



LEGAL ADVISORS  
SINCE 1892

YUKON UTILITIES BOARD		
EXHIBIT C1-7		
DAY	ENTERED BY YEC	DATE Aug 29/08

FROM THE OFFICE OF P. John Landry  
DIRECT LINE 604.643.2935  
DIRECT FAX 604.605.3588  
E-MAIL john\_landry@davis.ca

FILE NUMBER 84813-00101

August 29, 2008

Ms. Wendy Shanks, Chair  
Yukon Utilities Board  
Box 31728  
Whitehorse, Yukon Y1A 6L3

Dear Ms. Shanks:

**Re: Yukon Energy Application - Request for Further Information**

---

**Overview of Yukon Energy's Application**

Upon its initial review of the YECL's responses to Yukon Energy's Information Requests, Yukon Energy has identified several categories of YECL's responses where information requested relevant to YECL's application was not provided. Yukon Energy is seeking an Order pursuant to Rule 13(3) that YECL provide the information requested.

**Inadequate Responses from YECL**

The categories of responses referred to above are as follows:

**1. YECL cites Board Order 2008-5 as a rationale for not providing information prior to 2003.**

In several of YECL's responses, YECL has refused to provide information prior to 2003, noting that Board Order 2008-5 confirmed that YECL was not required to provide information prior to 2003 to test the revenue requirement. As previously noted by Yukon Energy, this is an inaccurate reading of Board Order 2008-5 and the process established therein. In that Order, the Board did not conclude that relevant pre-2003 information did not have to be provided in response to intervenor information requests, and specifically reserved the right to determine if additional historical information was relevant in specific instances. With regard to process, the Board noted as follows:

If parties request historical information from YECL in addition to that directed by the Board the Board will deal with any objections by YECL as they arise.

Given that YECL did not follow the process set out by the Board in its Order, it should be ordered to either provide the pre-2003 information requested or provide a rationale in each instance as to why the pre-2003 information is not relevant.

Outside of the broad issue related to the interpretation of Board Order 2008-5, there is a specific concern related to YECL's failure to provide data for the 1996 and 1997 Test Years. Since current rates are based on the 1996 and 1997 Test Years, this information is material to any review of YECL's current rate application. Precedent for this may be found in Yukon Energy's 2005 Required Revenues and Related Matters Application where Yukon Energy was asked to provide similar information for past GRA test years and did so (see for example McMahon-YEC-1-13(a) filed during the 2005 proceeding).

This issue affects the following IRs:

- (i) pre-2003 information generally
  - YEC-YECL-3 (b)
  - YEC-YECL-13 (a) (b) (d) (e)
  - YEC-YECL-45 (d) (e) (g)
  - YEC-YECL-48 (a)
  - YEC-YECL -50 (a)
  - YEC-YECL-52 (a)
  - YEC-YECL-53 (a)
  - YEC-YECL 54 (a)
- (ii) 1996/97 test year information
  - YEC-YECL-1 (a)(i)
  - YEC-YECL-2 (e)
  - YEC-YECL -5 (d)
  - YEC-YECL-8 (i)
  - YEC-YECL 45 (b)

***It is also noted that in order for intervenors to be able to test this information relating to the 1996/97 test years it is necessary that it be presented in the same format and schedule as the current application.***

**2. YECL cites experience in Alberta as rationale for not providing level of detail requested in YEC-YECL-8(a).**

YECL has noted in one response that the level of detail that was requested is not necessary to test the revenue requirement and further that the level of detail is not required by regulators in Alberta. How YECL-sister companies are regulated in another province is not relevant to how a

Yukon-based utility is regulated by the Yukon Utilities Board. The Yukon Utilities Board has its own practices and regulatory precedents, and is not bound by information requirements or practices established by other regulators in other jurisdictions.

Yukon Energy has requested a functional split of labour and non-labour costs because each category has different types of cost drivers and cost implications, and it is necessary to test the degree to which O&M expenses by function are being driven by labour or non-labour costs.

This affects the following IR:

- YEC-YECL-8 (a)

### **3. YECL refuses to update information to provide actual data for 2008.**

YECL has refused in several responses to provide actual data for 2008, stating that, partial year actual results are not reflective of full year performance. However, it is common practice for utilities to update filings to provide actual results. Providing updated results where feasible for 2008 clearly will assist the Board and intervenors in assessing the accuracy of YECL's current forecast.

This affects the following IRs:

- YEC-YECL-4 (f)
- YEC-YECL-5 (j)
- YEC-YECL-16 (d)

### **4. YECL refuses to provide schedules with requested alternate scenarios.**

YECL has refused to provide responses to questions requesting that schedules be prepared using different assumptions stating that, "any number of combinations have been or could have been requested and the information is readily available through the spreadsheets provided in the application." YECL's rationale in this regard seems to be that intervenors have been provided with the Excel spreadsheets and may run as many different scenarios using as many different assumptions as desired. This response fails to consider the evidentiary process all parties are currently engaged in. Yukon Energy has simply requested that certain specific scenarios be placed upon the record by YECL. Further, the approach adopted by YECL does not accord with the way in which this type of request was dealt with in previous GRAs or other applications.

This affects the following IRs:

- YEC-YECL-39 (i)
- YEC-YECL-40 (a) and (b)

If the Board has any questions regarding this application, please contact me.

Yours truly,

**DAVIS LLP**

Per:

A handwritten signature in black ink, appearing to read 'P. John Landry', is written over a light gray rectangular background.

**P. John Landry**

PJL/sas