costs in this category, the Board has reviewed the business cases and costs for projects in this category and finds the actual capital spending for these projects prudent. The Board notes that not all projects for this category were explicitly mentioned in the preceding paragraphs. If a project is not specifically addressed, it is because the Board considered that YEC’s costs associated with the project are reasonable. To ensure that actual capital spending to the end of 2021 is accurately reflected in rate base, the Board directs YEC include the updated costs for any projects that have been completed prior to or during the 2021 test year period. Costs for these projects will only be added to rate base once YEC provides the actual capital spending amount in the next GRA.”

Compliance Filing Application, Section 2.6.4, PDF page 36:

“These costs were included in ratebase as directed – see Table 1.1-3 which shows the adjustments to costs for the Atlin Hydro EPA Preparation Project and that it is being retained in WIP for 2021.”

YEC Round 2 consolidated IR Responses, Aug. 24, 2021, PDF page 165:

“Deferred to 2022 resulting from capital budget prioritization/constraints (overall volume of capital projects).”

Request:

Please confirm this project has not been added to rate base, given it has been deferred. If YEC has added this project to rate base, please explain the reasons for this addition.