

**YUKON ELECTRICAL COMPANY LIMITED
2008-2009 GENERAL RATE APPLICATION**

**Utilities Consumers' Group
Information Request No. 1**

YUKON UTILITIES BOARD

EXHIBIT C3-b

DAY	ENTERED BY	DATE
	UCG	July 16/08

• **YECL 2008-09 APPLICATION**

Reference Sales and Revenue

For each ratepayer group:

1. Please provide the amount of income from demand charges for 2007 and proposed 2008,2009. Provide total of demand charges for each year.
2. Please provide the amount of income from energy charges for 2007 and proposed 2008, 2009. Provide total of energy charges for each year.
3. Please provide the amount of income from YEC shortfall rider R for 2007 and proposed 2008, 2009. Provide total of YEC shortfall rider R for each year.
4. Please provide the amount of income from Fuel Adjustment Rider J for 2007 and proposed 2008, 2009. Provide total of Fuel Adjustment Rider J for each year.
5. Please provide and explain any other income from each year 07-09.

Reference Sales of Land or Property in Yukon Electrical jurisdiction

6. Please provide all income from sale of lands or property of YECL since last GRA in 1996.
7. i. Please provide all income from sale of lands or property of Alberta Power Ltd. since last GRA in 1996.
ii. Please provide all income from sale of lands or property of Canadian Utilities Ltd.since last GRA in 1996.
8. Please provide all income from sale of lands or property of ATCO since last GRA in 1996.
9. Please provide all income from lease of lands or property of YECL and all of the above related affiliates.

Reference Affiliate or Inter-Party Transactions

10. Please confirm that YECL is a wholly-owned subsidiary of ATCO.
11. Please confirm that the equity holder and the debt holder for YECL are one and the same.
12. Please outline each related party transaction and reasons, for each test year.

Reference Rate Base

12. Please confirm that Foster Associates was hired and paid by the YECL to provide rate base evidence.
13. Please provide tendering process for contract of providing rate base evidence, how decision was made to hire particular provider, and how much this contract cost.
14. Please confirm that Foster Associates are general providers of rate base evidence for YECL and related affiliates.

15. Please give YECL rationale why Board should accept this evidence from a company that was sole-sourced and paid for by the applicant.

Reference Rate of Return

16. Please confirm that YECL can and does use deferral costs to maximize rate of return for any given year.
17. Please give and explain any deferral costs for each year since 2005 and how this has effected rate of return for each of the years.

Reference Operation and Maintenance Costs

18. For each of years 2007, 08 and 09 please **break-down each** of the various O&M costs (i.e. administration, labour, vacancy rate, non-labour, affiliate, taxes, depreciation, amortization of deferred costs, etc.) and give full explanation of any cost above three per cent of the preceding year.
19. For each of years 2007, 08 and 09 please **break-down each** of the administration costs and give full explanation of any cost above three per cent of the preceding year.

Reference Capital Additions

20. i. Please give \$ amounts for each test year to be invested on the new billing system.
ii. Please give \$ amounts and year previously spent on this program.
iii. Please give tendering process for new billing system program.
iv. Please explain if this was sole-sourced, how such policy would be of benefit to ratepayers.
21. i. Please give \$ amounts for each test year to be invested on the new meters initiative.
ii. Please give \$ amounts and year previously spent on this program.
iii. Please give tendering process for new meters program.
iv. Please explain, if this was sole-sourced, how such policy would benefit ratepayers.
22. Please explain how each of these investments is absolutely necessary for system function.
23. Please explain how these investments will be cost-effective for ratepayers.

Reference ROE Evidence

24. i. Please explain why capital structure of YECL should change from the normally accepted 40-60 split.
ii. Please give examples of other Canadian utilities' capital structure.
25. Please confirm that this change in YECL capital structure will increase both the rate of return and the debt interest for their parent company to the detriment of ratepayers.
26. Please explain how this new 47.5-52.5 capital structure split will have benefits for the YECL customers/ratepayers.
27. Please explain how raising the ROR an extra 5 basis points for the extra risk premium, cited by Foster evidence, benefits YECL customers/ratepayers.
28. Please provide YECL rationale for not including performance-based mechanisms in rate of return evidence.

Reference Rate Base and Return

29. Please provide chart giving rate base #s for each year since 1996 GRA.
30. Please provide chart giving rate of return percentage and \$amounts for each year since 1996 GRA.
31. Please provide examples of rates of return for other utilities for each year since last 1996 GRA.

