

YUKON UTILITIES BOARD		
EXHIBIT C2-8		
DAY	ENTERED BY	DATE
	City of whse	Aug 29/08



B R O W N L E E L A W
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August 29, 2008

Yukon Utilities Board
Box 31728
Whitehorse, Yukon, Canada
Y1A 6L3

Attention: Ms. Wendy Shanks, Chair

Dear Ms. Shanks:

Re: City of Whitehorse Application for Board Order

The City of Whitehorse (CW) is applying to the Yukon Utilities Board pursuant to Section 13(3) of the Board's Rules of Practice which states:

"Where the party requesting the information is unsatisfied with the response or with the reasons for a response not being provided, that party may apply to the Board for an order settling the response."

The City of Whitehorse is of the view that Yukon Electrical Company Ltd. (YECL) did not provide appropriate responses to several of CW's information requests. These information responses are discussed individually below.

As the Board will see, these particular CW Information Requests seek forecast information from the years 2003 through 2007. The purpose of these CW Information Requests is to gather information on the forecasting and budgeting practices from past years and compare them to actuals to shed light on the forecasting/budgeting accuracy track record of the Company. CW submits that it would be helpful to the Board and intervenors to assess the Company's past forecasting or budgetary accuracy in assessing whether the forecasts for 2008 and 2009 can be depended upon.

However, YECL states in its responses that this information is not available because the years 2003 through 2007 were non-test years. For example, YECL states in CW-YECL 45(a), with regard to capital additions, “There were no approved forecasts for 2003-2007 as these were not test years.”

CW submits that YECL, in stating that there were no “approved forecasts” for these periods, is merely being evasive and engaging in a semantic exercise, and not addressing the self-evident spirit of the questions. The questions do not use the phrase “approved forecasts”. The insertion of the word “approved” is done by YECL apparently to provide an excuse for not providing information. CW considers that it is self evident that YECL must have an annual budgeting process in place utilizing forward forecasts for the next budgeting year. CW submits that at a minimum, and in keeping with Section 13 (2) of the Rules of Practice, it would be appropriate for YECL to provide budget numbers that were used in the budgeting process prior to each of the specified calendar years in response to these requests.

CW notes that pursuant to Section 13 (2) of the Board’s Rules of Practice: “a party unable to provide a full and adequate response to an information request” is required to “provide such alternative available information as the party considers would be of assistance to the party requesting the information.” In CW’s submission, in several instances, YECL has failed to make any effort to fulfill this requirement, by providing the forecast information that must have been incorporated into its annual budgets.

CW submits that, when a utility has not been before its regulator for ten years, the non-test years are of interest to all interested parties. CW considers that this information could be provided by the Company with reasonable effort and, therefore, the requested information should be made available.

Of course, CW could pursue this information in cross examination at the hearing, but it would be far more efficient for all concerned to obtain this information now and place it on the record where the Board and all parties can properly examine and analyze it prior to the hearing.

Specifically, CW has concerns with the responses to the following information requests:

CW-YECL-11 a), b) & c) – Energy Sales by Customer Class, Table 1, p.2-1

CW requests in a) and b) that Table 1 be expanded to include forecast sales for 2006 & 2007 and actual and forecast sales for 2003 through 2005. YECL responds that 2003 through 2007 were non-test years, so no forecast is available. CW submits that the budget numbers used in the budgeting process prior to each of the specified calendar years would be appropriate for YECL to use to expand this table as requested. CW requests that explanations be provided for variances greater than 10% between budgeted and actual energy sales for the years 2003 through 2007 as per part c).

CW-YECL-20 a) & b) – Summary of Customers, Energy Sales and Revenues

CW requests in a) that Schedule 2.1 be expanded to include forecasts and actuals for 2005-2007. YECL responds that forecasts for 2003-2007 are not available because those years were non-test years. CW submits that budget numbers used in the budgeting process prior to each of the specified calendar years would be appropriate for YECL to use to expand this schedule as requested. CW requests that explanations be provided for any variances between budgeted and actual greater than 10% as per the information request.

CW-YECL-21 a) – Purchase Power Expense and Deferral Account

CW requests in a) the actual and forecast monthly billing determinants for purchased power expense for 2004-2009. YECL responds that forecasts for 2004-2007 are not available because those years were not test years. CW submits that budget numbers used in the budgeting process prior to each of the specified calendar years would be appropriate for this response.

CW-YECL-27 a) & b) – Operations & Maintenance Expenses

CW requests in a) the actual and forecast headcount at year-end 2003-2009 and the number of actual and forecast FTE's for each of those years. YECL responds that no approved forecasts are available for 2003-2007 as these years were non-test years. CW submits that headcount and FTE numbers used in the budgeting process prior to each of the specified calendar years would be appropriate for this response.

In b), CW requests the total labour expense forecast to be charged to each of O&M, capital and other for each of 2003-2009. YECL responds that no forecasts are available for 2003-2007 as these are non-test years. CW submits that numbers used in the budgeting process prior to each of the specified calendar years would be appropriate for this response.

CW-YECL-30 b) – Operations & Maintenance Expenses

CW requests that Schedule 5.1 be expanded to include forecast amounts for each line item for 2003 through 2007 and that an explanation be provided for any variances between forecast and actual greater than 10%. YECL responds that there are no approved forecasts for 2003-2007 as this was not a test period. As such the information can not be provided. CW submits that the numbers used in the budgeting process prior to each of the specified calendar years would be appropriate for YECL to use to expand this schedule as requested. Explanations for any variances between budgeted and actual greater than 10% should be provided as per the information request.

CW-YECL-45 a) & b) – Capital Additions Forecasting Accuracy

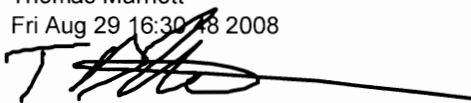
CW requests that Schedule 9.1 (S9.1 in Excel file, Schedule 9 in Application) be expanded to include actual and forecast plant additions for 2003 and 2004 and also forecast additions for 2005 to 2007. YECL does not provide any forecast or budget information, stating that there were no approved forecasts for 2003 -2007 because these were not test years. CW submits that capital addition numbers used in the budgeting process prior to each of the specified calendar

years would be appropriate for YECL to use to expand this schedule as requested. CW requests that explanations be provided for any variances between budgeted and actual greater than 10% as per part b).

Yours truly,

BROWNLEE LLP
PER:

Thomas Marriott
Fri Aug 29 16:30:48 2008

A handwritten signature in black ink, appearing to read 'T. Marriott', followed by a long horizontal line extending to the right.

THOMAS D. MARRIOTT