



THE YUKON ELECTRICAL COMPANY LIMITED

An **ATCO** Company

September 2, 2008

Yukon Public Utilities Board
Box 31728
Whitehorse, YK Y1A 6L3

Attention: Ms. Wendy Shanks
Board Chair

YUKON UTILITIES BOARD		
EXHIBIT B-8		
DAY	ENTERED BY YECL	DATE Sept 2/08

Dear Ms. Shanks:

**Re: Yukon Electrical Company Limited 2008-2009 GRA
Response to Requests for Further Information**

Yukon Electrical has received submissions from Utilities Consumer Group (UCG), Yukon Energy Corp (YEC) and the City of Whitehorse (CW) relating to certain responses by Yukon Electrical to information requests. Intervener issues are dealt with as follows:

Process:

YEC claimed that Yukon Electrical did not follow the process established by the Board by quoting from Board Order 2008-5 as follows:

The Board reserves the right to determine if additional historical information is relevant in specific instances. If parties request specific historical information from YECL in addition to that directed by the Board, the Board will deal with any objections by YECL as they arise.

Yukon Electrical submits that the totality of what the Board said in Board Order 2008-5 is relevant and must be considered when examining the adequacy of the responses provided by Yukon Electrical. The Board also stated:

The Board has not presently been persuaded that historical information for all 10 years since YECL's last GRA is relevant or helpful in assessing the forecasts for the 2008 and 2009 test years.

The Board also went on to state:

However, the Board agrees that some additional historical information is relevant and would be helpful. In particular, the Board considers that for certain items such as load forecast and continuity of capital additions, five

years of historical data are helpful. Therefore the Board considers that actuals for 2003-2005 should be provided to assist the Board and parties in assessing the Application.

Yukon Electrical considered all of the above when providing responses to the approximately 700 information requests received as part of the GRA filing. Yukon Electrical attempted to provide additional historical information in circumstances where it could arguably assist in or impact the applied for revenue requirement for the 2008 and 2009 test years. As a result, Yukon Electrical provided information going back to 1996-1997 for those matters that could be considered to have an impact on the revenue requirement in the test periods. These matters included accounting policy changes since 1996-1997 and capital additions since 1996-1997.

The IRs where information prior to 2003 was provided are:

YEC-YECL-21(c), YEC-YECL-22(a), YEC-YECL-25(a), YEC-YECL-39(c),
YEC-YECL-42(a), YEC-YECL-49(a), YEC-YECL-50(b), YEC-YECL-54(a)
LE-YECL-19, LE-YECL-29, LE-YECL-37
YUB-YECL-1(g), YUB-YECL-4, YUB-YECL-5, YUB-YECL-28

The IRs outlined in YEC's August 29, 2008 letter do not relate to matters impacting the revenue requirement in the test period, such as account policy matters or capital additions. As such, Yukon Electrical in accordance with the direction provided by the Board does not believe this information is required to test the reasonableness of the revenue requirement in the test period. Adequate information regarding these matters has already been provided.

As well, YEC requests that certain information relating to 1996-1997 be presented in the same format and schedule as the current application. In Board Order 2008-5 the Board acknowledged Yukon Electrical's concern with providing this information when it stated:

The Board acknowledges YECL's concern that pre-2005 data are not in a comparable format. Therefore the Board has determined that YECL shall provide complete historical information only for 2005.

For these reasons, Yukon Electrical is not providing the information requested by YEC.

Level of Detail Provided:

YEC claims that the experience in another province is not relevant for a Yukon based utility regulated by the Yukon Utilities Board when determining what level of detail should be provided. While acknowledging the independence of the YUB, Yukon Electrical submits that the experience in Alberta should be and indeed is very relevant to the proceedings in the Yukon. This is particularly true when there is limited recent experience regarding the level of detail typically provided to support a GRA. In these

circumstances, guidance can be obtained by observing the practices of other jurisdictions.

YEC states in its letter that it has requested a functional split of labour and non-labour. If this is the case then Yukon Electrical has provided this information in its response to CW-YECL-25(c).

Yukon Electrical does not believe it is necessary to provide additional information at the activity level.

2008 Data:

YEC is requesting updated results where feasible for 2008. As Yukon Electrical stated in its responses, providing partial year actual results which are not reflective of full year performance would be misleading. Yukon Electrical is operating under the forward test year method of regulation and partial year information was not used when the application was filed. The best information that was available at the time was used to prepare the test year forecasts. If this approach of using partial year information was followed, one could repeatedly update throughout the whole process. This is not how the method of regulation works. As well, in setting rates on a prospective basis, the temptation to look at partial year results, which as is stated above would be misleading, should be resisted.

Schedules with Alternate Scenarios:

Yukon Electrical stated "any number of combinations have been or could have been requested and the information is readily available through the spreadsheets provided in the application." YEC did not dispute this, however, YEC's concern with Yukon Electrical not providing schedules with alternate scenarios is that it fails to consider the evidentiary process all parties are currently engaged in.

Yukon Electrical is well aware of the evidentiary process all parties are engaged in and, should YEC wish to provide evidence using these alternate scenarios, then it can submit such evidence in accordance with the Board's timetable for this proceeding and justify why the approach taken is considered reasonable.

Approved Forecasts:

The City of Whitehorse submitted 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." As such, CW requested that Yukon Electrical use internal budget numbers for those IRs that asked for forecasts.

Yukon Electrical takes exception to these unwarranted accusations. Yukon Electrical is stating the facts, as they actually exist, which are that there are no forecasts on the

public record, approved or otherwise for the period being discussed. Yukon Electrical is simply not in a position to produce forecast for those years. Internal budget forecasts are confidential and have never been produced on the public record and are not relevant or appropriate for comparison to actuals provided in the schedules included in this rate application.

Finally, Yukon Electrical submits the following regarding the Utilities Consumers Group ("UCG") request for further information:

UCG-YECL-04: Rider F

Yukon Electrical has provided the requested information for 2007. The information for 2008-2009 is not available.

UCG-YECL-06: Yukon Electrical land sales

Yukon Electrical has provided the requested information in accordance with Board Order 2008-5. Yukon Electrical notes that in accordance with recent Court Decisions gains and/or losses on non-depreciable property go to the account of share owners.

UCG-YECL-07 to 09: Yukon Electrical affiliate land sales

The sale of land by Yukon Electrical affiliated companies is not relevant to the Yukon Electrical application.

UCG-YECL-29 to 31: Rate Base and Return

Yukon Electrical has provided the requested information in accordance with Board Order 2008-5.

UCG-YECL-32 to 33: Rate Case costs

Yukon Electrical has provided a response for Rate Case costs, which the question references. It seems the numbers in the request are concerning the Reserve for Injures and Damages.

Summary:

Yukon Electrical has filed a rate application which provided Schedules with more extensive detail than has previously been provided to the Yukon Utilities Board. As well, Yukon Electrical has responded to approximately 700 information requests.

As Yukon Electrical has the onus to provide sufficient evidence to test the reasonableness of its forecasts, Yukon Electrical believes that there is sufficient evidence on the record with respect to the revenue requirement forecasts in the test period and that no further responses are required.

Yours truly,

Original Signed by

David Freedman
Director, Regulatory