Reference Rate Case Costs

32. Please explain rate case costs of \$75K documented each year for the 2006 actual and 2007 forecast.
33. Please explain rate case costs of \$86K documented each year for 2008 and 2009 test periods.

• **UPDATED YECL INFORMATION**

Reference Schedule 1.1

34. Please explain why diesel fuel costs escalate by almost double from 2007 actuals to test years, as diesel fuel price increases are covered under fuel adjustment rate rider.
35. Please explain escalation in depreciation for 2009 test year.
36. Please explain why YECL can no longer sustain costs, so as to not increase rates, when this schedule clearly demonstrates a healthy forecasted increase in revenues.

Reference Schedule 2.1

37. Please explain who the two wholesale customers are.

Reference Schedule 3.2

38. Please explain what losses and company used means.

Reference Schedule 4.1

39. Please explain why diesel fuel usage does not drop more for test year 2009 as Pelley is scheduled to go on-grid.
40. Please explain if any of the YECL diesel plants use cogeneration. If not why not.

Reference Schedule 5.2, p.1

41. Please explain 10% inflation index on Supervision and Engineering Diesel and 8% on Diesel Generation.

Reference Schedule 5.2, p.2

42. Please explain why Brushing costs proposed increase some 100% since 2005.
43. Please explain why main reason for increases from 07 to 08 is inflation costs of some 5 to 8% for Brushing, Maintenance and Underground Maintenance.

Reference Schedule 5.2, p.3

44. Please explain why Street Light Maintenance increase some 75% from 2005.
45. Please explain why IT costs are listed twice from 2007 to 2008, once on p.3 Public Information and once on Schedule 5.3 Administration Expense ATCO I-Tek.

46. Please explain why Supervision staffing levels would have to increase when a new billing system is being implemented to improve efficiency.

Reference Schedule 5.2, p.4

47. Most increases on this schedule in test years are due to inflation. Please give rationale for such an inflation increase.
48. Please explain why there will be a cost increase to implement new ATCO-CIS billing system from 2007 to 2008.
49. Please explain why costs are schedule to increase for impact on new ATCO-CIS billing system from 2008 to 2009 when conversion is to be completed by 2008 and the general purpose of this system is to produce efficiencies.
50. For Revenue Collections please explain how accepting credit cards will increase costs.

Reference Schedule 5.2, p.5

51. Please explain why YECL proposes to charge \$750,000 for this application and then charge again on Administrative costs from 2007-2008 due to increased head office support for these regulatory processes.
52. Please explain why Administrative Corporate cost increase from 2007-2008 due to absence of credits for regulatory awards when corporate lawyer was paid full costs for last regulatory process and this particular application has not been awarded yet.

53. Please explain why Employee Expenses are proposed to increase some 280% since 2005.

54. Please explain why YECL proposes such an inflationary increase in audit fees in test years.

Reference Schedule 5.3

55. Please explain why After Hours Answering costs are to be charged twice, once in Supervision-87000 and again in Affiliate Company-712000.
56. Please explain why IT to ATCO affiliate costs proposed increase 165% since 2003.
57. Please explain why Billing system service from ATCO affiliate proposed to increase 150% from 2005 if this new system is to be cost-effective.
58. Please explain any Affiliate Company cost increase greater than 3% from 2007-2008 and from 2008-2009.

Reference Schedule 7.1

59. Please explain Depreciation Expense proposed increase of 130% since 2005.

Reference Schedule 8.3

60. Please explain the reasons for proposed borrowing of T and U Series for each test year.
61. Please explain the projected interest rate of 6.55%.
62. Please confirm these loans from affiliate, Canadian Utilities or ATCO.

Reference Schedule 8.4

63. Please explain 300% increase in Other Post Employment Benefits from 2003 to 2009.

Reference Schedule 8.5 and 8.6

64. Please explain proposed increases in Property, Plant and Equipment for each test year.

65. Please explain proposed increases in Accumulated Depreciation for each test year.

Reference Schedule 8.7

66. Please explain why the costs of meter replacements are over \$4million while the retirement of

these same number of meters are less than \$1 million.

Reference Schedule 8.8

67. Please explain this schedule in laymans terms.

Reference Schedule 8.10

68. Please explain large increase in utility expenses from 2007 to 2008.

Reference Schedule 8.11

69. Please explain what is meant by Contribution in Aid of Construction.

Reference Schedule 9.1

70. Please explain Land and Buildings Additions for each test year.

Reference Schedule B Maximum Company Investment (MCI)

71. Please compare YECL MCI with other private companies in other jurisdictions.